An Evaluation of the Strategic Responses of SMEs during an Economic Recession: An Examination of the Cypriot retail clothing sector during the 2008 recession

by

Fanos Tekelas

A thesis submitted in partial fulfilment for the requirements for the degree of Doctor of Philosophy at the University of Central Lancashire

June 2018

uclan
University of Central Lancashire

STUDENT DECLARATION FORM

Concurrent registration for two or more academic awards

I declare that while registered as a candidate for the research degree, I have not been a registered candidate or enrolled student for another award of the University or other academic or professional institution

Material submitted for another award

I declare that no material contained in the thesis has been used in any other submission for an academic award and is solely my own work

Collaboration

Where a candidate's research programme is part of a collaborative project, the thesis must indicate in addition clearly the candidate's individual contribution and the extent of the collaboration.

Signature of Candidate

Type of Award **Doctor of Philosophy (Ph.D)**

School **Lancashire School of Business and Enterprise**

ABSTRACT

Although much work has been dedicated to SMEs' strategic responses, there is still a lack of research upon the SMEs' strategic responses during an economic recession. This thesis focuses on the under-researched smaller European economy of Cyprus. The decision of Cyprus to join the European Union in 2004 and the single European currency have impacted upon the policy response to the recession which has created certain challenges for SMEs.

The aim of this thesis is to explore the strategic decision-making process in Cypriot family owner-managed SMEs with special reference to the fashion retail sector which is still under-researched. The research is guided by the conceptual framework developed from the findings of the literature review which give rise to a number of research questions. The thesis employs a qualitative approach with the use of six case studies of fashion retail family owner-managed SMEs in Cyprus. The data collection comprised of a screening survey questionnaire and a series of in depth semi-structured interviews, which seek to uncover the richness of the living experiences of owner-managers during the recession.

The findings of this study show that the strategic decision-making process in Cypriot fashion retail SMEs is affected by a series of internal and external factors during the latest recession. The former includes the factors of the ownership structure and characteristics while the latter factors may incorporate the degree of competition and access to funding. The bail in and bail out deal which led to a 'haircut' on banks' savings in March of 2013 has affected the decision-making process of SMEs and their ability to strategically respond to the recession. The thesis suggests that Cypriot entrepreneurs give a different perspective on their strategic priorities while ownership structure and characteristics influence their strategic responses differently.

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION......1
1.1 The Rationale for the Research......1
1.2 General Context of the Research......2
1.3 Aim, Research Questions and Objectives of the Thesis......3
1.4 Structure of the Thesis......8
CHAPTER 2: CONTEXTUALISING THE STUDY: THE CYPRIOT ECONOMY AND THE EFFECTS FROM THE RECESSION......11
2.1 Introduction......11
2.2 Cyprus in the Crossroad of Three Continents......11
2.3 The Cypriot Business Economic Prosperity......13
2.4 SMEs in Cyprus......15
2.4.1 Retail SMEs......19
2.5 History of Economic Recessions......20
2.5.1 The 2008's Economic Recession......22
2.6 The Impact of the Recession on Mediterranean Economies: The Case of Cyprus......24
2.6.1 The Bail in and Bail out......27
2.6.2 The Impact of the Recession on the Cypriot Retail Market......29
2.6.3 Fashion Retail Industry: The Effects of the Recession......30
2.7 Chapter Summary......32
CHAPTER 3: LITERATURE REVIEW- SMALL BUSINESS STRATEGIC PLANNING AND STRATEGIC RESPONSES DURING RECESSION......34
3.1 Introduction......34
3.2 Strategic Planning......36
3.2.1 Strategy as Practice......41
3.3 Linking Strategy to Entrepreneurship......43
3.3.1 Strategic Decision Making (SDM) in Entrepreneurship and SMEs......48
3.3.2 Summary......56
3.4 SME Strategy......57
3.4.1 SMEs' Life Cycle: The Five Stages......58
3.4.2 Characteristics of Ownership and Managerial role......61
3.4.3 Competitiveness and the Environment......66
3.4.4 Principles of Evolution......69

3.4.5 Flexibility and Adaptation 72
3.4.6 Resource constraints and Innovation 74
3.4.7 Small 'lifestyle' Oriented Firms 78
3.5 Strategic Direction During an Economic Recession 87
3.5.1 Flexibility During Recessionary Periods 87
3.5.2 Turnaround Strategies 88
3.5.3 Cost-Cutting: The right Choice or a Mistake? 93
3.5.4 Repositioning Human Resource Management Strategy 95
3.5.5 Summary 101
3.6 SMEs Responses to the Latest Recession 102
3.6.1 SMEs' Responses: Retrenchment or Revenue Generation Strategies? 103
3.6.2 Flexibility and Resource Constraints 106
3.6.3 SMEs' Responses in Urban and Rural areas 108
3.6.4 External Support: Seeking Finance 109
3.6.5 SMEs' changes in Human Resource Management 112
3.7 Chapter Summary 114
CHAPTER 4: LITERATURE REVIEW- THE RETAIL SECTOR AND THE FASHION INDUSTRY 117
4.1 Introduction 117
4.2Competitive Strategies of Retail SMEs 117
4.2.1 Customer Relationship Management (CRM) 122
4.2.2 Customer Service and flexibility: Sources for Advantage 124
4.3 The Competitive Strategies of Fashion Retailers 128
4.3.1 Differentiation and Own Brand Development 129
4.3.2 Fast Fashion: Flexibility and Responsiveness 131
4.3.3 E-Business/ E-commerce 133
4.4 Chapter Summary 135
CHAPTER 5: METHODOLOGY 139
5.1 Introduction 139
5.2 Research Objectives 140
5.3 Philosophical Considerations 143
5.4 Bracketing the Research Area 147
5.5The Foundations of Phenomenology 149
5.6 Phenomenological Process 155

5.7 Case Study Method 158
5.7.1 Size Sample and Selection of Cases 160
5.8Fieldwork Stage...162
5.8.1 Fieldwork: Second Stage 164
5.9 Analysis Procedure of Data...165
5.10 Achieving Validity 167
5.11 Chapter Summary...168
CHAPTER 6: ANALYSIS OF DATA...170
6.1 Introduction 170
6.2 Case Study 1 175
6.2.1 Profile of the Company..175
6.2.2 Business Environment and Strategy during the Pre-recession Period...................177
6.2.3 Strategic Changes to Cope with the Recession 179
6.2.4 Factors Affecting the Strategic Decision-Making Process during Recession 185
6.2.5 Summary..191
6.3 Case Study 2...192
6.3.1 Profile of the Company..192
6.3.2 Business Environment and Strategy during the Pre-recession Period...................193
6.3.3 Strategic Changes to Cope with the Recession 195
6.3.4 Factors Affecting Strategic Decision-Making Process During Recession 201
6.3.5 Summary..208
6.4 Case Study 3...210
6.4.1 Profile of the Company..210
6.4.2 Business Environment and Strategy during the Pre-recession Period...................211
6.4.3 Strategic Changes to Cope with the Recession 212
6.4.4 Factors Affecting Strategic Decision Making Process during Recession 215
6.4.5 Summary..219
6.5 Case Study 4...220
6.5.1 Profile of the Company..220
6.5.2 Business Environment and Strategy during the Pre-recession Period...................222
6.5.3 Strategic Changes to Cope with the Recession 223
6.5.4 Factors Affecting Strategic Decision-Making Process During Recession 228
6.5.5 Summary..233

6.6 Case Study 5 234
6.6.1 Profile of the Company 234
6.6.2Business Environment and Strategy during the Pre-recession Period 236
6.6.3 Strategic Changes to Cope with the Recession 237
6.6.4 Factors Affecting Strategic Decision-Making Process During Recession 240
6.6.5 Summary 244
6.7 Case Study 6 246
6.7.1 Profile of the Company 246
6.7.2Business Environment and Strategy during the Pre-recession Period 247
6.7.3 Strategic Changes to Cope with the Recession 248
6.7.4 Factors Affecting Strategic Decision-Making Process During Recession 250
6.7.5 Summary 253
6.8 Chapter Summary 255
CHAPTER 7: EVALUATION OF FINDINGS 258
7.1 Introduction 258
7.2 Business Environment 258
7.3 Organisational and Ownership Structure 262
7.4 Ownership Characteristics 268
7.5Retail Location and High Streets 271
7.6Size and Age 272
7.7 Staff 273
7.8 Entrepreneurial, Firm and Family Culture 274
7.9 Owner-managers' perspectives and Response time 276
7.10 Strategic Responses 281
7.11Meeting the Research Objectives 286
7.12 A Conceptual Model of Strategic Decision-making Process during an Economic Recession 289
7.13Implications 292
7.14Limitations 295
7. 15 Future Research 298
7.16 Conclusion 299
REFERENCES 301
APPENDICES 352

LIST OF TABLES

Table 2. 1 Cyprus SMEs 16
Table 2. 2 Importance of Cypriot SMEs compared to other European States 17
Table 2. 3 Births and Deaths of Enterprises in Cyprus compared to European Countries 18
Table 2. 4 European Retail SMEs 19
Table 2. 5 Banking Crises in Europe 21
Table 2. 6 European Countries Receiving Financial Assistance (only from ESM) 24
Table 2. 7 ESM financial assistance to Cyprus 28
Table 2. 8 Impact of recession on European Retail Industries (Percentage of Change %) 29
Table 3. 1 The Evolution of the definition of Strategy 37
Table 3. 2 Ten Schools of Thought 39
Table 3. 3 An Early model of Strategic Decision-Making Process 49
Table 3. 4 Factors Influencing the ESDM 51
Table 3. 5 Characteristics and advantages of SMEs and Large Companies 77
Table 3. 6 Characteristics of Growth and Non Growth Oriented Small Business Owners 84
Table 3. 7 Characteristics of Growth and Lifestyle oriented Small Businesses 86
Table 3. 8 Actions of SMEs in 2008-09 compared with 2010 105
Table 4. 1 Key studies of Fashion Retailing 137
Table 5. 1 Implications of Positivism and Social Constructionism 145
Table 5. 2 Characteristics of Phenomenology as a Methodology 151
Table 5. 3 Strategies of Purposeful Sampling 161
Table 5. 4 Criteria for the Selection of Case Studies 162
Table 6. 1 Profile of case studies and Research Participants 171
Table 6. 2 Number of Cypriot fashion retail firms per size 174
Table 6. 3 Number of fashion retail stores per Cypriot District 174
Table 7. 1 Level of Affection by the recession and strategic responses of case studies 261
Table 7. 2 Factors leading to offensive versus defensive strategic approach 278
Table 7. 3 Combination of the best factors affecting the strategic decision-making process that lead to rapid response and recovery 281

LIST OF FIGURES

Figure 2. 1 Timeline of Historical Events..12
Figure 2. 2 Cyprus' GDP Distribution..14
Figure 2. 3 Cyprus Imports..15
Figure 2. 4 Length of Recessions..21
Figure 2. 5 GDP Growth of European Countries..23
Figure 2. 6 GDP Growth percentage of Greece..25
Figure 2. 7 Unemployment and Debt of Cyprus 2000-2015..26
Figure 2. 8 Cyprus GDP Growth during Recession (%)..26
Figure 2. 9 Cyprus Retail Market..30
Figure 2. 10 Turnover of Clothing Retail..31
Figure 2. 11 Retail Trade of Clothing and Footwear..32
Figure 3. 1 Strategy as Practice Framework..42
Figure 3. 2 An Integrated model of Strategic Entrepreneurship..45
Figure 3. 3 Entrepreneurial Decision-making Process..52
Figure 3. 4 Strategic Decision-making Model for SMEs..53
Figure 3. 5 SDM process in Australian SMEs..55
Figure 3. 6 The Stages of Small Businesses' Life Cycle..59
Figure 3. 7 The Application of Generic Strategies in SMEs..69
Figure 3. 8 Turnaround Strategies Framework..89
Figure 3. 9 Turnaround Strategies during Recession..91
Figure 3. 10 Workplaces mostly affected by the Recession..96
Figure 3. 11 Workplaces managers' reports: 'The workplace is now weaker because of the recession'..97
Figure 3. 12 Basic Employment responses to the recession (percentage %)..98
Figure 3. 13 Changes in the Organisation in 2009 (percentage %)..99
Figure 3. 14 Companies' Responses to the Recession..102
Figure 3. 15 SMEs obtaining financial support in 2004 and 2008..110
Figure 3. 16 Difficulties in obtaining finance during the pre-recession and during (Percentage of SMEs)..111
Figure 3. 17 Difficulty of obtaining finance during the recession..112
Figure 3. 18 SMEs' Planned Changes in the workforce size between 2010-2012..113
Figure 3. 19 Pay freezes or cuts in the workplace 2004-2011 (per cent)……………………..114
Figure 5. 1 Conceptual framework derived from the literature review findings..142

Figure 5. 2 The relationship between noesis and noema 152
Figure 6. 1 Location of Stores...172
Figure 6. 2 An interpretation by the ownership and management team of factors leading to relocation-Company 1...187
Figure 6. 3 Company 3: Owner-managers' Interpretation of Factors and Responses...........217
Figure 6. 4 Response versus formality..256
Figure 7. 1 Ownership structure leading to better performance 264
Figure 7. 2 Combination of strategic responses leading to better performance.....................286
Figure 7. 3 Strategic decision-making process in SMEs model 290

ACKNOWLEDGEMENTS

First and foremost, I would like to thank my supervision team, Professor Philip B Whyman, Professor Panikkos Poutziouris and Dr Costas Theodoridis for their support and mentorship during the process of completing this thesis. They were always available and patient with all the unexpected events that occurred during the completion of the thesis. I am indebted to you.

I would also like to thank all of the business owners and managers of the case studies participated in this thesis. Without your participation and the valuable information offered this thesis would not have been developed.

I can’t forget the most important people in my life who are my parents, Anastasis and Antroulla. They have been patient and supportive all these years, but most importantly, they have assisted me financially every time I was not able to pay fees required for the completion of this thesis. Thank you, and I am always in your debt.

Last but not least, I would like to thank my companion in life. Without you Nikola, this thesis would have only been a dream.

CHAPTER 1: INTRODUCTION

This thesis seeks to explore the strategic decision-making process in SMEs with special reference to Cypriot fashion retail SMEs during 2008's 'credit crunch' recession. The particular topic draws upon three dimensions of the literature, namely the strategic decision-making process, the fashion retail industry and strategic responses during recessionary periods. The research was conducted in the small economy of Cyprus where entrepreneurship is spread across the island, but research on the strategic decision-making process in Cypriot SMEs remains underdeveloped. As a result of the underdeveloped literature surrounding these three dimensions, this particular thesis seeks to explore the factors affecting the strategic decision-making process and the strategic responses of Cypriot fashion retail SMEs during 2008's 'credit crunch' recession. The latest recession has dramatically affected many European economies. Also, SMEs are considered to be the backbone of European economies, and as such, this thesis seeks to examine the factors affecting the strategic decisions and the different strategies that SMEs adopt to cope with the crisis.

The following section presents the rationale of the research, the research aim and objectives, a brief introduction of the methodology used and a structure of the overall thesis.

1.1 The Rationale for the Research

The choice of research topic was mainly chosen as a result of the researcher witnessing the consequences of the recession upon the SMEs in different contexts of both Eastern and Western economies. Furthermore, the observation that the recession has forced several companies to shut down while other companies have managed to survive gave rise to a number of research questions that are not answered by the existing literature.

More specifically, Cypriot family owner-managed SMEs have been struggling to survive the recession which resulted in many Cypriot SMEs having to shut down. This has raised a number of questions regarding how Mediterranean entrepreneurs form strategies, what factors affect the strategic decision-making process and how Cypriot entrepreneurs strategically responded to the latest recession. Looking closely at the existing literature on the strategic decision-making process in SMEs and the retail fashion industry, the area of the strategic decision-making process in SMEs during recession remains underdeveloped, and the research regarding strategic responses of SMEs in Cyprus is still untouched. Moreover, the researcher claims that the strategic decision-making process in Cypriot fashion retail SMEs is different from international findings or other sectors since it presents some unique factors affecting strategy development and responses during the latest recession. However, the substantial differences will be presented in-depth in chapter 7 where a discussion of the findings compared with the findings of the literature review will take place.

1.2 General Context of the Research

The main interests of this thesis lie in three areas which are interrelated. The first area is the strategic decision-making process in which several questions are to be asked. Moreover, the researcher has focused mainly on exploring the factors affecting the strategic decision-making process in family owner-managed Cypriot fashion retail SMEs. This could include internal and external factors relating to the concept but also their link with the second area of interest which is the outcome of the process. Hence, the second area of interest is based on the strategic responses of Cypriot fashion retail SMEs during the latest recession in a particular period of a substantial ongoing turbulence in the business environment. The third area of interest is the recession as a phenomenon. The world and national economies have experienced several recessions and financial crises in the past but a question arising is whether this particular recession is different compared to the previous ones and whether

Cypriot fashion retail SMEs have reacted differently. Again, the last area of interest relates both to the phenomenon of recession but also to the context area. Island economies are mostly dependent on tourism and construction and the effects of the recent recession have led to several consequences on their main profitable sectors. Cyprus, as the locale of this research, is one of these island economies that has experienced much economic instability the last few years. The Cypriot economy has been affected dramatically by the latest economic recession mostly as a result of the financial and banking bonds that it has with Greece (Georgiou, 2013). However, decisions taken such as the 'haircut' on banks' savings have triggered the crisis which leaves the economy still struggling to exit the recession. A more in-depth presentation of the Cypriot economy and the impact of the particular recession will be presented in chapter 2.

1.3 Aim, Research Questions and Objectives of the Thesis

Based on the areas of interest mentioned above, the broad aim of this particular thesis is *"to explore the factors affecting the strategic decision-making process and the strategic responses of Cypriot smaller fashion retail owner-managed firms during the latest recession"*.

Great importance was given to small and medium enterprises and the strategy formulation and implementation (Hitt et al, 2001; Ireland et al, 2003). Similarly, the concept of strategic decision-making process has been substantially developed during the last decades and it has been also investigated in the case of small and medium businesses. Recently, authors have managed to present the key factors influencing the strategic decision-making process (Bakker et al, 2007) while others have attempted to describe the steps taken during the process (Huang, 2009). However, authors have given more emphasis in examining the factors affecting the process as well as the outcome(s). For instance, Papadakis and Barwise (2002) point out that the top management team affects the decision-making process disproportionately while Ghobadian and O'Regan (2006) added that the ownership and firm size also affect the overall process. Although many authors attempted to present the factors affecting the process, the vast majority of them agree that the individual entrepreneur's characteristics affect the process at a greater level (Mador, 2000; Gibcus et al, 2010; Curseu et al, 2010; Mehrabi and Kolabi, 2012). Despite that these findings emphasise the significant contributions to the concept of strategic decision-making process, there still is a gap in the application of the process in small family firms. For instance, the research regarding the factors affecting the strategic decision-making process in retail SMEs during recession is still underdeveloped. Hence, this thesis attempts to shed light to the strategic decision-making process of small retailers taking into consideration findings from a small economy such as Cyprus.

In addition, previous findings highlight the main strategic responses of SMEs during recessionary times. The current literature shows that small firms have either engaged in retrenchment in order to stabilise their performance (Reeves and Deimler, 2009; Chow and Dunkelberg, 2011). Some research conducted in other Mediterranean countries such as Greece (Bourletidis, 2013; Giannacourou et al, 2015) provide an indication of the main strategic responses of SMEs as well as the owner-managers' perception of the recession. However, research lacks the focus on a particular sector of SMEs, the fashion retail during difficult economies and it fails to present the strategic responses in small economies such as Cyprus.

The review of the recession in Cyprus presented in chapter 2 and the literature reviewed in chapters 3 and 4 shows that the area of interest is still underdeveloped. It is this gap in understanding that this thesis aims to address, the basic objectives guiding the research being:

1) *To present the profile of the companies prior to and during the recession.*

The first objective relates to the profile of Cypriot fashion retail SMEs prior to and during the aftermath of the economic crisis. The particular objective seeks to present certain characteristics of the companies such as the ownership and management structure, the market position, the business model and the strategic direction to compare it with the mid- and post-recession period. This will reveal the effects of the recession upon companies, and it will show the way in which the recession has transformed certain aspects and characteristics of Cypriot SMEs. Again, it will show whether companies have experienced any changes in any of these characteristics such as the ownership and management structure and whether their business model has changed as a result of the economic recession.

2) *To explore the internal and external factors affecting the strategic decision-making process during the recession.*

The second objective relates to the factors affecting the strategic decision-making process in Cypriot SMEs during the latest recession. The objective seeks to explore a number of internal (ownership structure and characteristics, management, staff) and external factors (business environment, competition, access to funding) affecting strategy development based on the findings of the existing literature review. The particular objective will present the factors that affect decision-making in Cypriot SMEs during the latest recession and it will reveal the different factors that affect strategic actors to adopt certain strategic responses. The current objective is linked with the following objective that is the outcome of the strategic decision-making process. As can be seen from the existing literature review, a number of factors affect the strategic decision-making process in SMEs which lead to specific strategic decisions. However, the literature surrounding strategic decision-making process in SMEs during a recession is still underdeveloped, and as such, the particular objective of this thesis will identify a number of factors that lead to a better selection of strategic responses of Cypriot entrepreneurs during recessionary periods.

3) *To examine the outcome(s) of the strategic decision-making process during the latest recession and changes occurred in the strategic direction of Cypriot fashion retail SMEs.*

The third objective of this thesis is to examine the outcomes of the strategic decision-making process of Cypriot fashion retail SMEs during the latest recession. The objective is linked to the previous objective referring to the factors affecting the strategic decision-making process, and it seeks to present the strategic responses of Cypriot SMEs. Survivability is crucial for SMEs during the recession and as such, the objective seeks to show the combination of strategic responses that lead to the survival of SMEs during the recession. The existing literature provides a set of strategies that SMEs have adopted during the latest recession which led to survival and sustainability. Furthermore, the particular objective of this thesis will provide the most effective combination of strategies that SMEs have adopted during the recession in a small Mediterranean economy such as Cyprus.

4) To investigate the issues and challenges that Cypriot fashion retail SMEs face during the recession.

The fourth objective of this research relates to the issues and challenges that Cypriot SMEs face during the recent recession. This specific objective is linked to the second objective of the thesis; that is, the investigation of the factors affecting the strategic decision-making process. The issues and challenges that Cypriot SMEs face during the latest recession have a direct impact on the decision-making process. Hence, a number of challenges that Cypriot SMEs face during the latest recession either as a result of political decisions or events affecting the economic landscape of Cyprus lead to different strategic responses and more drastic measures by Cypriot entrepreneurs.

Following the aim and objectives of the thesis, certain research questions arise that the findings of the research will attempt to answer. The research questions follow explicitly the objectives of the research and they cover the main three themes which are the strategic decision-making process of SMEs during an economic recession, the strategic responses of SMEs and the latest economic recession. The research will attempt to answer the research questions by investigating a particular sector in a small economy of Cyprus, fashion retail. The research questions are the following:

1) *What are the basic characteristics of the companies before and during the latest recession?*

The particular question seeks to explore and understand the status of operation of the companies before the economic recession and how these characteristics have changed as a result of the crisis. The research attempts to reveal the impact that the companies experienced from the recession and how it has affected the overall profile of these companies.

2) *What are the internal and external factors affecting the strategic decision-making process during the recession?*

The research will embark on answering this particular question by investigating the factors that affect the process. According to Papadakis and Barwise (2002), Gibcus et al (2010), Curseu et al (2010) and a review of the literature by Shepherd and Rudd (2014), several internal and external factors affect the strategic decision-making process. Hence, the particular thesis will attempt to explore the factors that affect the process during a recession in the case of small family owner-managed firms.

3) *What are the outcome(s) of the strategic decision-making process during the latest recession and what are the strategic changes of Cypriot fashion retail SMEs?*

The specific research question relates to the outcome(s) of the strategic decision-making process, thus, the strategic responses. Although large firms tend to present several strategic outcomes (Shepherd and Rudd, 2014), small firms do not have the resources to apply the same strategies and they follow different strategic direction during recessionary periods (Kitching et al, 2009; Smallbone et al, 2012). This thesis will attempt to answer the particular research question based on the findings of a particular sector of SMEs in Cyprus.

4) *What are the main issues and challenges that Cypriot fashion retail SMEs face during the latest recession?*

The last research question seeks to reveal the main issues and challenges that Cypriot fashion retail SMEs deal during the latest recession. Previous authors have indicated that retail SMEs struggle to survive as a result of the strong competition from international companies (Coca-Stefaniak et al, 2010; Haans, 2011). Therefore, the thesis will attempt to investigate the issues that Cypriot retail SMEs dealt with during the latest recession as well as the challenges faced.

1.4 Structure of the Thesis

After the introduction of the thesis, the following chapter (chapter 2) presents the contextualisation of the research by focusing on aspects of the Cypriot economy. The aim of this chapter is to investigate Cypriot SMEs and the rationale of this is a result of the underdeveloped literature regarding entrepreneurship and SMEs in Cyprus. The particular chapter gives an introductory section regarding Cyprus, presenting the Cypriot economy and Cypriot SMEs in order to set the scene for the investigation. More specifically, the aim of the chapter is to present the structure of the Cypriot economy and the importance of micro-owner-managed SMEs and the predominance of family owner-managed SMEs in the Cypriot economy. Furthermore, as the phenomenon of investigation is the recent recession, it is essential to review the characteristics and effects of previous recessions compared with the recent economic crisis. After that, the chapter focuses on the latest recession, its origin and its impact on European economies leading to its effects upon the Cypriot economy, particularly on small family-owned and -managed fashion retailers.

Chapter 3 of the thesis focuses on strategic planning in SMEs and the strategic responses during the recession. The aim of the chapter is to present the existing literature regarding strategic planning in SMEs in order to show the strategies mostly adopted by SMEs in order to compete in their markets and a series of factors affecting the strategic decision-making process in SMEs. Several theories and frameworks are presented throughout the chapter which will inform the research methodology and the synthesization of the literature review findings and the findings of this research. Hence, the aim of this chapter is to set the basis of strategic planning and strategic decision-making process in SMEs.

Chapter 4 moves forward by presenting the theoretical underpinnings of the sector under investigation which is the fashion retail sector. The aim of this chapter is to present the strategies that retail and fashion retailers adopt in order to compete in their market. The chapter then leads into the Cypriot retail industry and it presents the research gap that this thesis will try to fill. The identification of the research gap leads to the formation of a series of research objectives that have been presented previously and to the next chapter that presents the methodological considerations.

The purpose of chapter 5 is to present the methodological approach used in this thesis, a discussion of the philosophical underpinnings, the execution of data collection and the technique used for analysing the data. The chapter provides a rationale regarding the choice of the chosen methodology and the tools adopted for the data collection.

Finally, chapter 6 presents the data collected from the six case studies for the purposes of this research. The chapter presents a detailed profile of each case study and it is separated into different themes in order to focus on important elements that lead to answering the research objectives. This will set the scene for chapter 7 where an evaluation of the findings is presented and a synthesisation with the existing literature is shown. Again, the integrated theoretical framework emanated from the findings is revealed. Finally, the implications and limitations of this thesis are presented along with the future research and overall conclusion of the research.

CHAPTER 2: CONTEXTUALISING THE STUDY: THE CYPRIOT ECONOMY AND THE EFFECTS FROM THE RECESSION

2.1 Introduction

This chapter aims to present Cyprus as the focus of this research, the Cypriot business environment as well as the latest economic recession. Evidently, the vast majority of the literature focuses on larger European economies and as a result, this particular thesis attempts to shed light on the field of entrepreneurship in the small European economy of Cyprus and its effects from the latest recession. Hence, the current chapter presents some basic information regarding the Cypriot economy and several facts that have shaken the economy. Again, a more detailed presentation of the flourishing business environment follows, leading to the effects of the latest recession upon the Cypriot economy.

In addition, recessions have occurred in the major economies of the world for over 100 years and they tend to affect economies disproportionately. The chapter further presents the origin and characteristics of the latest recession of 2008 and its impact on European economies. After that, the effects of the recent recession upon the Cypriot economy are presented, taking into consideration the economic links that the country maintains with Greece which has led to the financial bailout of the country in 2013. Hence, the second part of this chapter seeks to compare the different recessions occurring in the last century and the impact of the recession on Cypriot owner-managed SMEs.

2.2 Cyprus at the Crossroads of Three Continents

Cyprus is the third largest and most populated Mediterranean island after Sicily and Sardinia (Hadjimanolis, 1997). It is bordered by larger nations with a long history which marks Cyprus as a crossroads of historical facts. Specifically, Turkey is located to the north of the island, with Egypt to the south while Israel, Lebanon and Syria are located to the east. Despite the fact that Cyprus is located close to Asian and Arabic nations, it is more closely related to Western Europe as a result of the historical ties established through waves of settlement and also because of its EU membership in 2004. The population of Cyprus is 847 008, and the main languages spoken in the Cypriot territory are mainly Greek and Turkish while English is well known by the natives (EU, 2015). This is mostly because of the developed tourist sector and also for the reason that Cyprus had been a colony of the British Crown for 46 years (CIA, 2017).

After the independence of Cyprus in 1960, a Greek-sponsored attempt to overthrow the elected president of Cyprus led to the military invasion by Turkey which resulted in Turkey seizing control of the northern part of the island (CIA, 2017). Moreover, the northern part of the island occupied by Turkey was proclaimed as the Turkish Republic of Northern Cyprus (TRNC) in 1983 and since then it is recognised only by the Turkish government. The southern part of the island is internationally recognised as the Republic of Cyprus (CIA, 2017). Hence, this particular thesis focuses on the internationally recognised Republic of Cyprus which controls the southern part of the island.

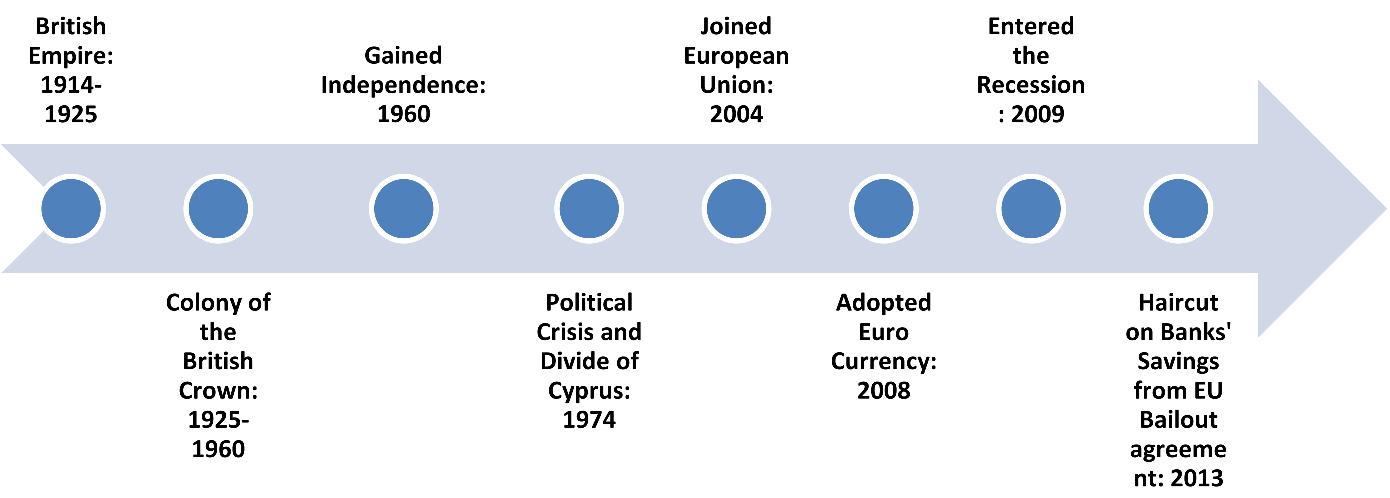

Figure 2. 1 Timeline of Historical Events, Developed by the Researcher

Cyprus became a full member of the European Union on 1st of May of 2004. However, EU rights and obligations apply only to areas which are controlled by the internationally recognised government of the country and are suspended in the Turkish administrated area (CIA, 2017). Despite the fact that Cyprus became a member of the European Union in 2004, the transition from the Cypriot pound to Euro took place in 2008 (European Union, 2017). Again, the entrance of Cyprus into the European zone has further integrated the island into the EU economy, dissociating it from the African and Asian continents.

2.3 The Cypriot Business Economic Prosperity

The growth of the economy since 1960 started from the manufacturing sector, then construction and later on from tourism (Hadjimanolis, 1997) which is the biggest income provider of the island at the moment. Cyprus was primarily an agricultural economy up until its independence in 1960 and it has had a strong and successful record of performance, full employment conditions and internal and external stability up until the pre-recession period (Vrontis and Thrassou, 2003). The economy is mainly dominated by the private sector and entrepreneurship is regionally spread across the island. Thus, tourism, financial services and entrepreneurship are the main contributors to the economic growth of the country since 1974 (Athanasiou, 2006).

Authors have given a great emphasis on emerging and emerged economies around the globe. According to Hoskisson et al (2000), emerging markets are the economies that have low income but present rapid growth and they are based on economic liberalisation as the main route for growth. Cavusgil et al (2002) add that emerging economies are the countries that mainly try to grow and increase the living standards of their population and experience an economic growth over a sustained period. Cyprus has experienced rapid growth during 1960-1974 and 1975-2008 with the tourist sector playing a crucial role in the country’s sustainable development. The service sector was the fastest growing sector and accounted for about 80.5

percent of GDP in 2011 and it accounts for nearly four fifths of the country's GDP (Eurostat, 2012). Moreover, according to the Cyprus Statistical Office (2012), the country's GDP is mostly affected by financial, insurance and real estate activities but a great percentage is also affected by the wholesale and retail trade as well as the food and accommodation sector (see Figure 2.2). Retail appears to be a very important sector of the Cypriot economy and as such, its sustainability through the latest recession is a crucial element.

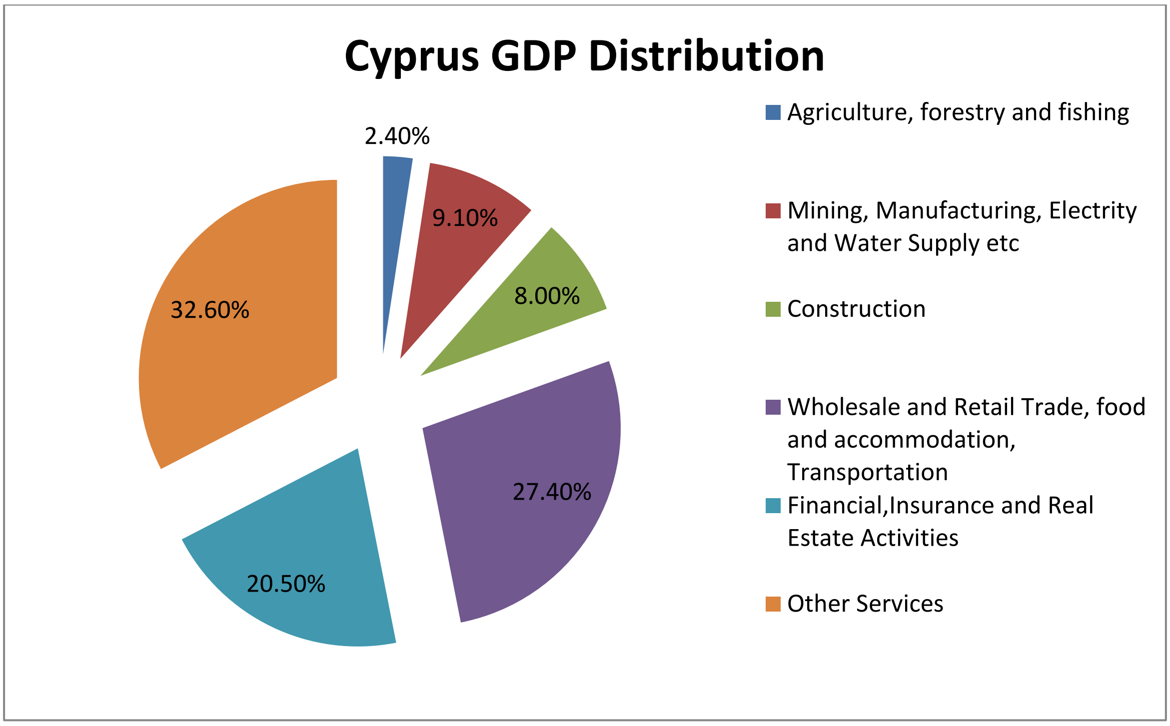

Figure 2. 2 Cyprus' GDP Distribution, Cyprus Statistical Service (2012)

Also, Cyprus has developed strong economic relations with other European states particularly with Greece, UK, Germany and Italy. The customs union presented in all European countries has created strong partnerships between European states, but it has also displaced local production. As can be seen in Figure 2.3, Cyprus has developed strong economic bonds with other European countries, and the removal of importing and exporting tariffs had an impact on the local production such as of fashion clothing products. However, as discussed further in this chapter, the economic bond of Cyprus with these European states which have experienced the effects of the economic recession had an impact on the economy of Cyprus. This is something that has shaken the economy of Cyprus as a result of the global recession which it was evident particularly in Greece. As Figure 2.3 shows, Greece is the main economic and trade partner of Cyprus and the impact of the recession on the country has affected the economy of Cyprus as well. Hence, it has caused several issues and challenges to the Cypriot economy and to Cypriot enterprises.

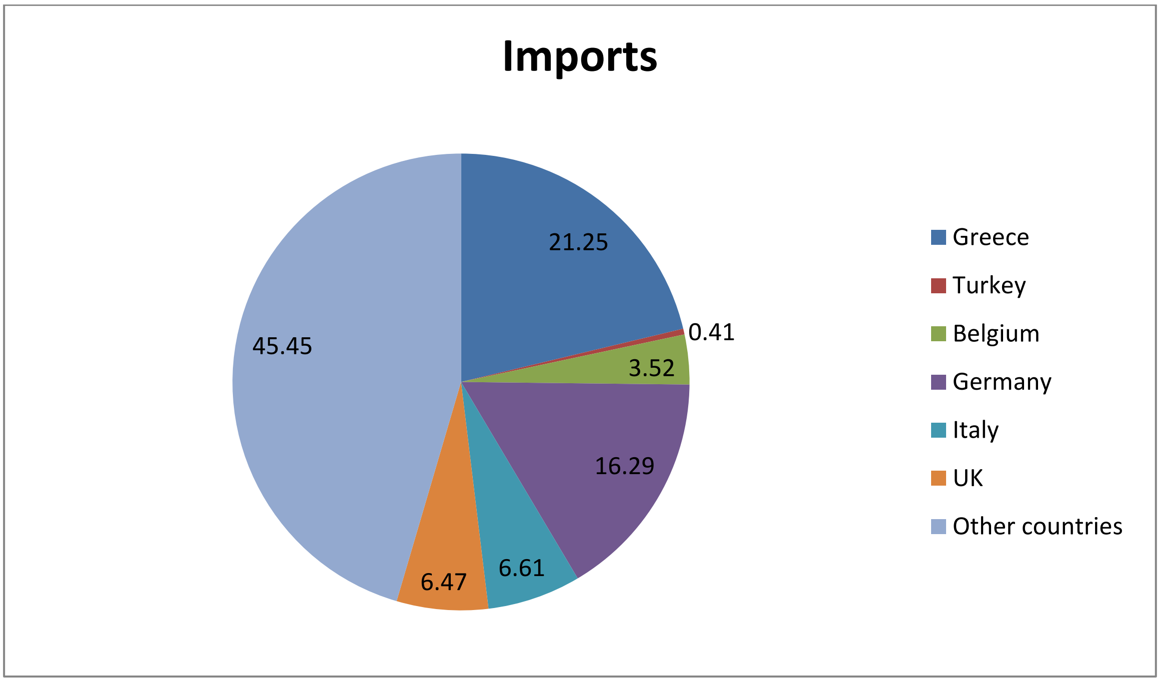

Figure 2. 3 Cyprus Imports, Cyprus Statistical Service (2016)

2.4 SMEs in Cyprus

Cyprus is dominated by micro-, small- and medium-sized enterprises (SMEs) which are the backbone of the country's overall economy representing 99.9% of all business (Poutziouris et al, 2013). Cypriot SMEs represent the vast majority of enterprises. However, the Cypriot business environment is characterised by the predominance of small family owner-managed firms (Poutziouris, 2010). According to Poutziouris (2010), 90% of businesses, particularly SMEs, are family owned and managed. As Table 2.1 shows, 99.8% of all enterprises are micro-small and medium while they are responsible for a great proportion of the overall employment. Hence, the vast majority of Cypriot micro-small firms are family-owned and they operate by family members passing from generation to generation (Poutziouris, 2010).

	Number of Enterprises		**Number of persons employed**	
	Number	**Share**	**Number**	**Share**
Micro	39 306	91.4%	71 358	34.5%
Small	3 107	6.1%	52 513	25.4%
Medium sized	522	1.0%	47 240	22.8%
SMEs	**42 935**	**99.8%**	**171 111**	**82.7%**
Large	67	0.2%	35 707	17.3%
Total	**43 002**	**100.0%**	**206 818**	**100.0%**

Table 2. 1 Cyprus SMEs, European Commission (2015)

A more recent survey showed that 99.9% of Cypriot enterprises are SMEs with a share in full-time employment of 83.2% which shows the significance of SME to the economy of the country (Eurostat, 2016) (See Table 2.2). Moreover, Cyprus SMEs' numbers are similar to other small economies such as Malta and Estonia. More specifically, Greek SMEs account for 86.5% of the total share of employment while Maltese SMEs account for 79.3% of the total employment.

	Total Number of Enterprises	% SME	Total Gross Value Added (GVA)	% SME	Share of SMEs in FTE %
Bulgaria	312 608	99.8	18 246	62.3	75.5
Greece	726 581	99.9	54 703	72.8	86.5
Cyprus	46 139	99.9	7 864	-	83.2
Latvia	91 939	99.8	9 269	69.2	78.8
Lithuania	141 893	99.8	12 155	68.5	76.2
Slovenia	119 644	99.8	17 140	62.8	72.3
Slovakia	398 392	99.9	32 922	60.5	69.7
UK	1 703 562	99.7	1 037 293	50.9	53.0
Malta	26 796	99.8	3 548	74.9	79.3
Estonia	58 408	99.7	9 338	74.9	78.1

Table 2. 2 Importance of Cypriot SMEs compared to other European States, Eurostat (2016)

However, the birth rate of newly established firms in Cyprus keeps decreasing as a result of the latest economic stress. Specifically, the percentage of newly created enterprises in 2005 was 7.14% while the percentage fell to 2.27% in 2008 and slightly increased in 2009/2010 to 3.04% (Eurostat, 2012). According to Christofides (2008), 50% of newly established firms closed after three years of their birth. Cypriot SMEs face many challenges which have an impact on their survivability. Comparing the number of established firms in Cyprus with other countries emphasises several important facts.

	Cyprus		**UK** (‘000s)		**Malta**		**Luxemburg**		**Ireland**	
	Births	Deaths	Births	Deaths	Births	Deaths	Births	Deaths	Births	Deaths
2007	-	-	281	224	-	-	2508	-	13461	-
2008	1930	1408	267	221	-	-	2570	2006	11954	19530
2009	1746	2197	236	279	-	-	2474	1962	13810	24511
2010	2011	3745	235	249	2299	944	2629	2062	11237	16116
2011	2307	5069	261	230	1143	2700	2767	2164	11847	18076
2012	2786	4577	270	252	1947	2963	2771	2133	12551	16201
2013	3034	4270	346	237	1890	2701	2955	2292	-	-
2014	3375	4665	316	247	3599	802	3134	2366	16257	5759

Table 2. 3 Births and Deaths of Enterprises in Cyprus compared to European Countries, Eurostat (2017) and ONS (2016)

According to Eurostat (2017), the death rate of Cypriot firms has been increasing, reaching the highest rate of 9.90% in 2011 while the death rate of all European firms has also been increased substantially (See Table 2.3). These particular data show the importance of SMEs in the Cypriot economy and the necessity of surviving the latest recession. Evidently, SMEs are the vast majority of the total Cypriot firms and the number of closing down firms is significantly higher compared to starting up firms. This is a crucial matter particularly for the survival of SMEs and the sustainability of the Cypriot economy. Therefore, it is important to investigate the strategic responses of SMEs that lead to better performance and survival during the latest recession. Several sectors of Cypriot SMEs have experienced increased death rate and a substantially decreased birth rate as a result of the economic crisis. One of the sectors that experienced the effects of the recession is the Cypriot retail sector which is presented in the next section.

2.4.1 Retail SMEs

The retail market represents 27.6% of Cyprus' Gross Domestic Product and it has the second biggest contribution to Cyprus' GDP (Cyprus Statistical Service, 2012). Specifically, the retail market has a turnover of €5236.7 million in 2013 while the gross output of the retail sector accounted for €1.269.670.000 in 2013 (Cyprus Statistical Service,2013). This emphasises the importance of the Cypriot retail market to the country's Gross Domestic Product and economy.

The importance of the Cypriot retail market is presented by comparing it with other small European retail industries. More specifically, retail SMEs are considered to be the backbone of European economies. As the table below shows, retail SMEs form a substantial percentage of the total number of enterprises operating in European territory.

	2008	2009	2010	2011	2012	2013	2014
Bulgaria	-	-	102404	-	99718	98162	97728
Ireland	25507	25418	25400	25496	25556	25051	24292
Greece	191218	187870	185976	167758	167788	160105	159893
Cyprus	12009	11325	10531	10262	10030	9303	9184
Latvia	-	-	13965	-	14148	14265	14030
Luxemburg	3045	3100	3178	3166	3117	3254	3260
Malta	5793	6205	6205	6152	5951	5724	5716
Estonia	-	-	4669	-	5304	5502	5722

Table 2. 4 European Retail SMEs, Eurostat (2014)

However, in spite the importance of the retail markets in countries, the introduction of 2008's recession had an impact on the majority of economies. Evidently, retail SMEs play a significant role in the growth of the Cypriot economy. Hence, it is important to understand the level of impact that the recession had but also the issues and challenges that they face during the latest recession. As such, the economic recession had an impact on several markets, particularly the retail market in European countries as well as in the Cypriot retail market. Furthermore, the concept of the recession has been defined differently by many authors, and several characteristics have been explored in the past. The next section presents the discussion regarding previous recessions leading to the latest recession which occurred in 2008.

2.5 History of Economic Recessions

A major recession can be viewed as a "system-wide" shock that interrupts and disrupts the process of economic growth and development (Martin, 2011). Recessions have been phenomena that have economic consequences; in particular from the "Great Depression" of 1930 which had as a result an 18-month period of reduced production (Isidore, 2009) to the financial crisis in 2008 and the resulting recession in the European Union in 2009. Business cycles refer to the economic increase and decline through the business environments and are part of the expansion as well as recessions in economies (Pearce and Michael, 2006; Kaya and Engkuchik, 2013). Moreover, it has been observed that after a long expansion, an economic recession occurs, lasting 11 to 12 months on average (Nafday, 2011). During 2008/2009, a severe recession hit the world's economy with catastrophic consequences, and it has lasted longer that the 'Great Depression' of 1930 before economies revive their stability (IMF, 2009). Journalists and scholars have referred to the recession of the late 2000's as the "Great Recession" (Cochrane, 2010) while others call it the "Global Financial Crisis" (Doç and Bali, 2012). Even the most advanced economies have been affected, although the recession was keenly felt in the UK (Weale, 2009) because of the degree of dependence on the hard-hit financial services sector and the high level of household indebtedness (Cable, 2009). Many commentators point out that the length of the crisis can show the consequences which the world will have afterwards. Based on that, recessions associated with financial crises which are synchronised across the globe are more severe and longer-lasting than recessions associated with other shocks (IMF, 2009) (See Table 2.5). Equally, many economists conclude that this recession is the worst since the Great Depression of the 1930s in regard to length which lasted for 48 months before GDPs reach the pre-recession levels (NIESR, 2013). History shows that few recessions last longer than two years, and most recoveries are strong once they start (Piercy et al, 2010).

Recession Started	Cause of Recession
1986-1995	US Savings and Loan Crisis
1990-1992	European Exchange Rate Mechanism (ERM) crisis
1998-1999	Asian Banking Crisis
2008-present (in certain countries)	Sub-prime mortgage Crisis

Table 2. 5 Banking Crises in Europe, IMF (2010)

A different and more comprehensive historical view of recessions was given by the National Institute of Economic and Social Research (NIESR) in 2013 which has defined 'recession' as a period when output is falling or receding (See Figure 2.4). They establish the difference between recession and depression by pointing out that 'depression' is a period when output is depressed below its previous peak (NIESR, 2013). Therefore, they present their view of the recessions from 1920 until the recent recession showing the recoveries and the duration of each crisis.

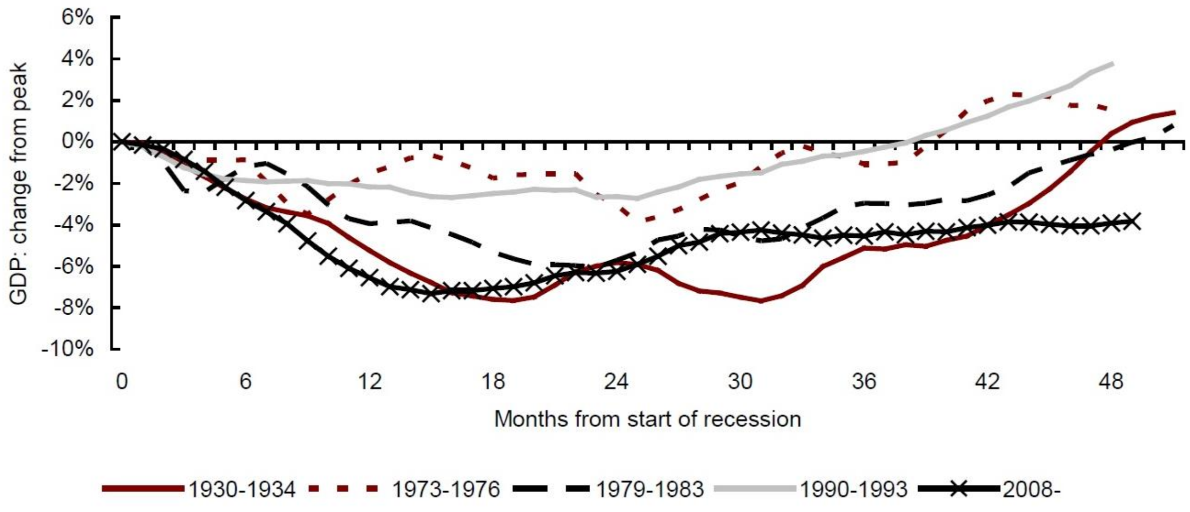

Figure 2. 4 Length of Recessions, NIESR (2013)

As Figure 2.4 shows, the Great Depression of 1930 was the most severe global recession which lasted 48 months. However, the latest recession which started in 2008 is even longer which exhibits the importance of taking drastic measures at an economic and sectoral level. The latest recession came with several impacts on the global economies and their sectors and it is essential to study the effects from it as well as ways of responding at a firm level.

2.5.1 The 2008 Economic Recession

The latest recession is believed to be the most severe economic recession since the Great Depression of 1930 (Krugman, 2009). The Great Depression started from the United States of America, and it was triggered by the fall of stock prices which caused the stock market crash on the 29th of October 1929 (Klein, 1947). In 1930, the impact of the recessions started to be obvious within the industries, with the automotive industry's sales falling below the levels witnessed in 1928 (Rosenof, 1997). Similarly, the ongoing Global Financial Crisis started at the end of 2007 also originating in the United States of America. However, the present recession occurred "*by the rapid devaluation of securities that were tied to the real estate due to a collapse of the bubble in the housing sector*" (Doç and Bali, 2012). In addition, the Global Financial Crisis has mainly affected financial institutions which then spread to the stock market (Doç and Bali, 2012). The economic crisis deepened even further in September of 2008 since Lehman Brothers, and some other investment banks were brought down by the investments banking operations in the USA, leading to the most difficult period of the crisis for the US and European financial institutions (Acharya and Richardson, 2009). Investors left the markets which cost the complete meltdown of the US economy (European Commission, 2009) with a series of other events following the economic meltdown.

Since the economic crisis started in the USA at the end of 2007, it spread across European countries affecting economies and several industries (See Figure 2.5). According to the OECD (2017), the GDP growth of several small economies has been shrunk as a result of the effects of the economic recession.

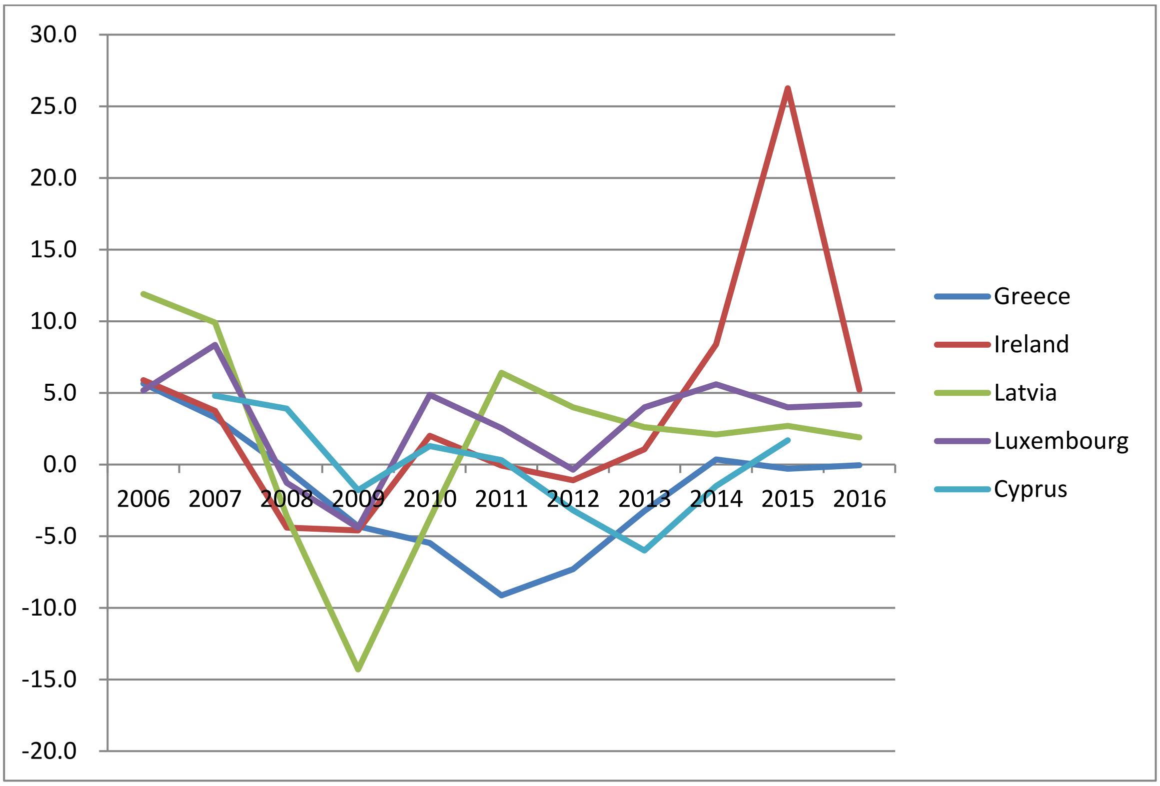

Figure 2. 5 GDP Growth of European Countries, OECD (2017)

Moreover, some European states dealt with severe consequences, and as a result they requested economic assistance (See Table 2.6). Ireland, Greece, Latvia, Portugal and Spain have received economic assistance while Cyprus was the last European country that officially requested support in March of 2013 (ESM, 2017).

Countries	Total amount received
Ireland	17.7 billion Euros
Greece	31.7 billion Euros
Latvia	7.5 billion Euros from ESM, IMF and World Bank
Portugal	26 billion Euros
Romania	20 billion Euros from ESM, IMF and World Bank
Spain	41 billion Euros
Cyprus	10 billion Euros

Table 2. 6 European Countries Receiving Financial Assistance (only from ESM), ESM (2017)

The economic instability of the European countries, in particular that of Greece, has led to the beginning of the economic recession in Cyprus as well. As Figure 2.5 shows, many European countries were affected by the economic recession and its effect started appearing by the end of 2007 while the recession had an impact on the Cypriot economy a year later. Whilst this research aims to investigate the strategic decision-making process in Cypriot SMEs and the issues and challenges that they face during the latest recession, it is important to establish the time that the recession began in Cyprus and its differentiation with other European states.

2.6 The Impact of the Recession on Mediterranean Economies: The Case of Cyprus

Greece had started experiencing the effects of the recession since 2009, leading to an excessive debt rise compared to other European states. As a result, in May of 2010 Euro members agreed on loaning Greece a total amount of 80 billion Euros (Mink and De Han, 2013). Negotiations with the 'troika' consisting of the European Commission, the European Central Bank and the International Monetary Fund led to a series of bailout agreements but also to several austerity measures to be taken by the Greek government (Lekakis and Kousis, 2013; Priporas et al. 2015). According to OECD (2017), the Greek general government debt reached 182% of the country's GDP in 2015 while the European Commission (2011) has considered a potential restructure of the Greek debt to achieve an achievable target for

Greece. Consequently, according to the OECD (2017), the country's growth rate has been at the lowest level compared to other European states (See Figure 2.6).

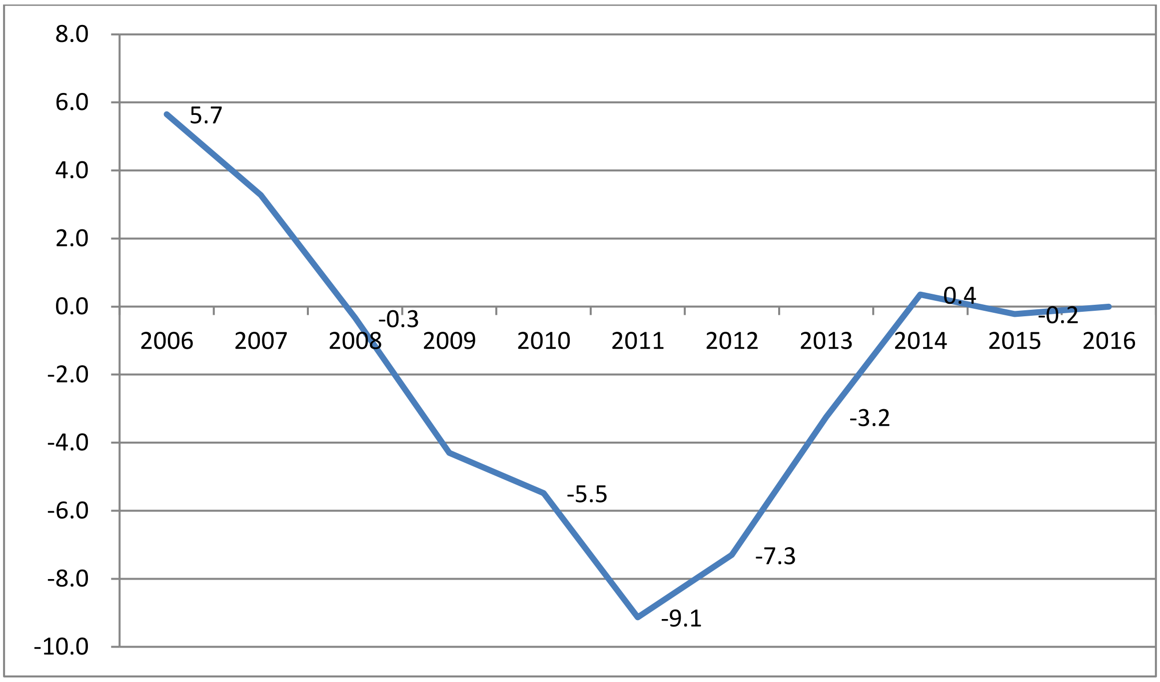

Figure 2. 6 GDP Growth percentage of Greece, OECD (2017)

As Figure 2.6 indicates, Greece has entered economic recession at the beginning of 2007, showing a significant decrease in the growth of its Gross Domestic Product. It had reached the lowest point in 2011 with a decrease of 9.1% while it still presents signs of decrease in 2017. The particular indication is crucial for the economic stability of Cyprus, since Greece is the island's biggest trade partner while they sustain strong economic bonds. Hence, the impact of the recession on the Greek economy has affected the Cypriot economy disproportionately as a result of the economic and trade relationship of the two Mediterranean countries.

Greece is the main trade partner of Cyprus, representing 21.25% of imports, and as a result, the economic instability in Greece has somehow affected the economic indicators of the island (Cyprus Statistical Service, 2016). Hence the Greek fiscal crisis and the deepened euro zone crisis has also affected the island's financial sector, and Cyprus' borrowing costs rose as a result of the exposure of the Cypriot economy to the Greek debt (Georgiou, 2013). Total deposits grew more than double between 2000 and 2011 from €22bn to €73bn (Steme, 2015). Although Cyprus was one of the last European countries that was affected by the economic recession, it was showing signs of being affected up until 2009 when it officially slipped into the economic crisis (Georgiou, 2013). As Figure 2.7 shows, the unemployment rate has risen significantly, reaching 11.8% in 2012 which represents 52,000 people (Cyprus Ministry of Finance, 2016).

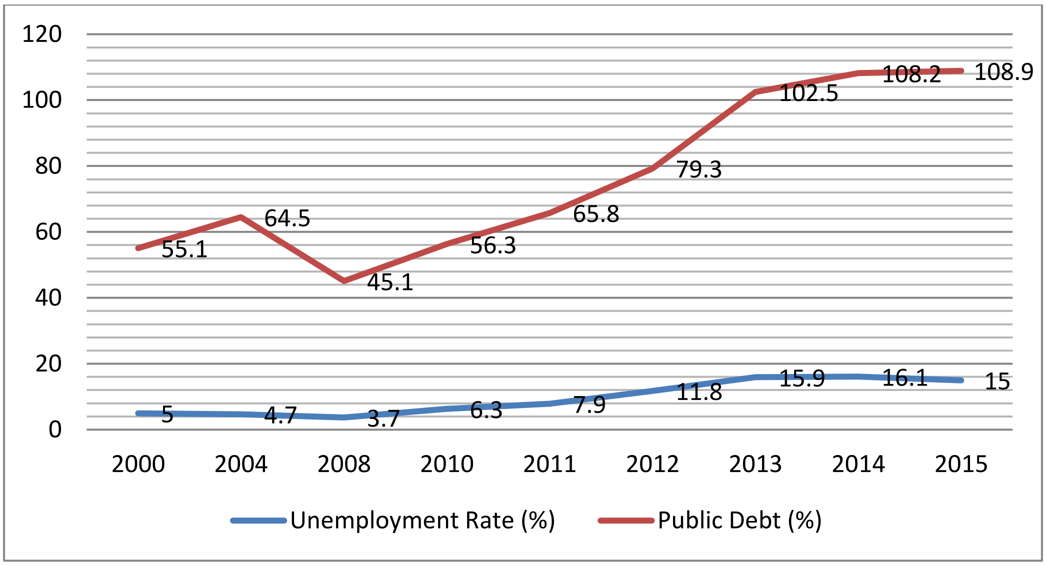

Figure 2. 7 Unemployment and Debt of Cyprus 2000-2015, Cyprus Ministry of Finance (2016)

The increase in unemployment and the public debt has affected the overall economy of Cyprus but also small and medium enterprises at all sectoral levels. Similar to other European countries, the GDP growth rate of Cyprus has been substantially decreased as a result of the effects of the economic recession (See Figure 2.8).

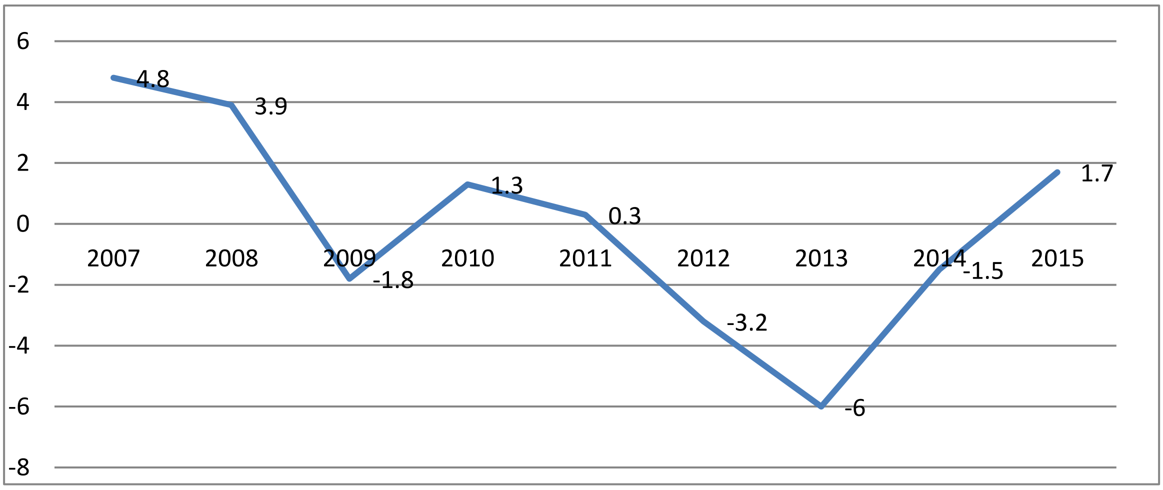

Figure 2. 8 Cyprus GDP Growth during Recession (%), Central Bank of Cyprus (2016)

Experiencing a decrease of 1.8% in 2009 and a decrease of 6% in 2013, Cyprus was unable to reverse the economic instability which has already impacted the entrepreneurial environment among others. As a result, Cyprus requested economic assistance from its European peers in March of 2013 which led to the bailout agreement (Georgiou, 2013; Orphanides, 2014).

2.6.1 The Bail in and Bail out

Significant problems started to arise in the Cypriot banking system in early 2011 as a result of the deepened Greek recession and the economic bonds that the two countries have. Moreover, Cyprus' borrowing costs rose rapidly as a result of the exposure to the Greek debt (Georgiou, 2013). Two of the biggest banks of the island, Bank of Cyprus and Marfin Laiki Bank had a substantial growth in the Greek territory through branches and subsidiaries. According to Mink and De Haan (2013), the Cypriot economy was affected by the Greek crisis since the Bank of Cyprus was exposed to the Greek crisis by 74.77% and the Marfin Laiki Bank by 122.07%.

In the shade of the economic recession and the failure of the banking sector, Cyprus attempted to request economic assistance from other nations including the European Union countries. Therefore, the Cypriot government turned to its European peers to seek financial assistance (Georgiou, 2013). According to the European Stability Mechanism (2017), Cyprus requested financial assistance from the euro area and the IMF in June of 2012 which led to the agreement on receiving 9 billion Euros from the ESM and another 1 billion Euros from the IMF (See Table 2.7). Cyprus had requested a total of 17 billion Euros but the European finance ministers agreed to lend 10 billion Euros to the Cypriot government while 5.8 billion Euros were to be generated by a local haircut on banks' savings (Georgiou, 2013).

Date	Amount	Type	Total amount received
13/05/2013	€ 1 billion	Cash	€ 2 billion
	€ 1 billion		
26/06/2013	€ 1 billion	Cash	€ 3 billion
27/09/2013	€ 750 million	Haircut on Local Banks' savings	€ 4.5 million
	€ 750 million		
19/12/2013	€ 100 million	Cash	€ 4.6 billion
04/04/2014	€ 150 million	Cash	€4.75 billion
09/07/2014	€ 600 million	Cash	€5.35 billion
15/12/2014	€ 350 million	Cash	€5.7 billion
15/07/2015	€ 100 million	Cash	€5.8 billion
08/10/2015	€ 200 million	Cash	€6.3 billion
	€ 300 million		

Table 2. 7 ESM financial assistance to Cyprus, ESM (2017)

This is the first time that European bank depositors had been asked to shoulder the failure of their national banks (Georgiou, 2013). The decision was mainly to haircut banks' deposits from the two failing banks exceeding 100,000 Euros while deposits less than 100,000 remained untouched. Despite the bailout programme imposed on Cyprus by its European peers and the IMF, Cyprus exited the bailout support programme in March of 2016 (Michaelidis, 2017). However, the particular austerity measures imposed as part of the bailout agreement were introduced in 2013 in order to stabilise the economic performance of the country. According to Soumeli (2013), the measures mainly consisted of:

-Contribution to the gross earnings of the broader public-sector employees

-Abolition of occupational pension for new employees of the public sector

-Abolition of all vacant posts

-Reduction of the number of personnel in the public sector

-Reduction in the salary of new employees in the public sector

-Freeze and cut wages of employees in the public sector for a period of 2 years

2.6.2 The Impact of the Recession on the Cypriot Retail Market

Nonetheless, the retail industry has experienced several changes during the last decade as a result of economic instabilities. The retail industry's major contribution to national economies and the economic difficulties presented had a direct impact on European economies. Similar to USA and UK's retail industries, the majority of European retail markets have experienced substantial consequences from the latest economic recession (Eurostat, 2017).

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bulgaria	13	19.1	8.9	-7.8	-8.3	0.6	5.3	3.9	10.3	0.8	3.9
Ireland	8.7	8.3	-2.0	-6.4	-0.1	-2.4	0.3	1.0	4.0	6.2	4.4
Greece	9.0	2.1	1.3	-11.3	-6.3	-10.2	-12.1	-8.1	-0.4	-1.4	-
Spain	1.7	2.5	-5.8	-5.4	-2.2	-6.2	-8.0	-5.1	1.0	3.6	3.6
Cyprus	6.7	8.0	5.1	-3.7	-0.6	-4.8	-4.2	-7.3	1.8	3.5	-
Latvia	18.3	12.8	-7.2	-25.5	-3.1	2.3	7.3	3.9	3.6	5.0	1.9
Lithuania	11.4	16.0	1.9	-21.2	-6.8	6.5	3.6	4.4	5.6	5.5	6.7
Portugal	1.0	0.5	0.6	-0.7	-0.3	-8.0	-5.9	-1.5	1.1	2.2	3.0
Slovenia	3.0	6.5	11.4	-10.5	-0.3	1.6	-2.3	-3.2	-0.3	0.8	3.7
Slovakia	8.1	5.6	16.6	-10.1	-2.2	-2.4	-0.9	0.1	3.6	1.7	2.2
UK	3.4	3.0	-0.5	0.9	-1.0	-1.2	0.8	1.4	4.5	4.1	5.5
Serbia	9.1	22.2	7.1	-14.7	1.0	-18.6	-2.7	-5.7	1.9	1.6	7.1

Table 2. 8 Impact of recession on European Retail Industries (Percentage of Change %), Eurostat (2017)

As shown in the above table, the Cypriot retail sector started experiencing a decrease in 2009 reaching the highest point in 2013 as a result of the bail in agreement. Hence, among other European retail industries, Cypriot retailing has also been affected by the latest recession indicating that Cypriot retailers have entered an era with difficult challenges to deal with. Taking into consideration the fact that the wholesale and retail sector represents 27.6% of

Cyprus' GDP, the consequences of the recession upon the retail sector were significant (Cyprus Statistical Service, 2016). The impact of the recession on the retail industry is significantly high regarding the contribution to the country's GDP as well as of the unemployment rate which is still increasing (Cyprus Statistical Service, 2016).

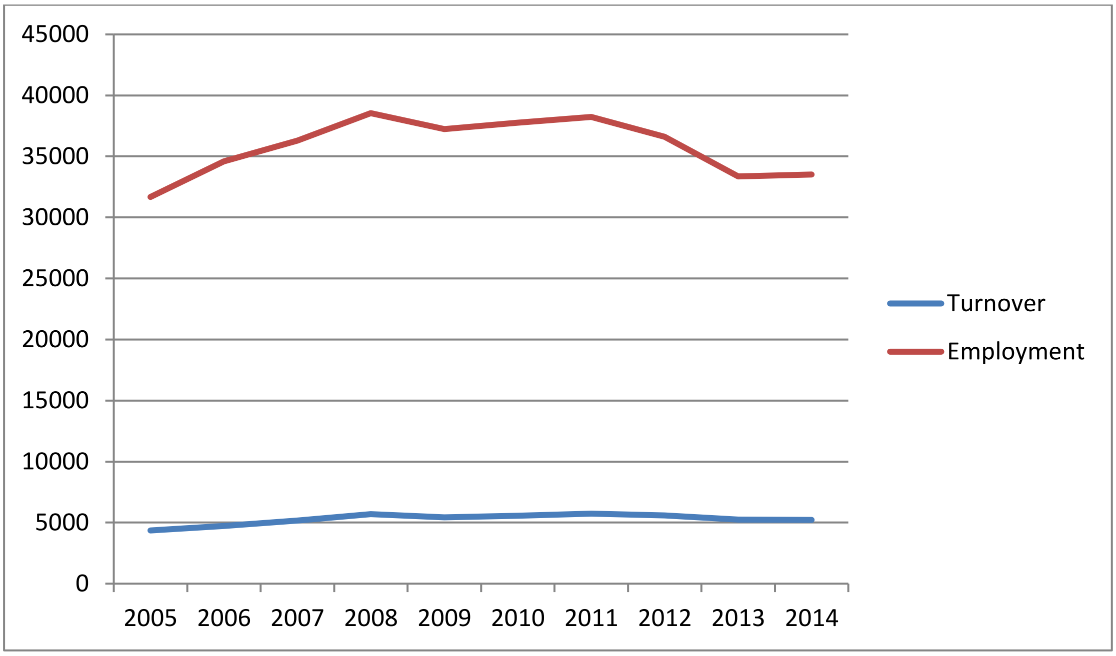

Figure 2. 9 Cyprus Retail Market, Cyprus Statistical Service (2016)

In addition, the retail market had a relatively stable growth during the last few decades as a result of the flourishing retail market in Cyprus. Evidence provided in Figure 2.9 shows that the turnover of the retail market had a stable growth up until the beginning of 2009 in which Cyprus had officially entered in the recession.

2.6.3 Fashion Retail Industry: The Effects of the Recession

The fashion retail industry holds a great proportion of the overall Cypriot retail market, and it is crucial for the Cypriot economy (Cyprus Statistical Service, 2016). Looking closely at other retail markets, the USA experienced a decrease in clothing retail stores in 2007 and

2008 as a result of the introduction of the financial crisis (USA Census Bureau, 2017). According to the USA Census Bureau (2017) and Euromonitor International (2013) American and UK stores have decreased substantially presenting a 22.5% decrease of apparel retail stores between 2007-2012.).

Equally, European retail stores have also shrunk, particularly in southern European countries, as a result of the effects of the financial crisis. As Figure 2.10 presents, the southern retail markets of Greece, Italy, Portugal and Spain have experienced a substantial decrease in turnover which holds an important percentage of their economies' gross domestic product.

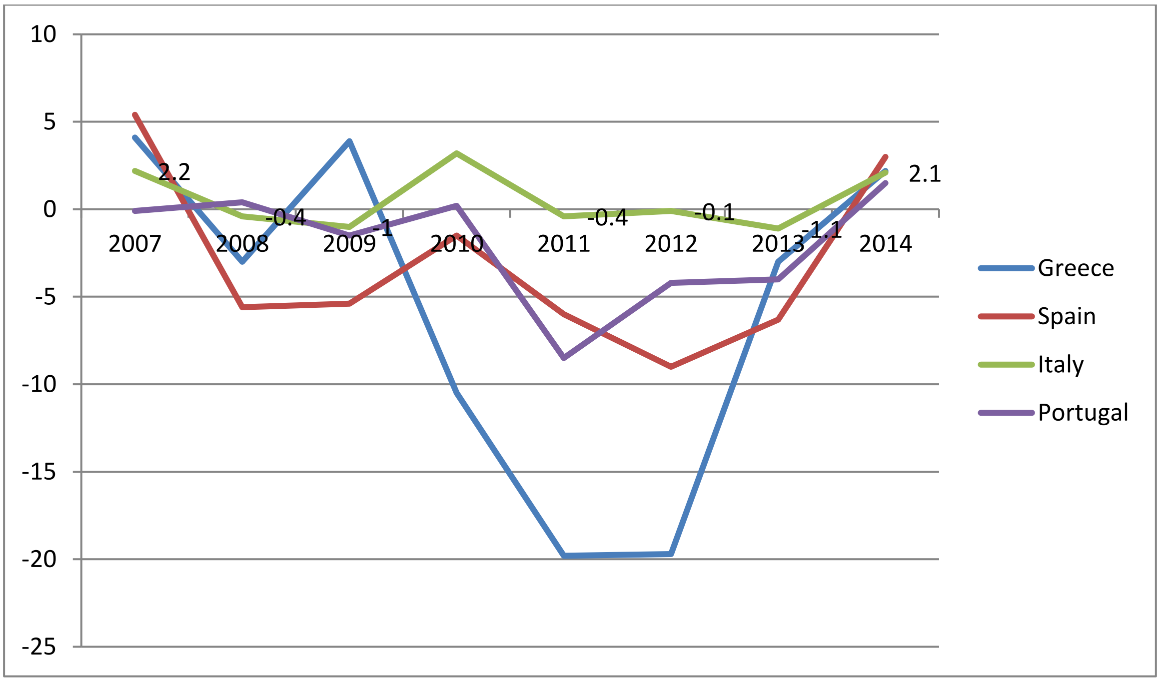

Figure 2. 10 Turnover of Clothing Retail, Eurostat (2016)

This correlates with the aim of this particular thesis which seeks to understand the issues and challenges of the Cypriot fashion retail sector which is proven to a play a crucial role in the economy of the country. Hence, not only have European clothing industries been affected, but also the Cypriot one, which is also classified as a very important sector of the local economy. However, the impact of the recession on the Cypriot fashion retail industry derives mostly as a result of the significant economic bonds that Cyprus has with Greece. Consequently, the Cypriot fashion retail sector has also experienced a decline particularly as a result of the Cypriot bailout agreement which led to the haircut on banks' savings in 2013. As is shown in Figure 2.11, the retail market has experienced a real growth in terms of turnover up until 2009. The turnover as well as employment in retail clothing and footwear stores decreased while a number of retail stores have dealt with catastrophic consequences.

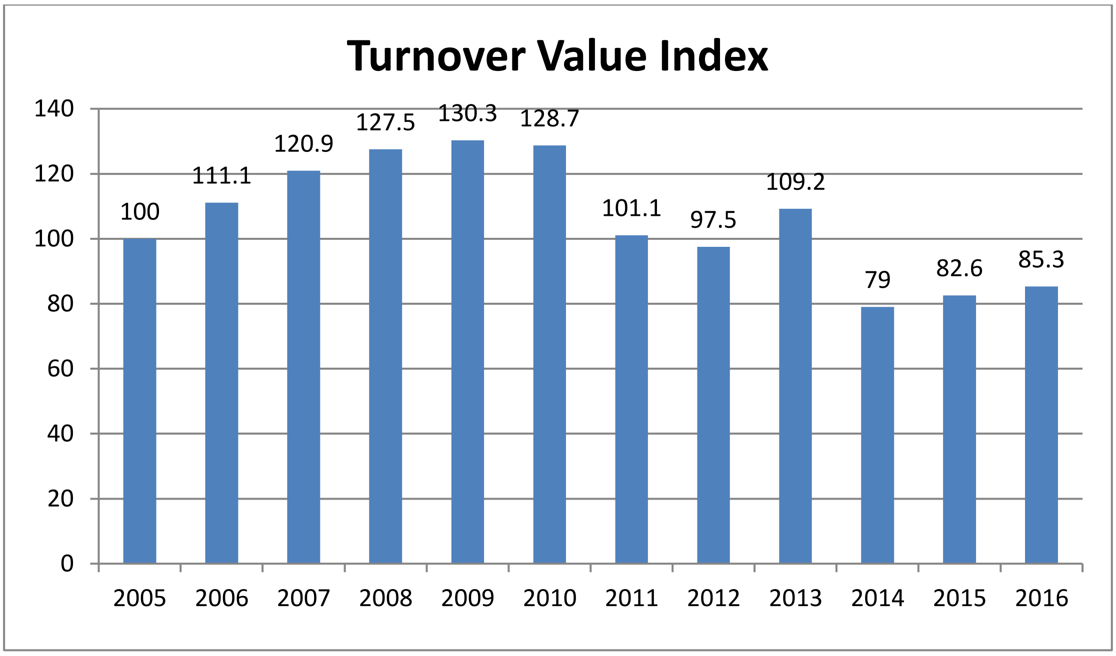

Figure 2. 11 Retail Trade of Clothing and Footwear, Cyprus Statistical Service (2016)

2.7 Chapter Summary

The purpose of this chapter was to present the economic affairs of Cyprus during the pre-recession and the recession period. The Cypriot economy is predominately supported by small and medium enterprises which are the backbone of the country's GDP. Entrepreneurship is spread across Cyprus which is mostly affected by seasonal touristic waves, and it consists mainly of family owner-managed small businesses. However, Cyprus entered a severe recession in 2009 which led to the experience of significant economic consequences. The effects of the latest recession appeared upon certain European countries with which the

Cypriot economy has significant economic relations, particularly with those of UK, Italy and Greece. The effects of the recession were also evident in other small European states such as Luxemburg, Malta and Ireland where the predominance of family owner-managed SMEs is significant to their economies. Hence, the impact of the recent recession upon European states, particularly Greece, resulted in the Cypriot economy being affected disproportionately, particularly in the retail sector. Similar to Greece, Cyprus has introduced a series of austerity measures as a result of the Cypriot bailout agreement. A significant part of the bailout agreement with the European commission was the haircut on banks' savings which caused the downturn on the country's GDP and retail market. Cyprus has entered the recession as a result of the great economic relations with other European states such as Greece. This resulted in Cypriot SMEs to also be affected by the economic recession, particularly those operating in the Cypriot fashion retail market.

Consequently, since the effects of the recession started appearing in the Cypriot economy, it is important to shed light on how smaller firms respond to the recession. Moreover, it is essential to understand how micro small owner-managed family firms exercise strategic planning decision-making during recessionary periods particularly in a country where liquidity problems are increasing as a result of the economic recession. Similarly, it is necessary for studies to explore whether SMEs in a small economy such as Cyprus freeze their growth aspirations as a result of the economic recession and tend to target survival instead. Hence, the next chapter will present the literature surrounding strategic planning and its applicability to small businesses during recessionary periods particularly during the latest recession in 2008.

CHAPTER 3: LITERATURE REVIEW- SMALL BUSINESS STRATEGIC PLANNING AND STRATEGIC RESPONSES DURING RECESSION

3.1 Introduction

The concept of strategy has been substantially developed and defined differently by many authors over the last four decades (Ansoff, 1965; Mintzberg, 1985; Porter, 1985) as a result of the requirement by companies to respond to market changes within different business environments. According to Green et al (1993), strategy is a dynamic plan of action that outlines how firms should react in different environmental influences, external and internal, in the short- and long-term. Contrary, a number of researchers have defined strategy as the planned or actual co-ordination of the firm's major goals and actions, in time and space that continuously co-align the firm with its environment (Farjoun, 2002).

Strategy has been considered to play a fundamental role in the survival and development of corporations but also in the case of small and medium companies. Whilst entrepreneurship has been a divided area of research for many decades (Knight, 1921; Schumpeter, 1934; Shackle, 1968; Casson, 1982; Kirzner, 1985), it was later linked with the concept of strategy, offering crucial findings in both fields (Herbert and Brazeal, 1998; Hitt et al , 2001; Ireland et al, 2003). However, authors exhibit the notion that different aspects play a significant role to the development of strategy such as the ownership (Birley et al, 1999; Poutziouris, 2003), the degree of competition and the importance of strategic planning in SMEs performance (Mayer and Goldstein, 1961) and independence (Forsman, 2008).

In addition, although the literature is significantly developed regarding strategy formulation and implementation in large corporations, it also presents several differences compared to strategy in small and medium enterprises. More specifically, strategy formulation in SMEs has received great attention in the academic literature either by emphasising the different strategic positions of SMEs (O'Regan and Ghobadian, 2002; Lester et al, 2008; Sharma, 2011) or the nature of SMEs and their need to strategise (Acs and Audretsch, 1990;Sharma, 2011; Blackburn, 2013) In addition, the degree to which large and small-medium companies initiate strategy differs substantially, highlighting several differences and similarities regarding the choice of strategy arriving from the different perceptions of small companies' owners/managers and large companies' top management teams. Furthermore, studies suggest that the difference between strategy formulation in large organisations and SMEs is derived from the advantages they have in terms of adaptability and flexibility (Rothwell and Dodgson, 1994; Lewin and Massini, 2003) and resource constrains (Roper and Hewitt-Dundas, 1998; Roper, 2001; Hewitt-Dundas, 2001).

The purpose of this chapter is to provide a theoretical basis for small and medium companies. Again, the chapter will show the differences on strategic planning between small and large organisations. The literature review then presents the recessionary strategies mostly adopted. More specifically, the objectives of the chapter are to explore the theoretical and contextual background surrounding the literature on strategic planning, the strategic decision-making process and the factors affecting the process in the context of SMEs. In addition, it considers the differences between the strategic formation and implementation of large companies compared to small and medium companies based on the factors affecting the strategic decision-making process which directly influence the strategic position of the companies. Again, the chapter provides a comprehensive comparison between SMEs, specifically entrepreneurial growth-oriented small businesses compared with non-growth, often lifestyle small businesses which do not tend to strategise. Therefore, ownership as well as business structure characteristics are presented between the two types of small businesses and the important differences and similarities between them.

The literature then focuses on presenting the effects and the responses of all sized enterprises at a macro level. Equally, the literature presents the effects of the recession on SMEs and their responses during the latest economic crisis providing evidence from an international perspective.

3.2 Strategic Planning

In order to understand the process of strategizing in SMEs it is essential first to review the literature surrounding strategic planning. Several theories of strategy have been developed over the last decades which theorise the process by which companies structure and implement their strategies in order to increase their performance. Hence, prior to presenting the strategic responses during recessionary periods it is vital to review how companies develop their strategies during stable environment and then move forward to the context of strategy in recession. Despite the tremendous development in strategy in the last three decades, only few strategic developments and theories have been described as “evolutionary”. Based on that, the table below shows the complexities and the evolution of the definition of strategy presenting authors who had an influential contribution to the specific field.

Ansoff (1965)	Strategy is one of several sets of decision making rules for guidance of organizational behavior.(p.103)
Chandler (1962)	The determination of the basic long-term goals and objective of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals.(p.13)
Quinn (1980)	Strategy has been characterized as being either a plan, pattern, ploy, perspective, or position that brings together an enterprise's major objectives, policies and activities into a cohesive whole.(p.12)
Porter (1980)	Strategies are generic positions selected through formalized analysis of industry situations. (p.22)
Andrews (1987)	The pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and define the range of business the company is to pursue, the kind of economic and noneconomic contribution it intends to make to shareholders, employees, customers, and communities. (p13)
Mintzberg (1994)	If you ask someone to define strategy, you will likely be told that strategy is a plan or something equivalent – a direction, a guide, a course of action into the future, a path to get from here to there.
Mintzberg et al (2009)	Strategy is a pattern, that is, consistency in behavior over time. (p.10)

Table 3. 1 The Evolution of the definition of Strategy

Drawing from the table above, certain theories can be considered in terms of strategy. Whilst some theorists have defined strategy as a perspective or position (Quinn, 1980), others described strategy as a competitive position of an organisation (Porter, 1985) and others as a direction or a guide that rests upon the goals and objectives of an enterprise (Chandler, 1965; Mintzberg, 1994). In that respect, a comprehensive academic debate has risen upon the definition and explanation of strategy over the last 30 years where every researcher has a different point of view in terms of the determination of strategy.

In an attempt to categorise this complex body of literature on strategy, a comprehensive framework has been developed by Mintzberg et al (1998) dividing the strategic planning stages into what they call “ten school of thoughts”. Based on Mintzberg’s literature survey of 2000 articles and books, strategy formulation process can be grouped into 10 schools of thought as shown on the table below.

Prescriptive	**Descriptive**	**Descriptive**	**Configurational**
Design School Strategy Development through the consideration of the External threats and opportunities and Internal strengths and weaknesses. **Representatives**: Selznick (1957), Chandler (1962), Andrews (1987) **Instruments**: SWOT Analysis	Learning School Strategy emerged through learning from situations. **Representatives**: Lindblom (1959), Cyert and March (1963), Weick (1969), Quinn (1980), Hamel and Prahalad (1994)	Power/Political School The formation of strategies is based on power and politics. Separated in macro and micro power. **Representatives**: Allison (1971), Pfeffer and Salancik (1978)	Configuration Strategy formation as a process transformation. Integration of t other schools. **Representatives**: Chandler (1962), Miles and Snow (1978), Miller and Friesen (1984) **Instruments**: All instruments from other schools depending on the situation.
Planning School Strategy as a formal process. Decision making structure assist managers to gain tools and methods of analysis to formulate strategy. **Representatives**: Ansoff (1965) **Instruments**: Scenario Planning	Cognitive School Mental process based on individual perceptions. **Representatives**: Simon (1947), March and Simon (1958)	Cultural School Formation of strategy as a social process which is based on culture. **Representatives**: Rhenman (1973), Normann (1977)	
Positioning School Strategy as a competitive position in an industry. **Representatives**: Hatten and Schendel (1977), significantly Porter (1980; 1985) **Instruments**: Product-Market Growth Matrix/ Growth Vector, McKinsey Matrix, Five Forces, Generic Strategies Framework, Value Chain	Entrepreneurial School Strategy as a vision of the entrepreneur (strategist). **Representatives**: Schumpeter (1934), Cole (1959), Marx (1973) **Instruments**: Niche, Turnaround strategies, start up	Environmental School Strategy formation is determined by the environment which is seen as the main actor. **Representatives**: Hannan and Freeman (1977), Aldrich (1979), Contingency theorists (e.g Pugh et al 1969; Miller 1979)	

Table 3. 2 Ten Schools of Thought, Adopted from Mintzberg et al. (1998), Mintzberg and Lampel (1999), Kraus and Kauranen (2009)

The entrepreneurial school falls into the descriptive type of schools which *seek to understand the process of strategy formation as it unfolds* (Mintzberg et al, 1998, p130). In terms of the 'entrepreneurial school' which bears much interest for the purposes of this study, the organisation becomes responsive to the dictates of that individual (strategist). This particular school relates to the aim of this research since the main interest of the research is the family owner-managed micro-small Cypriot enterprise. The initial impetus of the entrepreneurial school arrived from the "Theory of Economic Development" presented by Schumpeter in 1934 and authors considered further the concept of entrepreneurship thereafter (Sandberg, 1992). Some of the early writers came from the field of economics (Schumpeter, 1950; Marx, 1973) and as the entrepreneurial school; they focus on the process of the strategy formulation completely upon the chief executive of a company rather than see it as based on a strategic design. Entrepreneurial organisations are simple organisations and they depend upon their leader. They are flexible, simple and they are concerned with opportunities rather than problems which the organisation may face (Mintzberg, 1973).

In addition, strategy exists in a strategist (leader) as a long-term strategic tool and as a vision of the organisation. The structure of the organisation is simple and it is responsive to the leader's directives (Mintzberg, 1998). However, entrepreneurial firms lack control of the external environment and therefore the process of strategy formulation can only be short-term. According to De Vries (1985), some leaders deal with problems of cooperating with others. This happens because of the preoccupation of power and control which affects their ability to drive the organisation appropriately. Moreover, entrepreneurs always want to be ready when disaster strikes. Therefore, they live in fear of being victimized (De Vries, 1985).

3.2.1 Strategy as Practice

Although the concept of strategy has been defined differently by many authors in the past, there is a new concept arising that it was first developed by Whittington (1996) called strategy as practice (SasP). According to Jarzabkowski et al (2007), strategy as practice focuses on the micro-actions of strategic actors and human activity (Johnson et al, 2003) at a micro level rather than at an institutional level. Hence, based on the concept, strategy is something that the members of an organisation do rather than something that the organisation as a whole does.

The concept of strategy as practice is defined differently compared to the general term of strategy since it is considered as a socially accomplished activity that is supported by several elements such as the actions, interactions of multiple actors and their practices in completing these activities (Jarzabkowski, 2005, Hendry et al, 2010). According to Jarzabkowski and Spee (2009), it is important to see how organisations are strategizing at a micro level, where strategy as practice focuses mainly on who does strategy, what and how they do, what they use to do it and what are the implications. Hence, it focuses on the wider practices of societies rather than studying organisational processes (Whittington, 2007). The field of strategy as practice is mostly based on three main parameters which are the *practitioners*, *practices* and *praxis* (Jarzabkowski et al, 2007) (See Figure 3.1). Practitioners refer to the people that do the work of strategy while practices refer to the tools through which strategy is done. Finally, praxis is the flow of activities that take place up until strategies are accomplished such as strategic planning, decision-making, resource allocation and strategic change (Jarzabkowski et al, 2007; Johnson et al, 2007; Hendry et al, 2010).

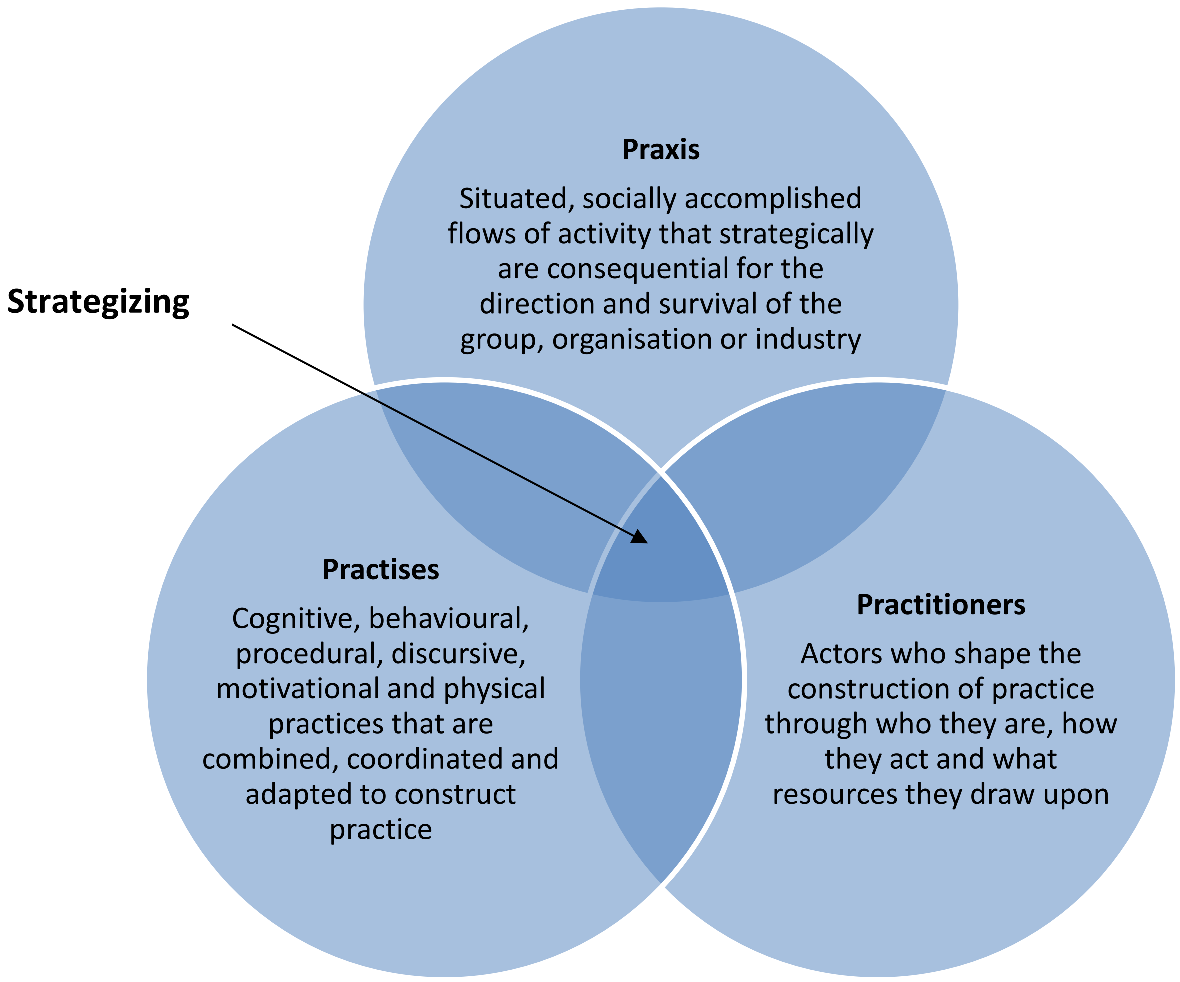

Figure 3.1 Strategy as Practice Framework, Adopted from Jarzabkowski et al (2007), p11.

More recently, Jarzabkowski and Whittington (2008) and Jarzabkowski and Spee (2009) point out that practitioners are the people directly involved in the making of strategy who are mostly managers and consultants, and the external bodies that have indirect influence such as the policy-makers, media and the schools. On the other hand, praxis is a *"stream of activity that interconnects that micro actions of individuals and groups with the wider institutions in which those actions are located and to which they contribute"* (Jarzabkowski and Spee, 2009).

Although there is still little work examining how outsiders shape strategy, the current research focuses on strategists, thus practitioners whose behaviourals and characteristics shape the strategy at an organisational level. The identities that practitioners have can lead to different experiences in the way they shape strategy (Jarzabkowski et al, 2007). Based on that, the current research focuses on the practitioners and certain behaviours of family SMEs strategists. Also, the research is based on certain activities that take place up until strategy is accomplished such as the strategic decision-making process. Although the concept of strategy in practice has been recently developed, it is still not linked with entrepreneurship and small businesses. Hence, it is important to present the link between strategy and entrepreneurship before engaging in presenting the strategic actors' characteristics and the decision-making process.

3.3 Linking Strategy to Entrepreneurship

Entrepreneurship has been a concept of academic research for many decades, mostly from business and management schools from all over the globe (Westall, 2007; Bull, 2008). While some focused on the gender distinction, separating the characteristics of male versus female entrepreneurs (Bruni et al, 2004; Marlow et al, 2009; Hughes and Jennings, 2012), others have focused on the entrepreneurial activity and external effects (Reveley and Down, 2009; Hindle and Moroz, 2010). Authors have also distinguished the differences between American and European entrepreneurs and how cultures define entrepreneurship. For instance, USA link entrepreneurship with the culture where entrepreneurs are focused on the overall community (Chell, 2007). On the other hand, Europeans perceive an enterprise as a stakeholder of democracy. Moreover, Europeans focus on the governance and the distribution of power within enterprises which is associated with the overall control (Defourny and Nyssens, 2006; Bull, 2008). Therefore, there are different perspectives on the term of enterprise which is mostly presented between cultures. However, this is also evidence among academics where there is not a common ground for the particular concept.

Nonetheless, researchers tried to link strategy with the concept of Entrepreneurship in the last decade and they came across variable characteristics. Both fields have been developed separately for many years now but according to Meyer and Heppard (2000), the two are very much inseparable. In addition, Venkataraman and Sarasvathy (2001) used a metaphor based on Shakespeare's 'Romeo and Juliet', suggesting that a strategic management research that does not incorporate an entrepreneurial perspective is like the balcony without Romeo. Thus, the integration of strategic management with entrepreneurship is called 'Strategic Entrepreneurship' (Hitt et al, 2001). Many authors tried to describe and link entrepreneurship to the concept of strategy. Browne and Harms (2003) embrace the notion that strategic management is a 'subset' of entrepreneurship while Andriuscenka (2003) posits the inverse, that strategic entrepreneurship is the 'successor' of strategic management. The emergence of Strategic Entrepreneurship (SE) has its roots in the field of economics (Knight,1921; Schumpeter, 1942) and in the field of management thereafter (Kyrgidou and Hughes, 2010).Moreover, SE can be defined as a process of a company's identification of opportunities (purview of entrepreneurship) which will produce high potentials for value creation while concurrently exploiting these opportunities and take them at an advantage through certain strategic actions which is based on the purview of strategy (Hitt et al, 2001; Hitt et al, 2011). Hence, the term lies on the combination of entrepreneurial opportunities and the strategic advantage seeking by organisations in order to succeed with wealth and profits (Ireland et al, 2003; Chang and Wang, 2013). Moreover, strategic entrepreneurship suggests that new ventures and established firms need to be entrepreneurial and strategic at the same time (Hitt et al, 2001).Strategic entrepreneurship model have been classified into two categories, the content model which deals with coordination and individual development (Luke and Verreynne, 2006; Wickham, 2006) and the process of strategic entrepreneurship which argues that a certain factor influence the relationship between other factors that affect the entrepreneurial outcome (Eisenhardt et al, 2000; Ireland et al, 2003; Ireland and Webb, 2007). A more comprehensive approach on strategic entrepreneurship was presented by Ireland et al (2003) who show the most important dimensions of strategic entrepreneurship. The framework has been a subject of criticism and as a response to this criticism, Hitt et al (2011) created an input-process-output model of strategic entrepreneurship taking into consideration other aspects such as individual knowledge and skills, resources of the firm and environmental factors as inputs of the model. The initial model of SE by Ireland et al (2003) has been adjusted by Kyrgidou and Hughes (2010) first and more recently by Hitt et al (2011), including three different dimensions: resource/factor inputs, the resource orchestration process and the outputs as seen in Figure 3.2.

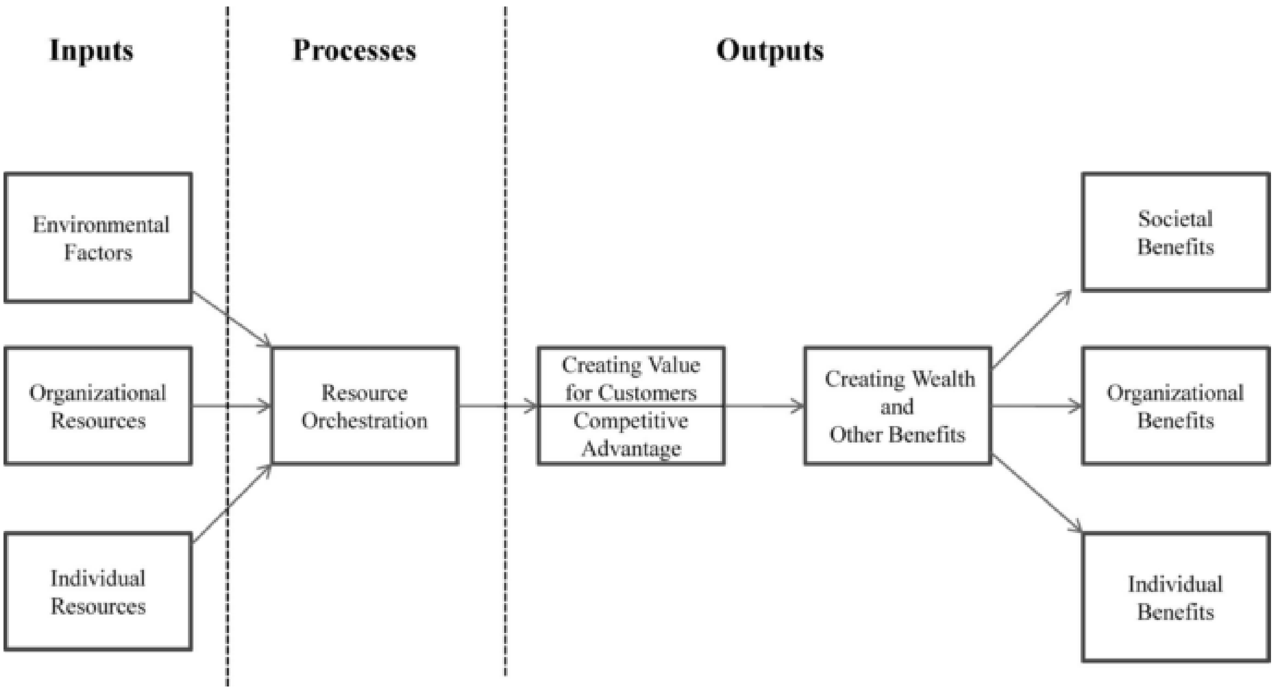

Figure 3. 2 An Integrated model of Strategic Entrepreneurship, Adopted from Hitt et al (2011)

Therefore, based on Hitt et al (2011)'s model, the first dimension is concerned with the external environmental factors that affect the ability of companies to identify and exploit opportunities which will drive them to a competitive success. Consequently, munificence, dynamism and interconnectedness are some important factors within the input process of the model. Firstly, environmental munificence refers to the number of resources which are available in a certain environment and contribute to growth, stability and survival of an organisation (Dess and Beard, 1984). Secondly, dynamism is the next most important factor which correlates with uncertainty. In dynamic environments, uncertainty is higher since organisations have limited information about the conditions of an environment and therefore, it affects the strategic decision-making process accordingly.

Organisational resources involve the aspect of culture and leadership in which a strong and effective leadership is required to drive an entrepreneurial firm to growth. The development of culture is a noticeable requirement by leaders in order to grow (Kuratko et al, 2005). Therefore, leadership and culture are linked together since leaders are influenced by the organisational culture and vice versa.

Finally, individual resources refer to the resources which are based on individuals in an organisation and their behaviours which contribute to the overall development of the SE model. In particular, social skills influence individuals to acquire knowledge and recourses but also to create or identify opportunities. As an example, the expansion of social networks attracts new resources such as key employees in the organisation which is an essential factor for the success of individuals and their firms (Baron and Markman, 2000; 2003). Another aspect of individual resources concerns the human capital and its conceptualisation. Again, individualistic resources entail aspects of the entrepreneurial mindset, as described in the initial SE model developed by Ireland et al (2003), such as alertness, which is the ability to spot opportunities that have been disregarded in the past. In addition, the real options reasoning entails aspects of risk propensity in which individuals engage in risk taking in order to spot opportunities. Equally, goal setting is an essential factor in the individuals' resources. Leaders of entrepreneurial firms show their passion for the development of the new ventures and, at the same time, motivate their employees to take risks, think of new ideas and to engage in the accomplishment of the firms' goals. As a result, passion and self-efficacy motivate entrepreneurs to pursue strategic and entrepreneurial goals which are crucial for SE.

Nonetheless, the orchestration process represents the second dimension suggested by Hitt and his associates (2011). The process of orchestration refers to the actions taken by leaders to facilitate efforts in order to manage the firm's resources. Primary actions are based on the structure of the firm's resources, bundle resources into capabilities and leverage these capabilities in order to achieve value for customers. Specifically, the structuring action includes acquiring and divesting resources while the bundling action entails stabilisation of the existing capabilities, enrichment of the current capabilities and the pioneer of new capabilities. Finally, leveraging includes a number of actions taken such as the mobilisation of capabilities to formalise the required capability configurations, coordinating and deploying these configurations with an entrepreneurial strategy or a market opportunity strategy.

The final dimension of the strategic entrepreneurship process model is the potential outcome(s). The potential outcomes from the SE process could be at an individual, organisational or/and societal level and the ultimate outcome is either the formation of a new venture or the achievement of a competitive success. Accordingly, the outcome at an individual level is that entrepreneurs gain value through gaining satisfaction in the new business development and creating value for customers. In addition, entrepreneurs build their personal knowledge stocks through their learning on how to develop and implement new ventures. The integration of their knowledge stocks helps them to identify, evaluate and exploit business opportunities. Finally, the outcome of the SE process could have benefits in society. More specifically, increasing entrepreneurs' wealth could have advantages in the total population of a society, since it promoted economic growth through the insertion of new financial capital (Agarwal et al, 2007). In many cases, social entrepreneurs establish organisations to meet social requirements, improving the quality of life and increasing human development (Zahra et al, 2008). Other social benefits could be the engagement of a different sex in entrepreneurial activities. As a result, based on the allocation of resources into the entrepreneurial activity can boost the engagement of women to pursue entrepreneurial undertakings.

As has been seen from the Strategic Entrepreneurship model, in order to be effective, it has to combine and achieve a balance of opportunity seeking in regard to entrepreneurship as well as advantage seeking in regard to strategic management. Finally, the SE model is associated with the full cycle of organisations without age exceptions despite the historical surrounding of strategic management been adjusted to large organisations and entrepreneurship association with small and young ventures.

The next section presents the literature regarding the strategic decision-making process in SMEs which is the main objective of this research. Several frameworks are presented which will form the basis of this thesis' investigation.

3.3.1 Strategic Decision Making (SDM) in Entrepreneurship and SMEs

The concept of strategic decision making (SDM) process has been developed substantially the last years with a great attention given to the key steps of SDM while other authors have focused on the key factors influencing the process (Bakker et al, 2007). In addition, strategic decisions are "*intentional choices or programmed responses about issues that materially affect the survival prospects, well-being and nature of the organization*" (Schoemaker, 1993). Through time, several models have been put forward in the literature, including one developed by Mintzberg et al (1976). Accordingly, three major phases and seven steps were proposed (See Table 3.3) and the specific model reflects a stream of strategic decision-making studies that describe the process as a sequence of rational steps or phases (Huang, 2009).

Phases	Steps
1) Identification Phase	• Decision Recognition • Decision Diagnosis
2) Development Phase	• Search Route • Design Routes
3) Selection Phase	• Screen • Evaluation – Choices • Authorization

Table 3. 3 An Early model of Strategic Decision-Making Process, Adopted from Mintzberg et al (1976)

Whilst authors presented some general models of SDM such as Witte (1972) and Pfeffer (2005), Hart (1992) developed an integrated framework based on the top management and the level of participation by members of an organisation which contained five different modes: command, symbolic, rational, transactive and generative.

However, few authors focused on the complexity of SDM and the contextual factors determining the outcome such as environmental, organisation and decision-specific variables (Rajagopalan et al, 1993). Accordingly, organisational factors include the role of top management (Papadakis and Barwise, 2002), ownership and firm size (Papadakis and Barwise, 2002; Ghobadian and O'Regan, 2006) as well as centralisation (Baum and Wally, 2003). In terms of centralisation, the term refers to the focus of authority and power in a firm as a whole (Jung and Avolio, 1999). According to Baum and Wally (2003), more centralised firms avoid wide spread participation in strategic decision making; by contrast decentralisation refers to the widespread employee participation even at the front lines of the strategic decision-making process. Similarly, Papadakis and Barwise (2002) highlight that the CEO and the Top Management Team's characteristics influence significantly the dimensions of the strategic decision-making process and Ghobadian and O'Regan (2006) differentiate the influence of the ownership structure and the size of a firm to the process.

Nonetheless, environmental factors influence the strategic decision-making process in terms of environmental stability or hostility, complexity and dynamism, and munificence. According to Shrivastava and Grant (1985), differences in environmental and organisational conditions directed to changes in the SDM characteristics. In addition, environmental factors are associated with dynamic environments such as stability or turbulence and the level of environmental predictability (Aldrich, 1979; Dess and Beard, 1984). Despite the concentration on dynamic environments, other authors gave a great attention to "high-velocity" environments (Eisenhardt, 1989; Judge and Miller, 1991), which involve fast changes in demand, competition or/and technology having as a potential result unpredictability, turbulence and instability (Baum and Wally, 2003).

Therefore, previous literature suggests that there are certain factors that influence the strategic decision-making process in the context of entrepreneurship as shown in Table 3.4.

Authors	Factors
Papadakis et al, (1998); Mador (2000)	Environment and the Entrepreneur
Papadakis et al, (1998)	Environmental and Organizational
Schneider and de Meyer (1991)	Environmental, manager's characteristics, internal organization
Elbanna and Child (2007)	Environmental and characteristics of a business
Gibcus et al,(2010)	The Individual-Entrepreneur(and its approach), environment
Mullins (1996)	Past Performance and firm competency
Curseu et al, (2010)	Individual's attributes, characteristics, attitudinal, motivational, emotional and cognitive. Heuristics and biases
Kunreuther et al, (2002)	Strategic decisions in biases
Busenitz and Barney (1997); Busenitz (1999)	Specificity of entrepreneurs in the decision making process.
Curseu and Louwers (2010)	Education, Age and Experience affect ESDM outcome
Bakker et al, (2007)	Risk Propensity, Self-Efficacy, sensitivity to biases and heuristics and the outcome of ESDM
Curseu (2006)	Cognition is associated with the choice of decision making.

Table 3. 4 Factors Influencing the ESDM, Adopted from Mehrabi and Kolabi (2012)

These factors and variables are crucial for investigating the strategic decision-making process in the entrepreneurial environment and as such, their importance is significant particularly in this thesis and in investigating the factors affecting the strategic decision-making process in Cypriot SMEs.

A comprehensive model of the decision-making process has been developed by Chell (2001) who highlights the decision-making process in a managerial and entrepreneurial perspective (See Figure 3.3). Therefore, it represents the decision-making process and the route that managers and entrepreneurs follow in order to take the necessary actions and the factors affecting the process, leading to the desired outcome(s) such as higher business performance.

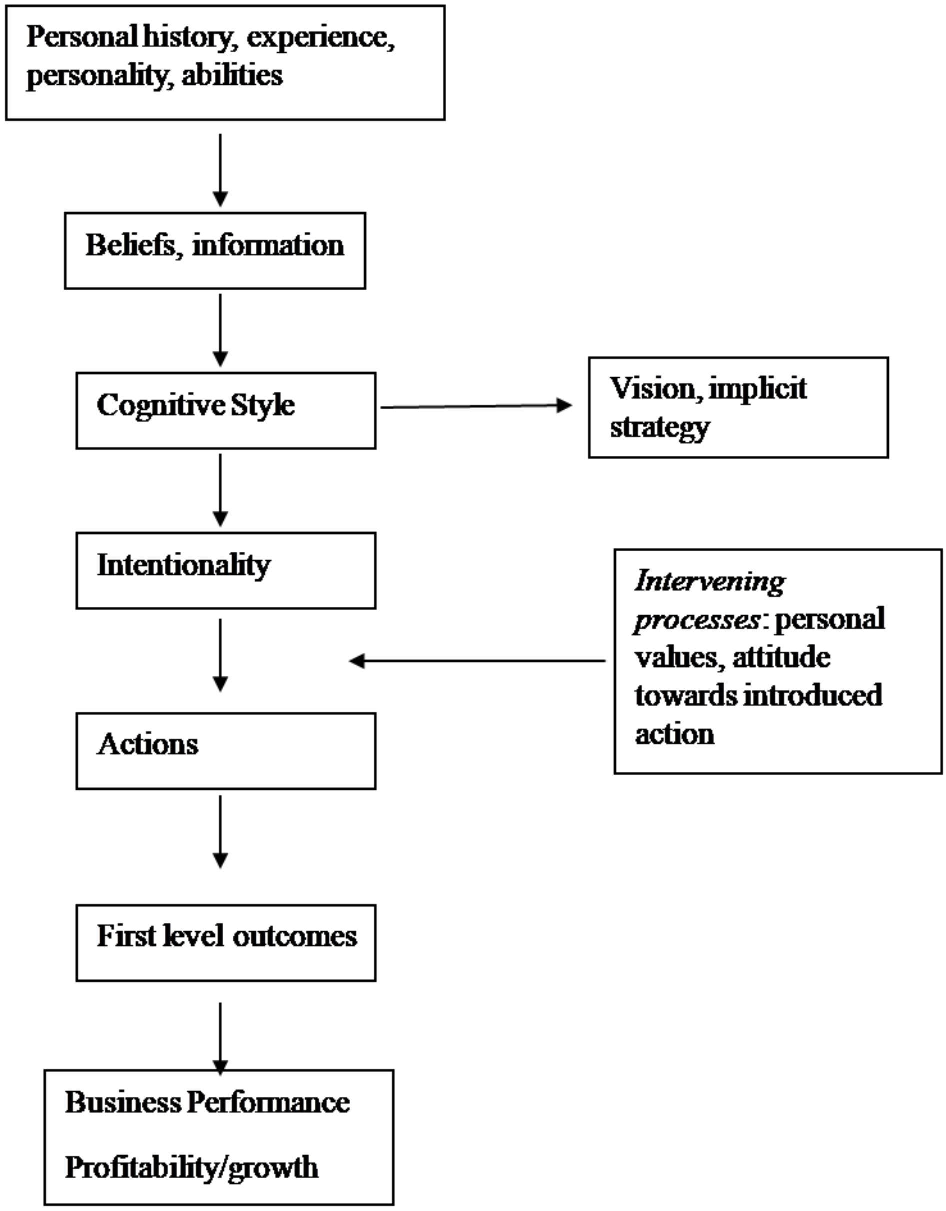

Figure 3. 3 Entrepreneurial Decision-making Process, Adopted from Chell (2001)

Meanwhile Brouthers et al (1998) developed their own perspective on the factors influencing the SDM process in SMEs based on the power of politics, external control and strategic choice. However, a more comprehensive and pertinent framework on strategic decision-making process in the context of small and medium enterprises is the model developed by Wheelen and Hunger (1998) in which they focused on 8 different steps (See Figure 3.4).

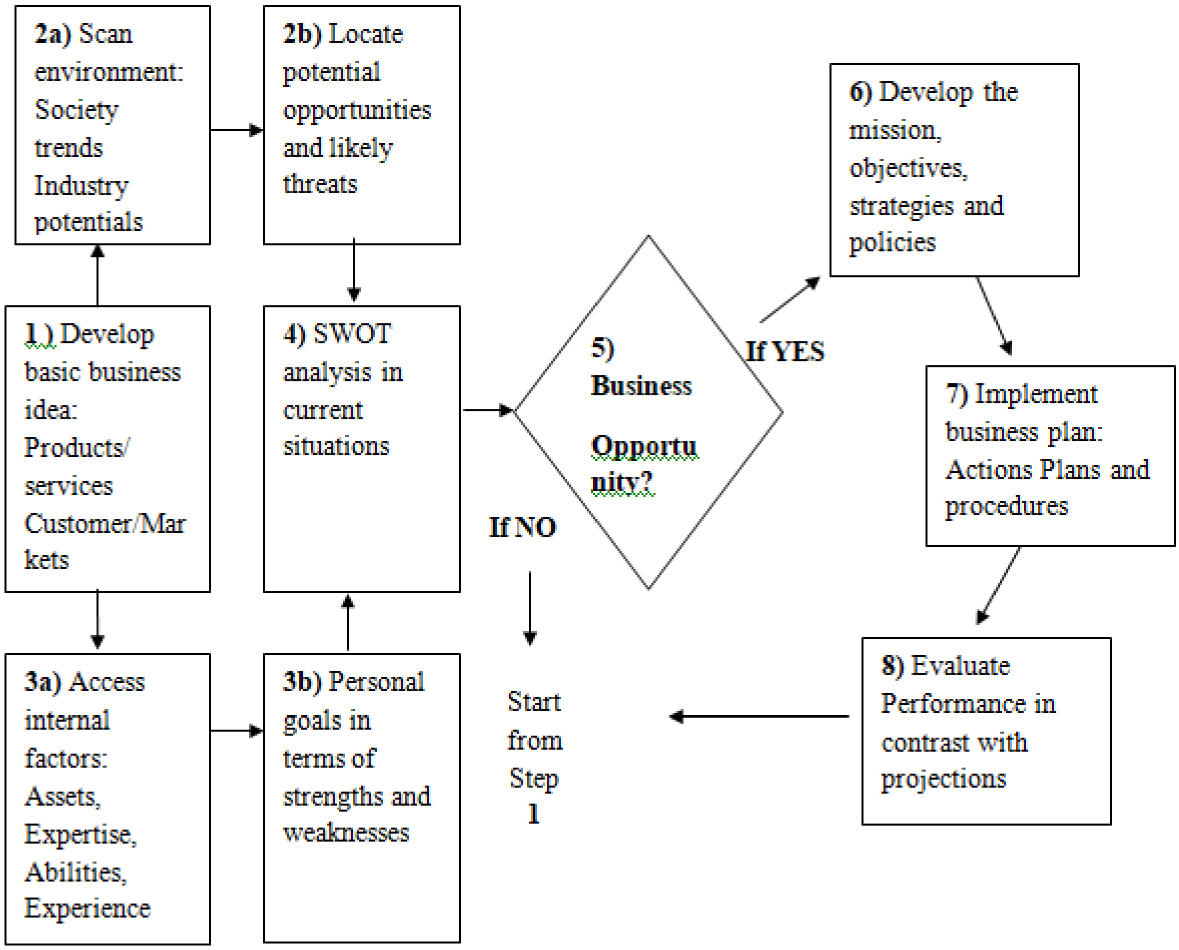

Figure 3. 4 A Strategic Decision-making Model for SMEs, Adopted from Wheelen and Hunger (1998)

The first step is the development of a basic business idea, determining the product or service and the market and customers' target which is usually developed by a person's experiences. The second step is the external environmental scanning based on market potential and resource availability in order to locate factors that exhibit opportunities and threats. The third step considers the accessibility and scanning of the internal factors of a new business. Reaching the fourth step, an analysis takes place in order to identify the strengths, weaknesses, opportunities and threats of a business in the shadow of any potential opportunities and threats. The next step is possibly the most important one since entrepreneurs have to decide whether the basic business idea is feasible or not and whether they should proceed to the development and implementation of the business plan thereafter. In the case of unfeasibility identification, then restart of the process should be considered. After the decision taken on the feasibility of their business idea, the generation of a business plan comes about in which they have to decide how they will transform their initial business idea into reality. In this case, objectives, mission and policies of the business are being considered as well as the strategic posture of the firm. When the business plan has been developed, then the implementation takes place through the use of action plans and relevant procedures. Finally, the evaluation of performance is the most interesting stage for the entrepreneurs in which they will compare the actual performance with the earlier projected results. If the actual results are less than the projected results then the entrepreneur should consider a potential change in the original business plan, objectives, mission and strategies.

Alternatively, a more recent research by Jocumsen (2002) identified five steps related to the strategic marketing decision-making process of SMEs based on 32 Australian small business strategic decision-making processes through in-depth interviews (See Figure 3.5).

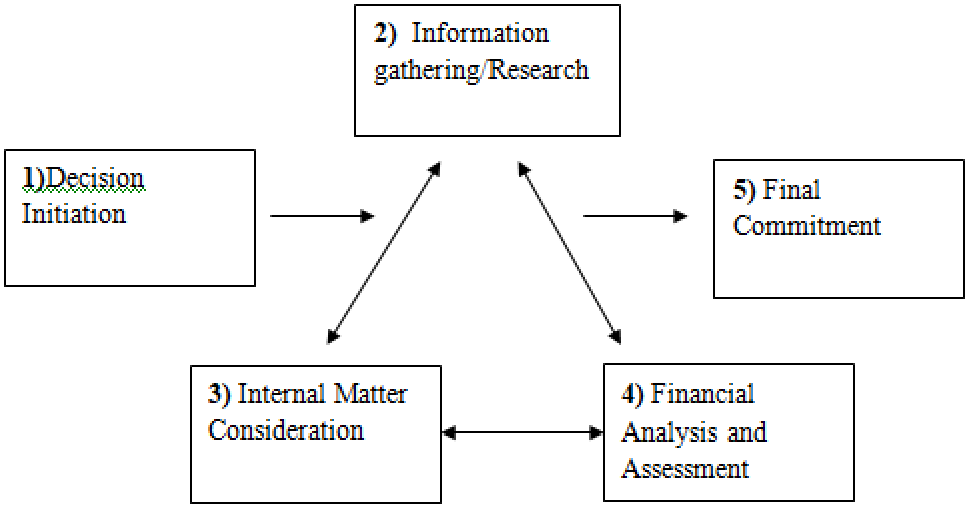

Figure 3. 5 SDM process in Australian SMEs, Adopted from Jocumsen (2002)

More specifically, Jocumsen (2002) identified that the internal factors influencing the strategic decision-making process in SMEs were the decision importance, the size of the firm, the current success of the business, the organisational structure and the educational level, as well as the manager's risk propensity. Surprisingly though, the study's results emphasise that external factors such as technological development, competition and industry factors did not influence the SDM process adopted by the owner/managers of SMEs. In addition, Gibcus et al (2004) investigated the SDM in SMEs and the processes and practices of the different types of decision makers. Hence, they have been identified five different groups, the daredevils, the long rangers, the doubtful, the informers and the busy bees and it has been observed that the characteristics of the decision-making behaviours were substantially different in terms of the decision makers' independence, frequency of decisions, decision makers' risk profiles as well as ambitions and availability of alternative choices.

In summary, many researches emphasised the importance of studying the entrepreneurial strategic decision-making concept and the factors influencing the process. More specifically, Miller and Friesen (1978) identified eleven strategy making dimensions including: adaptiveness, analysis, expertise, integration, innovation, and risk taking. Fredrickson (1986) proposed another set of dimensions such as proactiveness, rationality, comprehensiveness, risk taking, and assertiveness and in contrast, Lumpkin and Dess (1996) suggested autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness as the main dimensions of the strategic decision-making process.

3.3.2 Summary

The concept of strategy has been developing for many years and many authors have explored different aspects regarding the specific term. A comprehensive representation of strategy though was presented by Mintzberg (1990) and Mintzberg et al (1998) who synthesise the different perspectives of strategy into ten different sections of schools, called "schools of thought". Furthermore, schools represent the formation of strategy in terms of external and internal factors, in terms of a strategy that emerges through learning, in terms of strategy development based on power and politics, other based on transformation, as a formal process, as a mental process, as part of a cultural dimension, as a competitive position in an industry and others as the vision of a strategist and as an effect by the environment. However, the basis of this research falls into the aspects of the design, planning, positioning and entrepreneurial schools. All of these schools are associated with the aim and objectives of the current research, but a more comprehensive focus is placed on the entrepreneurial school.

Accordingly, entrepreneurship and strategy, being two different research interests in the past, have been linked together representing the research interest of the study. Moreover, many authors explored the concept of strategy in entrepreneurial firms but how strategic decisions are taken and the factors affecting the process. Therefore, several authors distinguish the factors affecting the strategic decision-making process (SDMP) in entrepreneurial firms, specifically in small and medium enterprises.   Therefore, based on the different aspects which comprise strategic entrepreneurship, it is appropriate to consider the several factors which affect the strategic decision-making process and its outcome (choice of strategies) such as the characteristics of ownership and the managerial role, the degree of competition, and firm size. Moreover, it will be essential to examine the environmental factors influencing SMEs' SDM process in terms of environmental stability/uncertainty, specifically recessionary periods, which is the scope of this thesis. Critically evaluating the strategic planning schools, incorporating the basis of the three most appropriate schools for the current investigation, it will be attempted to synthesise the strategic planning framework to the study's unit of analysis in the context of independent, owner-managed sizeable small and medium enterprises.

3.4 SME Strategy

A really important aspect of SMEs is strategy formulation and implementation. The determination of a strategic direction is one of the most critical decisions facing SMEs for many years now in order to sustain their operations in their industry (Ghobadian and O'Regan, 2006). SMEs have been growing in industries using different strategies, and some of them have been successful but many have been unable to survive. In terms of SME's strategic management though, until recently there has been little concern with strategic management in SMEs (Aram and Cowan, 1990; Foster, 1993; Lang et al, 1997; Smith, 1998). According to Moore and Manring (2009), small and medium enterprises have traditionally been entrepreneurial businesses that grow through internal financing. As has been discussed previously, strategy is a result of a decision-making process which is influenced by many other factors such as the ownership of the enterprise, the competitiveness of the market and the degree of a business' engagement in innovation. Therefore, it would be appropriate to explore the different factors which directly influence the decision-making process and hence, contribute to the result of this process, which is strategy.

3.4.1 SMEs' Life Cycle: The Five Stages

In terms of the SMEs' life cycle, they have been growing in industries for many centuries now. Growth is usually the target of every small business owner/manager since it offers more profitability and expansion for their business. The literature regarding SME growth suggests that small businesses go through different stages of growth, the so-called life cycles (Gupta et al, 2013). According to Poutziouris et al (1998) a minority of owner managers are enthusiastic for growth. Therefore, many authors tried to distinguish the small business stages from their existence to their maturity in an industry. Authors have presented in the past the so called "stages of growth" for small and medium firms which researchers adopted and adjusted thereafter, based on their perceptions. The initial model was developed by Greiner (1972) and was called "The evolution and revolution model" and since then, many authors have adopted and readjusted it based on their own observations. One of the main developers of the growth stages model for small businesses were Churchill and Lewis (1983) who presented a more general depiction of growth models where transition from stage to stage has no explicit trigger (See Figure 3.6). Moreover, they included a sixth stage by dividing the standard "Success" or "Growth" stage into growth firms. The specific model has not changed since its initial creation, but as has been mentioned before, several researchers have changed specific stages of model based on their own observations (McGuire, 1963; Steinmetz, 1969; Greiner, 1972; Stanworth and Curran 1976; Churchill and Lewis, 1983; Vozikis, 1984; Gibb and Scott, 1985; Scott and Bruce, 1987; Dodge and Robbins, 1992; Penrose, 1995; Poutziouris, 1998; Gupta et al, 2013).

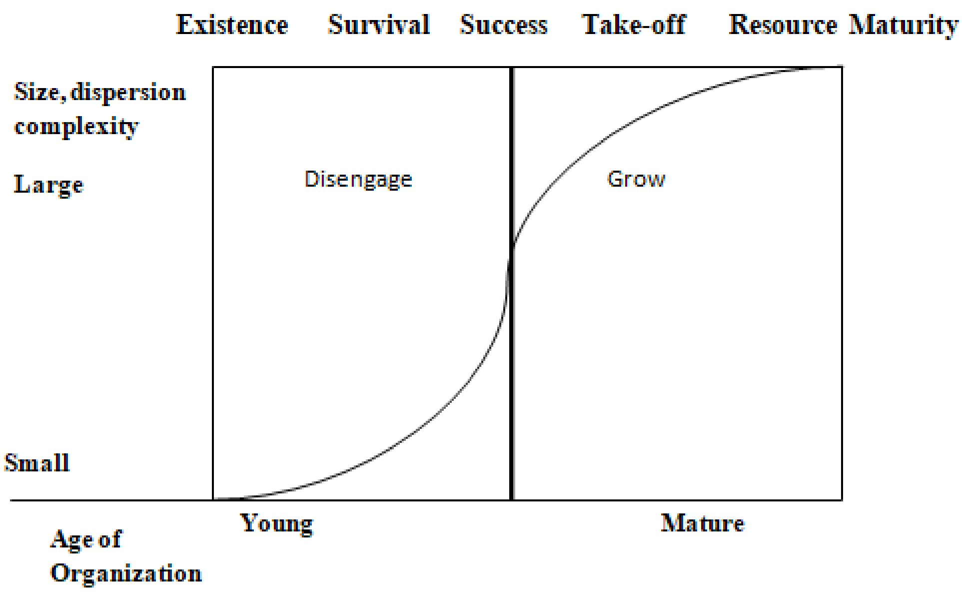

Figure 3. 6 The Stages of Small Businesses' Life Cycle, Adopted from Churchill and Lewis (1983)

According to the model, the first stage is called "*existence*" and this is related to the birth of the firm. This is the first stage of the entrepreneurial venture (Gupta et al, 2013). Based on this stage, is common for the business to have low capital resources and negative cash flow (Poutziouris, 1998). In many cases the business is run on a part-time basis as a start (Stokes and Wilson, 2006) and the main strategic objectives will be based on the development of a commercially acceptable product and on the establishment of a customer base (Churchill and Lewis, 1983). The second stage of the model is "*survival*" in which the business will show whether it will survive or fail. At this stage, entrepreneurs have the need to insert additional capital in order to expand the business. This may involve adding family members in the ownership and management structure for expansion (Gupta et al, 2013). Moreover, either it will grow to a viable size, passing through the existence stage or it will not develop satisfactorily and it will have to suffer an early exit (Stokes and Wilson, 2006). According to Poutziouris (1998), this stage is typically associated with some diversification of product line but firms may remain at the "survival" stage in order to continue earning marginal returns in investment instead of taking the risk of growing even more.

The third stage is the *"success"* or "*comfort"* or "*growth"* stage. At this stage, the existence of only one person in management is inadequate to fully sustain growth in a long-term. Therefore, it is commonly accepted that it requires the recruitment of non-owner managers and the development of a functionally organised team to take the business through the next stage (Stokes and Wilson, 2006). The enterprise may be involved in people development, which depends on the vision of the founder entrepreneur (Gupta et al, 2013). Furthermore, the business at this stage is often characterised as a highly profitable business with a wide capital base and with some investment in technology (Poutziouris, 1998). The fourth stage is the "*Take off"* or "*Maturity stage"* where the business enjoys stability and growth. Here entrepreneurs focus on further expansion and identification of opportunities whereas the organisation becomes more formal in nature (Gupta et al, 2013). At this stage, the firm becomes more sophisticated in its control systems and it usually takes characteristics of large corporations. According to Poutziouris (1998), there is clearly a threat surrounding the business when they don't realise that the need of professionalisation is necessary in order for the business to obtain sustainability and grow even further. In that case, the firm deal with huge chances of failure. The final stage of the model is the "*resource maturity"* or "*regrowth"*. At this stage, the business enjoys profitability, sustainability and it has probably established a demonstrable competitive advantage within its market. It is clearly noticeable that at this stage, the firm deals with an intense competition with its rivals and many businesses have failed to respond to these threats (Stokes and Wilson, 2006). At this stage, the enterprise is not considered as small and it places an emphasis on quality control and the identification of a niche in the market (Gupta et al, 2013).

Although the stages of growth were established a few decades ago, researchers such as Levie and Lichtenstein (2010) mention that there is no empirical evidence of the applicability of these stages and there is no agreement on defining the stages of enterprise growth. Moreover, the authors state that there is no evidence regarding the path of progress that enterprises pass from one stage to another. Similarly, Chaston (2010) also criticised the five stages of growth and he developed his own stages called chasms regarding an enterprise growth stages.

However, SMEs' life cycle stage is affected by the decisions which owner/managers take. As will be shown later on, SMEs' life cycle is affected disproportionately during environmental uncertainty and SMEs' owner managers are often forced to move from the success or growth stage to the survival stage in order to cope with external environmental changes. This is linked with this study's line of inquiry in terms of the changes of SMEs during uncertainty. Therefore, the decision-making process in SMEs affects their performance and the strategy they employ. Based on that, it is necessary to explore the factors that influence the decision-making process and which indirectly contribute to the strategic direction of SMEs. This will serve the study's unit of analysis based on small and medium sized enterprises, their independency and their owner-managed structure.

3.4.2 Characteristics of Ownership and Managerial role

In terms of ownership, smaller firms act differently from their larger rivals since they are usually ran by the same individual. In particular, it has been observed that the majority of owner/managed firms are family-based and their target is not just to generate wealth and job opportunities for the family but to maintain autonomy within the business (Poutziouris, 2003). On the contrary, managers of larger organisations have to consider the needs of the business' stakeholders, specifically, the particular group of individuals who have a commercial interest in the future of the organisation (Birley and Norburn, 1985). According to Birley et al (1999), small companies operate based on the ethos of their owner-managers in contrast to the larger organisations which the ownership is normally independent from management control. Similar observation was given more recently by other authors who agree that small businesses are based on the ethos of their owner-managers (Wang and Poutziouris, 2010) compared with larger organisations where ownership is usually independent from management control (Birley et al, 1999). Evidently, authors present the notion that owner-managers are the most important resource within a firm and their commitment to growth as well as their characteristics shape the overall performance of organisations (Mazzarol et al, 2009; Hansen and Hamilton, 2011; Blackburn et al, 2013).Correspondingly, business owners have a desire of independence (Forsman, 2008) instead of corporate managers who are assessed and supervised by the shareholders of the company (Birley and Norburn, 1985). Thus, the aspect of business owner's independence and the owner-managed nature of SMEs serve the unit of analysis of this research in combination with the distinguishing size of this particular type of enterprises.

Managers in large companies tend to prefer a more adaptive style of creativity whereas small entrepreneurs are more innovative in their creative styles (Buttner and Gryskiewicz, 1993). Thus, owner/managers set goals which are clearly related to their own personalities and beliefs (Steward et al, 1998; Storey and Greene, 2010). In addition, their personalities, personal values and beliefs, influence directly the strategies they adopt and indirectly the financial performance of the business (Bamberger, 1983; Thompson and Strickland, 1986; O'Farrell and Hitchins, 1988; Kotey and Meredith, 1997). Most importantly, the personal motivations and intentions of owner-managers have an impact on the growth aspects of their business (Walker and Brown,2004; Weber et al, 2015). Hence, the owner is operating from a completely different base from that of the manager. He has different set of skills and goals, fewer resources and works in a relatively unknown environment. Above all, he is responsible for creating the structure of his business as well as to managing it (Birley and Norburn, 1985). These personal characteristics of owner-managers are said to be affecting the managerial and strategic priorities of small firms (Jaouen and Lasch, 2015).

Moreover, an explicit difference of business owners and managers of large organisations is that business owners-managers succeed with imperfect systems since they can “hold the firm in the palm of his hand”. Therefore, they are able to adapt quickly to changes in the external or internal environment (Birley and Norburn, 1985). In larger organisations, the possibility to react and seize new opportunities is smaller since the decision-making powers of managers are often further away from the market and has as a result a slower reaction (Escriba Esteve et al, 2008; Steffens et al, 2009). This reflects on what Carland et al (1984) mentioned based on the different types of individuals. The authors elucidate two types of small business ownership: small business owners and entrepreneurs. Moreover, they describe an entrepreneur as the individual that takes risks and his/her purpose is to grow and profit from the business using strategic management practices and innovative combinations of resources. By contrast, small business owners operate their business based on their individual personality and they set specific personal goals in order to produce family income. More recently, Kuratko (2009) also distinguished between entrepreneurs and small business owners, mentioning that there are a lot of differences between the two types. According to the author, small business owners target and focus mainly on keeping a stable growth and profits while entrepreneurs focus aggressively on innovation profit and a continuous growth of the firm. Hence, it has been stated that small business owners fall between entrepreneurs and corporate managers and it appears to be a conceptual link between these two, having characteristics from both types (Stewart et al, 1998).

Finally, it is appropriate to mention that corporate managers tend to be high in need for power and lower in need for achievement (McClelland and Winter, 1969) in contrast with entrepreneurs who are higher in achievement motivation than managers (Begley and Boyd, 1987; Carland and Carland, 1991). Similarly, managers of large companies rely on their reporting systems and they are supervised by the company's shareholders while small business owners survive because they perceive themselves to be in control and not controlled (Birley and Norburn, 1985). This explains the notion that small business owners often show an antipathy towards external interference and are doubtful about the possibility of employees participating in the decision-making process (Wang and Poutziouris, 2010).

-Risk Propensity

However, owner/managers' characteristics affect the decision-making process in terms of the risk-taking. Risk-taking has been considered to be a very important factor for the business performance and therefore, the level of risk taken by the decision makers varies. The concept of risk-taking has been defined by many authors differently for over 50 years (von Neuman and Morgenstern, 1947; Arrow, 1971; March and Shapira, 1987; Bloom and Milkovich, 1998; Wiseman and Gomez-Mejia, 1998; Sanders and Hambrick, 2007). While Miller and Friesen (1978) define risk-taking as the degree to which managers are prepared to make large risky resource commitments, Bloom and Milkovich (1998) define risk as the uncertainty about outcomes and events. However, taking into consideration a more recent definition of risk, Sanders and Hambrick (2007) define it "*as the degree to which potential outcomes associated with a decision are consequential, vary widely, and include the possibility of extreme loss*" (p1057). In addition, they separate the riskiness of managerial decision into three elements, the size of the outlay, the variance of probabilistic outcomes and the possibility of losing all or part of the investment. However, Palmer and Wiseman (1999) distinguish the top management characteristics and the managerial ownership and the risk-taking possibilities in the decision-making process. Specifically, they incorporate the view that heterogeneity in top management team characteristics is more likely to promote managerial risk-taking. In contrast, they point out that owner-managers are more likely to engage in high levels of risk-taking than non-owner/managers, since they are more concerned with employment risk associated with risk-taking. Therefore, non- owner/managers feel that non-winning gambling may have negative effects to their employment and the outcome could be their employment termination or the bankruptcy of the firm (Walsh and Seward, 1990). More recent studies also indicate that owner-managers that maintain a family ownership in their organisation promote risk-taking (Zahra, 2005). On the other hand, other authors contradict these findings by stating that family owner-managers are averse to risk-taking compared to managers and CEOs that are not family related to stakeholders (Jones et al, 2008; Short et al, 2009).

As a result, the distinction of ownership between small and larger organisations has differences in terms of the level of risk taking in the decision-making process and outcome. In particular, authors highlight that entrepreneurs are not significantly different from corporate managers on their decisions of taking risks (Litzinger, 1965; Masters and Meier, 1988). Small entrepreneurs and managers of larger organisations both tend to deal with risk-taking, however it is believed that entrepreneurs take more risks since they face a less structured and uncertain set of possibilities (Bearse, 1982). Small business owners were characterised by their relatively higher propensity to taking risks (Stewart et al, 1998), in contrast with managers who prefer intermediate levels of risk (McClelland, 1961; Meyer et al, 1961; Litzinger, 1963). According to Stewart et al (1998), not only were small business owners less risk-oriented but they also lack the desire to be innovative. More recent studies challenge these findings since they found that outside-managers that do not possess any ownership in their firms are less averse to risk-taking (Tsai et al, 2009; Ozkan, 2011; Chrisman et al, 2015; Kraiczy et al, 2015) while small business owner-managers are less willing to take risks (Dew et al, 2009). This is because nonfamily CEOs and managers are more risk-oriented while owner-managers tend to protect the family's wealth which prevents them from taking risks, for instance in research and development (Sciascia et al, 2015) that could harm the future of the firm (Huybrechts et al, 2013; Jaouen and Lasch, 2015).

3.4.3 Competitiveness and the Environment

SMEs' competitiveness is a crucial aspect for their survival. They have to maintain their competitiveness in their markets in order to survive and prosper. Small firms can be likened to 'David' and large firms with 'Goliath' where larger firms are stronger, have more resources, reputation and better links with the banking system than smaller firms. Nonetheless, planning is a crucial stage for a firm to be competitive enough, especially in developed markets. Strategic planning is essential for every firm since it is an important tool to survive or to grow in a region. It has been a common procedure for large firms, however small firms do not commonly practice strategic planning (Wang et al, 2007; Latham, 2009) despite the evidence that strategic planning can help firms to survive and prosper (Robinson et al, 1984; Sexton and Van Auken, 1985; Gable and Topol, 1987; Mazzarol et al, 2009). In addition, findings suggest that strategic planning is beneficial for small firms (Schwenk and Shrader, 1993; Sharma, 2011) since it has been proved that there is a positive relationship between formal strategic planning and financial performance (Shuman, 1975; van Hoorn, 1979; Jones, 1982; Robinson, 1982; Sexton and Van Auken, 1985; Ackelsberg and Arlow, 1985; Bracker and Pearson, 1986; Segev, 1987; Wood et al, 1988; Bracker et al, 1988; Watts and Ormsby, 1990; Wang et al, 2007). It has been identified that a major reason for small business failure was the lack of systematic strategic planning (Mayer and Goldstein, 1961; Woods and Joyce, 2003). Therefore, the benefits of sustainable strategic plans for SMEs are different from those offered to larger and multinational companies. Owner-managers of small firms may see no advantage in formalising a strategic planning process and they often, in fact, see disadvantages such as the potential loss of control and flexibility (Carter and Jones-Evans, 2012, p390).

However, research findings support the argument that small and large firms differ substantially in their responses to industry environments (Dean et al, 1998; Sharma, 2011). Large and small companies have their own advantages and disadvantages though. Specifically, large companies have as advantages the economies of scale, the experience of managers within the market, brand name recognition and market power (Cooper, 1981, 1982; Hambrick et al, 1982).On the other hand, smaller firms have the flexibility in production and price (MacMillan et al, 1982; Tellis, 1989; Fiegenbaum and Karnani, 1991; Sharma, 2011) and it has been suggested that small competitors can use unique types of attacks that larger organisations cannot generally use (Bloom and Kotier, 1975). Moreover, while large firms have a developed technological infrastructure and enhanced customer relationship management (CRM) technologies, SMEs lack the knowledge and capability of deploying CRM practices (Peltier et al, 2009; Lukkari, 2011; Nguyen and Waring, 2013). Therefore, competing in mass markets with large corporations is a very difficult aspect.

Consequently, it has been suggested that avoiding head-to-head competition with larger organisations is a need since it cannot be expected to challenge the multinationals head on through cost leadership and differentiation strategies. For that reason, smaller companies need to seek out protected market niches (Buzzell and Wiersema, 1981; Cooper et al, 1986; Aragon-Sanchez and Sanchez-Marin, 2005; Parnell, 2013). By the same token, small firms lack the required resources and expertise (Cooper et al, 1994; Forbes and Milliken, 1999; Lee, 2014; Wang, 2016) to compete with their larger rivals since largeness is often associated with abundant slack resources (Singh, 1990), giving to the firm the ability to attack competitors more effectively (Chen and Hambrick, 1995). Therefore, large companies are more steady in their market, they have all the required resources, the technological superiority and are also usually more vertically integrated than small firms (Fiegenbaum and Karnani, 1991). As a result, smaller companies under attack cannot retaliate because of resource constraints (Aram and Cowen, 1990; Chen and Hambrick, 1995; Lee, 2014; Wang, 2016). It has been suggested that small firms may need to compete in dynamic industries and avoid stable markets where large organisations dominate (Xie, 2012).

Nonetheless, many researchers conclude that what applies to large firms may not apply to smaller ones (Pugh et al, 1969; Blau and Schoenherr, 1971). As a consequence, larger companies usually achieve strategies such as cost leadership and differentiation more easily than smaller ones as a result of the economies of scale and their high negotiation power over suppliers (Ellis and Kelley, 1992; Lechner and Gudmundsson, 2014). Therefore, smaller companies are more attractive to a focused differentiation strategy which offers them access to a niche market (Analoui and Karami, 2003; Spanos et al, 2004; Ebben and Johnson, 2005). However, a more recent study by Leitner and Guldenberg (2010) points out that a combination of strategies is common in SMEs in the long-term and firms following a differentiation strategy were outperformed. Previous authors such as Carroll (1984) and Chen and Hambrick (1995) highlight also the perception that small firms focus on certain market niches and they tend to make competitive moves in limited domains, enhancing swiftness. This is a result mainly of the lack of resources they deal with (Thompson et al, 2012; Alstete, 2014). This supports the statement of Porter (1990) who mentioned that SMEs are likely to occupy a market niche or segment. The focus strategy reflects positively on small firms' performance since it has been emphasised that small firms following a focus strategy achieve superior performance than others (Carter and Jones-Evans, 2012; Lechner and Gudmundsson, 2014). A more comprehensive diagram was developed by Burns and Harrison (1996) based on Porter's three generic strategies and their suitability in the SMEs context (See Figure 3.7).

Cost Leadership Not attractive	**Differentiation** Attractive
Cost focus Possibly Attractive	**Differentiation focus** Very Attractive

Priority of generic strategies for SMEs:

- First: Differentiation focus
- Second: Differentiation
- Third: Cost focus
- Fourth: Cost leadership

Figure 3. 7 The Application of Generic Strategies in SMEs, Adopted from Burns and Harrison (1996)

However, despite the tremendous considerations of the application of Porter's theory to the context of SMEs, other factors and strategies play a really important role in the survival of SMEs which help them to thrive in their industry. Some of these factors and strategies are the flexible structure and their nature to be easily adapted. Even though, flexibility and adaptability are two widespread and known concepts, especially in SMEs literature, it is important to present the roots of these concepts analytically in order to understand their meaning and where they came from.

3.4.4 Principles of Evolution

The theoretical background of these concepts arrives from the Darwinian characteristics presented in 1859 concerning the evolution of organisms from one stage to another. Other authors have tried to explore the concept of evolution in the past such as Spencer, Comte and Lamarck offering insights of the connections of social elements but without presenting any explanation of social progression and transformation. On the other hand, Darwin presented a causal explanation of evolution in organic systems, in which through time, species evolve and are transformed through an on-going process. For many Charles Darwin is considered as a biologist, since he presented his theory of biological evolution, however, economists suggest that Darwin's theory implies economical aspects and he even came to his theory of evolution as a result of economical readings (Marciano, 2007).

Nonetheless, after developing the original concept of evolution, Darwin considered the application of the concept in other disciplines such as psychology and culture and in 1898, Thorstein Veblen first applied it to economics. However, problems were presented during the application of Darwin's idea into the economic context, since it was difficult to stretch biological metaphors and algorithms to fit a non-biological discipline. The evolution in organisms occurs when changes are applied. Therefore, three main factors were presented which were part of the evolutionary process and were likely to provoke evolution over time; variation, selection and inheritance (Hull, 2001). Therefore, the process of evolution beyond the biological concept emphasised that in terms of inheritance, entities must have the ability to produce copies of themselves which would be able to reproduce as well. These copies though, must have traits similar to their producers. In terms of variation, there is a requirement of the existence of different traits in a population and there has to be a way of introducing new variations. Finally, in the selection part of the process, the inherited characteristics must affect the process of the organisms' reproduction, by survival or natural selection or sexual selection.

- **Evo-Devo**

The concept of Evo-Devo is a combination of two disciplines within the field of biology. The evolution of development compares the developmental processes of different organisms and is a way to explore how the mechanisms of development have been influenced by evolutionary forces. Specifically, variation in genes may arise from the changes occurred by mutation and the variety may not be completely driven from the differences presented between genes but also from the changes of genes due to their interaction with the environment (Goodman and Cochlin, 2000). Evolvability is the ability of an organism to make changes through its characteristics and mechanisms in order to adapt. Therefore, the ability to adapt rapidly is a privilege which every organism considers as an advantage. Moreover, evolvability is determined by the ability of the entities or organisms to generate adaptive genetic diversity and then evolve through natural selection.

Nonetheless, adaptations are described as outcomes arriving from natural selection. In order to be more specific, adaptation is a process which makes organisms suited to different environments. Therefore, the evolutionary theory has been applied in many disciplines and as a result economics is no exception (Veblen, 1898; Nelson and Winter, 1982; Witt, 2003; Fagerberg, 2003; Witt, 2008). By considering the idea that market competition is invoked by the Darwinian's selection, Van den Bergh and Gowdy (2009) emphasise that firms are groups of individuals and therefore, competition between companies implies selection pressure acting on groups of individuals which result in adaptations serving the interest of groups and not individuals. Moreover, Ferguson (2007; 2008) invokes Darwin by likening financial organisms as biological entities, suggesting that "*institutions with a selfish gene that is good at self-replication (and self- perpetuation) will tend to endure and proliferate*" (pp. 350–351). Hence, many authors highlight the idea that the Darwinian selection seems to fit in many cases of market competition, seeing it as a simple analogy and as such, presenting economic competition as a Darwinian process (Johnson et al, 2013). Therefore, adaptation occurs during market competition and as such, large companies as well as small companies adapt through different environments in order to survive.

3.4.5 Flexibility and Adaptation

By way of comparison, large firms can enjoy a competitive advantage through economies of scale. They enjoy several advantages, such as reputation and bargaining power with suppliers and customers which smaller firms do not at the same level. On the other hand, smaller firms' competitive advantage arrives from their flexibility to vary output volume (Fiegenbaum and Karnani, 1991; Reid, 2007; Mazzarol et al, 2009). In addition, flexibility is undoubtedly important since small firms respond to changes and adapt in different environmental situations quicker than larger companies (Escriba-Esteve et al, 2008; Steffens et al, 2009; Blackburn et al, 2013). This supports what Ebben and Johnson (2005) mentioned, namely that strategy in small firms can be considered in terms of efficiency and flexibility. According to Hitt et al (1998) strategic flexibility is the ability of a firm to respond quickly to changes in the competitive environment and develop or maintain its competitive advantage. Therefore, smaller firms are probably the most flexible (Meyer and Heppard, 2000) and it is an advantage that smaller firms have compared to larger ones. It has been noticeable that small firms often develop their strategies based on their close relationships with customers. Equally, smaller firms have more advantages compared to large ones since they engage in rapid decision-making, higher risk propensity and better flexibility (Love and Roper, 2015). The direct management of the owner-managers prevents the need for detailed documentation and provides higher flexibility in adapting to differentiated business environments (Lai et al, 2016). Moreover, smaller firms achieve flexibility by depending more on labour and flexibility (Fiegenbaum and Karnani, 1991; Gupta et al, 2013). According to Woodward (1965), based on the separation of manufacturing production firms to unit/small batch and large batch/mass production, small batch firms were flexible in meeting customer needs while large mass production firms focused on efficiencies. The advantage which flexibility offers to smaller firms has been observed by many authors and it has been pointed out that this is an advantage that larger firms cannot generally have. Again, smaller firms rely on their flexible organisational structure (Lai et al, 2016). This is supported by the earlier findings of Kitching et al (2009) who also mentioned that this particular advantage leads to the better adaptation to a changing environment but also to better swiftness and effectiveness in responding.

Conversely, it has been argued that larger companies are more flexible than smaller firms because they have the capability of creating expectations for their future performance and it is easier for them to obtain long-term financing (Verdú-jover et al, 2006). There are many advantages and disadvantages of small and large firms in regards to flexibility and many can argue also that large firms, based on their more available resources or the availability of finance, are more flexible. However, a more comprehensive explanation of the small firms' superiority of flexibility is that they have simpler organisational structure and they grow using new information systems and technologies (Abdullah and Chatwin, 1994; Naylor and Williams, 1994). In addition, a more recent study on the Spanish manufacturing sector shows that small manufactures are more flexible than larger ones based on their capacity to absorb demand fluctuations. Therefore, this greater flexibility leads to better performance, superior production and higher profits (Villalba, 2006). Based on strategic flexibility's definition, companies can select and modify strategic choices based on the continuing environmental changes (Roberts and Stockplort, 2009). In particular, small firms are more likely to enter market environments in which flexibility, speed and available niche areas are rewarded. However, they are less likely to use broader strategies to enter successful markets as a result of resource constrains (Lechner and Gudmundsson, 2014).

Accordingly, flexibility offers an advantage for smaller firms which large ones cannot imitate because of their complex organisational structure. As a result, another advantage that is presented through flexibility is the advantage of adaptation. According to Villalba (2006), along with the flexibility advantage, smaller firms are more adaptive to environmental requirements, which is an essential advantage, especially for firms operating in uncertain markets. Similarly, small firms can be more flexible compared to large firms and this favours their adaptability to a changing environment (Cucculelli and Bettinelli, 2016). Adaptation is usually more essential in times of uncertainty and when a firm is faced with a more turbulent environment and a company finds ways to make adjustments as it seeks to survive and capitalise on external circumstances (Schindehutte and Morris, 2001; Anderson and Russell, 2009; Price et al, 2013; Lai et al, 2016).

3.4.6 Resource constraints and Innovation

As we have presented in the previous chapter, the resource-based view (RBV) model presents the way which competitive advantages are generated through firms' unique set of resources (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993). However, resource constraints in general, present limited possibilities to smaller firms to innovate rather than to larger rivals. In the case of smaller firms, they are significantly disadvantaged compared with larger firms, since they have limited resources, capabilities and competencies (Hewitt-Dundas, 2001; Anderson et al, 2010;Ates and Bititci, 2011; Lechner and Gudmundsson, 2014; Love and Roper, 2015; Lai et al, 2016). Indeed, small firms have the disadvantage of resources limitations but it has been suggested that smaller businesses have as a unique recourse, the reciprocity, which helps them to develop social capital with local customers. Moreover, research findings on small retailers suggest that local customers appreciated and trusted small business owners because of their honesty and fairness of business deals and therefore regular customers could be a significant source to increase revenue (Runyan et al, 2007). Accordingly, the findings support earlier studies which emphasise that relationships with individuals that were based on trust and reciprocity were more likely to produce a competitive advantage (Burt, 1997; Tsai and Ghoshal, 1998).

In terms of innovation, limited resources are a significant disadvantage that small firms have and as a result, they are less likely to be innovating than large firms (Roper and Hewitt-Dundas, 1998; Roper, 2001; van de Vrande et al, 2009). Nonetheless, studies undertaken in the U.S and other European countries express opposite results. Specifically, Acs and Audretsch's (1990;1993) and Salavou et al (2004) studies show that SMEs manufacturing sector presents a considerably higher innovation rate than large firms. Again, other European studies report similar findings, for instance in the Netherlands the small manufacturing and service sector produced a higher rate of innovation (per thousand employees) compared with larger firms (Kleinknecht et al, 1993). Hence, studies indicate that small firms attempt to remain competitive through innovation and adaptability (Pal et al, 2014; Cucculelli and Bettinelli, 2015). Similar results were presented in other countries such as in Italy (Santarelli and Piergiovanni, 1996) and Ireland (Cogan 1993). However, more recent studies still agree that SMEs do not innovate since they have lost their competitiveness as a result of the lack of capacity (Amatori et al, 2011; Cucculelli and Ermini, 2013). This has been widely interpreted as meaning that small firms are more innovative or more efficient innovators than larger companies (Acs and Audretsch, 1990; Rothwell and Dodgson 1994; Cohen 1995; Cohen and Klepper 1996).

However, Tether (1998) questioned these findings from another perspective. He argued that the number of innovations is different from measuring the value of innovation. As a consequence, small firms might have more innovations but the innovations' average value may be lower than the innovations in larger organisations. Although innovation is a key contributor to the positive performance and growth in small firms (Rosenbusch et al, 2011), small firms are engaged in fewer innovation activities compared to large firms (Berends et al, 2014). Nonetheless, many authors distinguish the factors which contribute to the higher level of innovation in small and large firms. Hence, smaller firms may have an advantage on their quicker recognition of opportunities (Rogers, 2004). On the other hand though, small companies find it more difficult to have access to finance than larger organisations (Berends et al, 2014). In addition, research findings suggest that technical collaboration is a need for smaller firms since it can improve their innovativeness (Nieto and Santamaría, 2010). Despite the evidence that technical collaboration plays a significant role for SMEs' innovativeness, it has been also proved that smaller firms collaborating with larger organisations face asymmetry and unequal power balance problems (Blomqvist et al, 2005).

In terms of human resources, small companies usually face more problems in the recruitment of skilled staff and they favour informality in HRM activities and they adopt a less complicated set of activities (Kitching and Marlow, 2013; Lai et al, 2016). On the other hand, large firms have access to a wider range of knowledge and human capital skills than smaller firms, having as a result higher rates of innovation (Rogers, 2004). Admittedly, smaller firms lack of finance and limited market opportunities as well as external partners. In contrast, larger plants deal with barriers such as the high risk of development and the lack of internal expertise (Hewitt- Dundas, 2006; Smallbone et al, 2012).

As a result, SMEs differ from large companies based on different factors which affect the strategic decision making directly as the Table 3.5 shows.

Small and Medium Companies	**Large Companies**
Owners are also managers and their personality reflects the firms' goals	Ownership is separate from management
Owner/manager's personality reflection on firm's goals	Experienced managers
Engage in high level of risk taking	Engage in moderate level of risk taking
Adapt quickly in changes	Adapt slower in changes
Short-term strategic planning	Long-term strategic planning
Flexibility	________________
________________	Economies of Scale, Reputation and Market power
________________	Technologically integrated
________________	Availability of multiple resources
Limited access to finance	Access to finance
Limited Innovation	High levels of Innovation
Use of Focus Differentiation Strategy	Use of Cost Leadership and Differentation Strategies

Table 3. 5 Characteristics and advantages of SMEs and Large Companies, Developed by the researcher

Consequently, SMEs and large companies tend to structure their strategies based on the type of the ownership and its characteristics and based on the degree of competition as has been discussed previously. Nonetheless, a vast majority of SMEs falls into the 'smallness' type of enterprises which do not seek growth and therefore, do not strategise. These kinds of businesses are usually called "lifestyle" and they do not seek to grow.

3.4.7 Small 'lifestyle' -Oriented Firms

Several authors expressed their perceptions concerning the different types of small businesses based on the life cycle stages shown previously. However, the vision and growth ambition of a specific section of small businesses, micro businesses (1-9 employees), tend to be less predictable (Voss et al, 1998). As such, Poutziouris (2003) points out that despite the fact that many founders and owner managers of small business would like to expand their firm's operations by employing more staff, increasing sales and profit growth, others do not envisage expansion and growth. This is supported by earlier studies which also indicate that the majority of owner-managers do not have the capacity or desire to grow their ventures (Hakim, 1989; Storey, 1994; Kuratko, 2009). Lifestyle-oriented SMEs are enterprises that are focused on an activity that increase enjoyment of life in general through a provision of an adequate income to the owner-manager (Weber and Carlsen, 2012; Weber et al, 2015). Based on that, the Kauffman Center for Entrepreneurial Leadership emphasises two different types of entrepreneurs: the lifestyle and the high growth entrepreneurs. In particular, lifestyle entrepreneurs start their own business in order to provide a family income or to support a desired lifestyle (Hansen and Hamilton, 2011). In addition, lifestyle entrepreneurs are individuals who operate their businesses based on their personal values, beliefs, interests and passions (Henricks, 2002; Ewing Marion Kauffman Foundation, 2004). These types of firms often employ few or no employees and entrepreneurs sacrifice growth potentials for lifestyle choices (Henderson, 2002). This is supported by Lewis (2008) who points out that the choice to operate a lifestyle business is accompanied by a great de-emphasis on the process of growth or expansion. Therefore, SMEs' owner managers that are concerned with their lifestyle do not see growth as something to be pursued at any cost while they try to balance the economic, family and social needs (Carlsen et al, 2008; Jaafar et al, 2011). Moreover, according to O'Farrell and Hitchens (1988), there are three types of small enterprises: the fast growers, the satisfiers and the small firms that attempt fast growth but which fail at the end. Alternatively, McMahon (2001) offers a more comprehensive taxonomy based on an

Australian study in which three different types have been identified: the traditional or lifestyle businesses, the capped growth SMEs and the entrepreneurial SMEs. Similarly, other authors distinguish SMEs' life cycle into lifestyle, comfort zone and growth-oriented (Bridge et al, 2003).

In another study, Poutziouris (2003) examines the strategic orientation and the different types of small business owners in the UK and identifies four types of small businesses: the growth-oriented, the survival-oriented, the exit-oriented and the control-oriented firms. Growth-oriented owner managers are the individuals who seek to expand their business and make it larger in order to be recognised as successful business owners. The survival- and lifestyle-oriented individuals are concerned with their business' survivability, sustaining an autonomous style at the same time and they are not concerned with strategies for growth. The exit-oriented firms are owned by individuals who are not interested in maintaining control but they are seeking for exit routes via selling all or part of the business. Finally, control-oriented owner managers are not interested in increasing profitability or to be recognised as successful business owners but they are solely seeking to sustain their business as it is. According to Poutziouris (2003), lifestyle- and control-oriented businesses are less enthusiastic of growth strategies and an important factor for this is the degree of autonomy in a business which maintains the owner-manager's freedom from routine jobs, offering a standardised pay at the same time. Moreover, based on McMahon (2001), the traditional/lifestyle firms have few or no growth aspirations at all while capped growth SMEs have a moderate desire of growth and further development. On the other hand, entrepreneurial SMEs seek a high growth development pathway as discussed in the previous chapter. More recently, Fillis (2010) presented a different distinction between the different types of micro firms — owner-managers. He distinguished between the idealist who is the risk-taker and avoids any marketing philosophy, the lifestyler who is the entrepreneur that avoids risks and is reluctant to grow, the entrepreneur who takes risks and the late developer who avoids risks and does not form any business philosophy. This has provided new insights into the different categories of the owner-managers of micro firms that lead to different management and decision-making methods (Jaouen and Lasch, 2015).

Despite the fact that many SMEs' owners have the potential to grow their business, many small firms often do not realise their full growth potential (Scott and Rosa, 1996). Therefore, small business managers are not willing to pursue growth (Davidsson, 1989a; 1989b; Storey, 1994; Delmar, 1996; Gundry and Welsch, 2001) since they prefer to establish a lifestyle business, designed solely to provide a satisfactory level of income (Storey, 1994; Hansen and Hamilton, 2011). More precisely, Bridge et al (2003) describes a lifestyle business as a firm that is run by an individual and it facilitates and adopts the kind of lifestyle that the specific individual wants to have. Moreover, Weber and Carlsen (2012) and Weber et al (2015) add that lifestyle firms have been created to provide the owner with an adequate income. Equally, McMahon (2001) agrees that these types of businesses exist to provide a certain source of employment and income to the owners and are operated in correlation with the lifestyle aspirations of their owners. Again, a more recent study by Lewis (2008) describes lifestyle SME owners as the individuals who are owners and operators of micro firms (1-9 employees); they try to achieve personal objectives or a satisfactory level of income and they have no growth aspirations at all. Similar to Lewis (2008), Deakins and Freel (2003) also describe lifestyle owners as the individuals who employed few or no people and their objectives were to ensure survivability of their business, providing their family with sufficient degree of income.

According to Hanks et al (1993), enterprise life cycle framework, lifestyle businesses are positioned between the startup and expansion stages and they have an approximate number of 7 employees, a mean annual revenues number of USD 0.41 million and a mean age of 18 years. Moreover, McMahon et al (1993) and McMahon (2001) emphasise that traditional/ lifestyle enterprises, following a low growth path have limited growth aspirations since they operate mostly to provide a sufficient income for the owners. However, the limited growth aspirations of this kind of businesses are based on different factors. Many authors studied the expected consequences of growth in lifestyle firms and they identified that growth has direct effects on the owners' workload and tasks (Smith, 1967; Boswell,1972;Stanworth and Curran, 1973; Deeks, 1976), on the degree of control (Smith, 1967; Bolton, 1971; Boswell, 1972; Stanworth and Curran, 1973; Deeks, 1976; Hansen and Hamilton, 2011) and on the firm's independency (Deeks, 1976; Poutziouris, 2003; Bredvold and Skalen, 2016). Correspondingly, Wiklund et al (2003) highlights that the desire of independence and the need for greater flexibility in terms of the work undertaken by the individual are some factors which may be negatively associated with growth aspirations. Hence, the importance of the independence and autonomy in small lifestyle businesses tend to be a vital factor of small firms' non-growth aspirations. By the same token, Poutziouris (2003) emphasises that the majority of owner/managed firms are family-controlled and their objectives are not only to generate wealth and job opportunities for the family but to maintain autonomy and a lifestyle. Moreover, family plays a catalytic role on growth avoidance by small firms since lifestyle entrepreneurs do not only desire a respectable living and satisfactory career attainment but also to have quality time with family and friends (Henderson, 2002; Jaafar et al, 2011). This is consistent with previous findings which indicate that lifestyle entrepreneurs have taken the decision to start their own business not as an established career generator but as a life strategy to achieve self- fulfillment (Buttner and Moore, 1997).

Nonetheless, certain factors influence the choice of remaining a non-growth, lifestyle firm. Accordingly, Hansen and Hamilton (2011) highlight that SME owners' growth preferences are limited since they desire to remain independent and maintain control of their business' growth which is aligned with the needs and capabilities of the owner-managers. Moreover, having gone through the tribulations of establishing the enterprise, they may desire to simplify life by keeping the firm small and more manageable (Koropp et al, 2013). Finally, owner-managers protect their genuine concern about their ability to manage a fast-growing and increasingly complex enterprise and as a result, they prefer to maintain small and more manageable. Another factor that influences small firms' preferences to remain small is that agency costs are minimised and as a result, owner-managers seek to remain small (Storey and Johnson, 1987; Loveman and Sengenberger, 1991; Hutchinson, 1991; Hansen and Hamilton, 2011; Shepherd et al, 2015).

Similar to previous findings, a study of motivations in three different countries (Britain, New Zealand and Norway) recognises two vital factors: recognition and independence. More specifically, the motivation of starting up a small business was based on the recognition of a higher position in society and the desire from a higher level of respect by friends. Moreover, the independence variable was based on the desire of controlling the owner-manager's own time, to have a greater flexibility for personal and family life as well as the freedom to adapt to the owner-manager's own approach and way of work (Shane et al, 1991). More recently, Wiklund et al (2003) and Cassar (2007) found that the financial gain is not the sole target of owner-managers but other attitudes influence the decision of growing, such as keeping control and independence of the firm as well as employee well-being. The last attitude, was also presented by Kirkwood (2009) who found that small business owners have a strong desire to not employ many people since it raises the fear of losing control of the business.

Similarly, another significant study was conducted by Davidsson (1989a) using a sample of 540 Swedish small businesses. Davidsson (1989a) separated the sample of small firms into three categories, the first category being firms with 2-4 employees, the second category being of firms with 5-9 employees and the third category of small firms having 10-19 employees. The study highlights the notion that the fear of control loss is repulsive to all size classes indicated and independence works as a growth motivating force in all size classes but its effect is reduced especially in firms with 2-4 and 5-9 employees. Moreover, despite the majority of strong growth motivations in the smallest sized firms (2-4 employees); there are still certain business owners who do not prefer growth. The intermediate size class (5-9 employees) presents more growth avoiders and weaker growth motivators and hence, the majority of intermediate business owners with 5-9 employees preferred to not expand their enterprises further. In addition, according to White and White (2012) the factors which cause small business owners to not wish to grow are to avoid the risk and maintain a lifestyle, to avoid regulation delegation of responsibilities. More specifically, in terms of avoiding risk and maintain a lifestyle, business owners in order to grow will have to offer a substantial amount of capital to be invested in purchasing new equipment, hiring more people but which also will have an impact on the owner-manager's life in terms of working longer hours and surrendering the decision-making process to a new manager or board of managers. In addition, avoiding regulation was the second factor which business owners do not desire to grow. Regulatory requirements are a significant factor in a small business' growth aspirations since small business owners-managers often have to deal with long and unfriendly procedures, especially in certain countries. Finally, the third factor is associated with the level of responsibilities which a small business owner has. In the case of growth, the owner/manager has to embrace and follow the fact that after a certain period of time, he/she will have to pass the decision-making process and supervision to other managers. However, certain owners are unwilling to let go of the decision making and would not delegate responsibilities to others. Therefore, growth seems to be unwanted in many small businesses based on these factors and hence, they are often satisfied with the current size of the enterprise (White and White, 2012).

However, a comprehensive distinction between growth and non-growth oriented small businesses was presented by Holmes and Zimmer (1994) based on a sample of thirty small business owners (See Table 3.6).

Non-Growth Oriented	Growth Oriented
Family Owned Small Firms	Work experience with large organisations
No tertiary qualifications	Satisfactory tertiary qualifications
Work average of 50-55 hours per week	Work average of 65-70 hours per week
Limited training	Limited training
Control and authority over operations	Continuing education - personal development
Aware of regulations- usually do not comply	Accept regulations- ensure compliance
Access in lower level of debts	Higher level of debts

Table 3. 6 Characteristics of Growth and Non-Growth Oriented Small Business Owners, Adopted from Holmes and Zimmer (1994)

Accordingly, business owners of entrepreneurial growth-inspired small businesses tend to have work experience in large organisations and their educational level is higher than business owners that do not inspire growth. In contrast, business owners of small businesses that do not target growth are often family-owned and the founders intended that after retirement, the business will be operated by their children or other members of the family (Johns et al, 1989). Moreover, owners do not usually possess any tertiary educational qualifications and they have limited time of attendance in training sessions/programs. Equally, growth-oriented business owners attend limited training programs; however, their working hours are much more than non-growers (65-70 hours per week). In terms of the owner's personal development, growth-oriented small business owners tend to be more concerned with their personal development and education in contrast with 'lifestyle' firms who seek to primarily maintain the absolute control over the business' operations. Another important aspect of small business owners is their compliance with regulations. Again, growth-oriented owners tend to accept governmental regulations and they usually ensure compliance while non-growth business owners are often concerned with regulations but they are unlikely to comply. More recently, Wilson et al (2004) and Van Gelderen and Jansen (2006) also found that autonomy and independence are some of the most important factors affecting growth aspirations. Similarly, Hessels et al (2008) point out that growth aspirations become limited since owner-managers fear losing control of their firm.

In terms of the organisation structure and the small business, growth-oriented firms are usually structured based on a corporate structure instead of ‘lifestyle’ businesses which are based on a sole proprietorship. Moreover, in terms of employment, the nature of small ‘lifestyle’ oriented businesses which are usually family businesses is based on the employment of family members, having an average number of employees of five people which are employed on a casual basis. Lifestyle firms are often home-based operations, having a steady turnover but liquidity problems as well. In contrast, growth-oriented firms do not tend to employ family members and they have an average employee number of seventeen people. Compared with lifestyle firms, business owners operate in a complete business structure, operating from business premises and they employ accountants and bookkeepers in order to have sufficient and precise financial order in their business (See Table 3.7). Moreover, growth-oriented businesses tend to seek external advices usually from accountants or bank managers since, despite their preparations of future business plans and projections, they often deal with problems relating to price and cost structure and availability of funding in order to expand.

Lifestyle Business Owners	Growth Oriented
Single ownership/ Spouse Partnership	Corporate structure
Family members employed	Family members not employed
Average number of employees: 5	Average number of employees: 17
Operated from home	Operate from business premises
Liquidity problems	Price and cost structure problems- funding for expansion
Steady turnover	Preparation of plans and projections
Permanent and daily labour employment	Bookkeeper/Accountant employment. Seek external advice

Table 3. 7 Characteristics of Growth and Lifestyle Oriented Small Businesses, Adopted from Holmes and Zimmer (1994)

Nonetheless, the vast majority of small business owner managers see lifestyle as a strategic business objective (Hall and Rusher, 2004) and as a result, small lifestyle businesses do not engage in quality strategies (Church and Lincoln, 1998; Taylor, 2008) and rely on family labour (Scase, 2003).

Whilst there are different characteristics of small businesses and factors affecting the strategic decision-making process, recession tends to alter several characteristics that small business owners have. As such, recessions cause a number of modifications in the strategic decision-making process as a result of the challenges and issues that recession can cause. This is presented in the following section in which the thesis presents the strategies mostly adopted by large organisations during recessionary periods compared with small firms.

3.5 Strategic Direction during an Economic Recession

Companies have to find a way of dealing with the recession in order to survive or even thrive. Taking into consideration that turnaround strategies are suitable for large and small businesses during recessionary periods, other factors could also be as beneficial such as flexibility, superior customer service and changes in HRM strategy.

The perception that the latest recession exhibits similarities to the crisis of 1929 has some advantages. Both periods were preceded by high credit growth and an asset price bubble that led to substantial losses in the banking sector which left enterprises exposed (Von Mehren, 2009). Therefore, researchers present some strategies which, according to them, are fundamental for survival. It has been pointed out that managers should focus on the development of sustainable key resources as well as strategic flexibility to survive and recover from the recession (Kazozcu, 2011).

3.5.1 Flexibility during Recessionary Periods

Strategic flexibility is an important advantage for every firm during recessionary times. It represents the organisational ability to manage economical risks such as recessions and shocks by responding proactively or reactively to market threats and opportunities (Grewal and Tansuhaj, 2001). Several authors point out the importance of strategic flexibility during environmental crises and its ability to enable firms to manage in uncertain markets effectively (Zahra et al, 2008). In particular, firms having the flexibility to respond to unanticipated adverse changes in their environment have a better advantage than firms which are retained in a single course of action (March, 1991; Foss, 1998). It has been stated that firms which have the ability and flexibility to respond to competitive behaviours are at a definitive advantage than other firms. Those firms can easily use their available strategic options and compete effectively, even during recessionary times (Grewal and Tansuhaj, 2001). Alternatively, it has been argued that flexibility is not always an advantage during a crisis especially in technologically uncertain markets. Hence, according to Grewal and Tansuhaj (2001), even if firms have a flexible portfolio of options it is unlikely to be useful in a recession because the primary goal is to learn and not just respond based on flexibility.

Another argument arose with several authors in terms of the negative impacts of flexibility during a crisis. Specifically, it has been claimed that firms not responding reactively to environmental threats, strategic flexibility has an adverse influence on the performance of those companies (Levitt, 1983; McKee et al, 1989). Research on organisational crises though shows that surviving firms focus on both external and internal environments (D'Aveni and Macmillan, 1990) and on the attainment of a balance between the two environments which is a very important aspect for the development of strategic flexibility for organisations (Volberda, 1996; Chaston, 2012). However, Grewal and Tansuhaj (2001) establish the importance of the reactive strategic flexibility rather than a proactive during an economic crisis, highlighting that proactive strategic flexibility is unlikely to be useful during crisis. In addition, companies develop reactive strategic flexibility by building excess and liquid resources (Cyert and March, 1963) and creating the capacity to be nimble and flexible (Evans, 1991).

However, while strategic flexibility seems to be an important advantage during a crisis, other authors emphasised the importance of other set of strategies called "turnaround strategies". Therefore, as will be seen next, Hofer (1980)'s turnaround strategies as well as Kitching et al (2009)'s framework offers some basic strategies for all sized companies to cope with the recession which many authors adopted and modified later on, based on their own perspectives.

3.5.2 Turnaround Strategies

Many authors suggest that organisations can follow a different set of strategies to deal with the recession such as 'turnaround strategies' (Kazozcu, 2011). Moreover, turnaround strategy is a strategy that companies apply when responding to uncertainty and changes in their environment and the goal of this strategy is to turn threats into opportunities during a deep recession (Laitinen, 2000). A more comprehensive definition of turnaround strategies was given by Cater and Schwab (2008) who state that turnaround strategies are "*a set of consequential, directive long-term decisions and actions targeted at the reversal of a perceived crisis that threatens the firm's survival*". The model of turnaround strategies has been introduced by Hofer (1980) and since then, many authors use it to formulate their hypothesis for their studies (Robbins and Pearce, 1993; Latham, 2009; Egan and Tosanguan, 2009). Specifically, Hofer's study was based on 12 case studies of distressed businesses and he suggests a framework based on three broad strategies; cost-cutting, asset reduction and revenue generation strategies (See Figure 3.8).

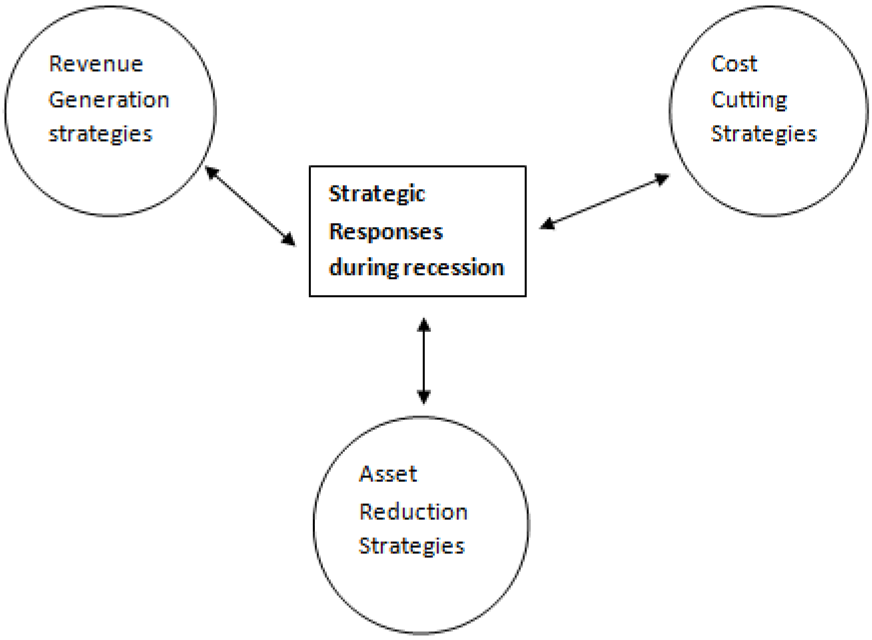

Figure 3. 8 Turnaround Strategies Framework, Adopted from Hofer (1980)

The author distinguishes between two different types of turnarounds, strategic and operational. According to the first type of strategy, cost-cutting relates to organisations which operate above the break-even point and adopt these strategies to increase their profitability

(Li et al, 2011). Usually these cost-cutting activities involve cost reductions in R&D, advertising and sales but this is not an exhaustive list of departmental reductions. Revenue generation strategies are characterised by moderate or low levels of R&D and low levels of staffing relatively to sales. However, a firm is involved in price cutting and increased marketing techniques such as advertising and the vast majority of activities undertaken are related to the long-term direction of the company (Hofer, 1980). Therefore, the focus of the organisation is based on profitable niches or geographic markets (Li et al, 2011). It has been suggested that the firm should focus on existing products that can be introduced quickly to the market. The search for new markets is also a critical dimension of revenue generation strategies (Egan and Tosanguan, 2009). Finally, asset reduction strategies are usually adopted by a firm when current sales are way below the break-even point, especially when the firm is closer to bankruptcy. In that case, the firm should keep the only assets that they will use in the next year or two (Hofer, 1980). Again, a company usually divests assets such as a business unit or product line (Li et al, 2011). Hofer (1980) developed a framework upon the turnaround strategies during a recession based on his perspective. However, the model has been recently adjusted to present economic difficulties by Egan and Tosanguan (2009), showing the percentage of distance from a company's break-even point and what strategy a company should follow in each case. Therefore, we adopted Egan and Tosanguan's version since it is clearer and adjusted to the most recent recession (See Figure 3.9).

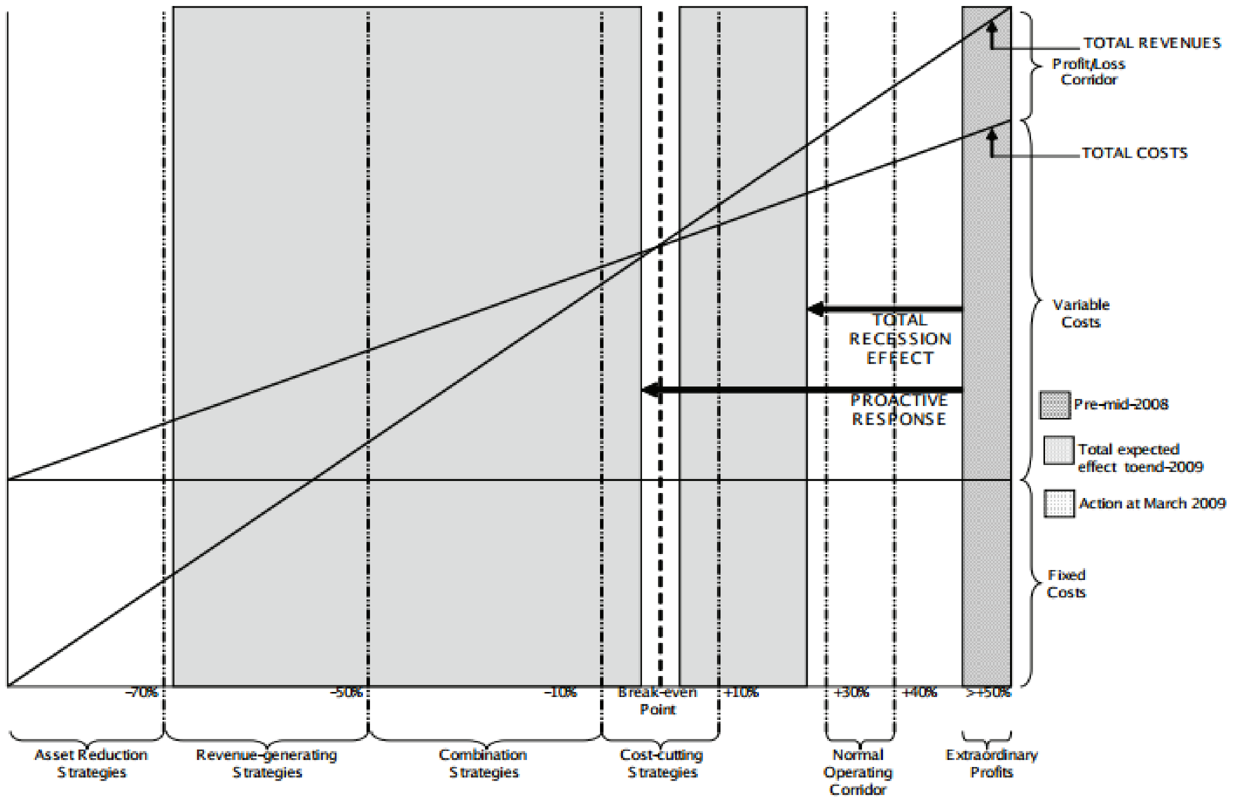

Figure 3. 9 Turnaround Strategies during Recession, adopted from Hofer (1980) cited in Egan and Tosanguan (2009)

However, other authors discuss similar strategies which are retrenchment, investment and ambidextrous (Kitching et al, 2009). Moreover, authors agree that retrenchment and/or investment are responses to secure survival and improve performance during an economic crisis (Robbins and Pearce II, 1992; Denis and Kruse, 2000). According to Kitching et al (2009), retrenchment strategies involve cutting operating costs and divestment of non-core assets.

Moreover, the literature defines retrenchment as a set of management initiatives to overturn declining financial performance and achieve cost and asset reductions or/and revenue generation (Schendel et al, 1976; Hofer, 1980; Bibeault, 1982; Heany, 1985; O’Neill, 1986; Pearce and Robbins, 1993; Barker and Mone, 1994; Chaston, 2012). On the other hand, investment strategies were part of an expenditure plan on innovation and market diversification. Based on the author's observation however, investment strategies are quite risky and many firms are likely to be too preoccupied with short-term survival to think about innovation and growth or lack the resources to implement such strategies effectively. The availability of resources within a firm is an essential requirement for a company to use this kind of strategies. Therefore, firms with limited resources who are unable to secure additional finance might find it hard to adopt strategies involving costly investment (Kitching et al, 2009). Hence, previous studies gave a great emphasis on examining the retrenchment and investment strategies in response to the latest recession and their effectiveness (Mann et al, 2015; Mann and Byun, 2017).

Any turnaround strategy is appropriate during recessionary times. Firms have to take decisions on whether to cut costs to deal with threats or to exploit opportunities (Makkonen et al, 2014; Nason and Patel, 2016). Moreover, organisational turnaround often involves substantial retrenchment which is a crucial strategy for the survival of a firm (Cater and Schwab, 2008). Authors demonstrate the importance of retrenchment strategy which, according to them, is the key to a successful turnaround, either as a stand-alone approach or as a precursor to a recovery strategy (Pearce II and Robbins, 1993; Barker and Duhaime, 1997). Other authors agree also that firms engaging in systematic retrenchment during an economic downturn enjoy significant performance benefits over competitors (Hambrick and Schecter, 1983; O'Neill, 1986). In addition, Kitching et al (2009) agree that retrenchment strategies appear to be the most common approach adopted by firms in order to deal with a recessionary environment, especially in the short-term. It has been observed that companies begin with aggressive moves to reduce costs and increase efficiency; cost-cutting is the first thing which most companies think about, and their actions are often conservative and restricted (Rhodes and Stelter, 2009). Retrenchment strategies imply a reduction to the essential elements of a company that have the best chance of producing a profitable operation (Hofer and Schendel, 1978; Robbins and Pearce, 1992).

Consequently, retrenchment is the first step of a business turnaround focusing on cost cutting and efficiencies to provide profitability (Pearce and Robbins, 1994). Research conducted by Accenture (2003) in the UK, shows that during the crisis in 2000-2001, companies responded by cutting costs, delaying investment and retreating to core markets. Moreover, during the 2008's recession, commentators report both retrenchment and investments strategies. Pearce and Michael (2006) emphasise the main goal of retrenchment which is to stabilise companies financially so they can recover from the recession "*through entrepreneurial activities that increase revenues or through efficiency to streamline operating expenses and increase profit margins"*. As a result, retrenchment activities, based on recession experience, can allow firms to rebound from a recession through cost and limited asset reduction (Pearce and Michael, 2006).

However, research results show that managers in high-performance companies, approach strategy from a broader perspective during recessionary times, using alternative strategies beyond cost-cutting and lay-offs (Kambil, 2008). By the same token, Nafday (2011) notes that cutting costs without understanding the consequences for the firm's prospects, makes it difficult to compete with other companies when the economic tide turns. Companies fail when markets are improving because they are unable to follow the competition and the technological developments and their services become old-fashioned.

3.5.3 Cost-Cutting: The right Choice or a Mistake?

Based on several observations by researchers, the natural reaction of a business experiencing a downturn is to cut costs in areas like advertising and promotion (Roberts, 2003). According to research findings, this is a mistake and companies should do exactly the opposite if they want to survive and thrive thereafter. It has been observed that many firms were cutting back on spending during recessionary times, especially in marketing (Picard, 2001; Barwise and Styler, 2002; Grossberg, 2009; Kotler and Caslione, 2009) and based on research findings, cost-cutting produced negative effects for the firms as well as for the whole economy (DeDeeand Vorhies, 1998; Lamey et al, 2007; Deleersnyder et al, 2009; Rhodes and Stelter, 2009). Cutting costs in marketing during a downturn can undoubtedly boost the shareholders' confidence and the company's short-term earnings (Lamey et al, 2007). However, research in previous recessions shows that firms investing in marketing activities during an economic crisis have superior results in terms of performance (Srinivasan et al, 2005; Hunt, 2009; Mattsson, 2009). Indeed, according to Srinivasan et al (2005) marketing investments are very important during recessionary periods and they can provide significant benefits, especially to firms which already have established brands and available resources. Consequently, research results indicate that advertising spending in an economic crisis increased the profits of consumer and business-to-business companies (Srinivasan and Lilien, 2009; Srinivasan et al, 2011). The importance of investing in marketing activities during recession and its impact on organisations was highlighted by Pearce and Michael (2006) who explain that advertising becomes cheaper in a downturn since newspapers and television networks seek to fill their timeslots. As a result, firms enjoy significant advantages by investing in advertising during an economic decline.

Examples of the effects of marketing investment are Camel cigarettes and Chevrolet, which during the Great Depression of the 1930s managed to capture top market positions through aggressive marketing campaigns (Srinivasan et al, 2005). On the contrary, research results indicate that firms in the service industry experienced no change in profits from advertising during the recession and, even worse, research and development expenditures led to decreased profits (Srinivasan and Lilien, 2009; Srinivasan et al, 2011). It has been observed that the age of a company is much more influential during recessionary times since firms which have been around longer are much more resistant to failure (Rhoads and Gupta, 2010).Therefore, well established companies such as Walmart and Dell view the recession as an opportunity, investing aggressively in order to capture market position from their weaker rivals having significant benefits (Srinivasan et al, 2005). Kitching et al (2009) also agree that cutting costs was a mistake. They point out that cost-cutting alone can leave firms unable to take advantage of an improvement in trading conditions. The same authors add that retrenchment and/or investment strategies alone cannot be regarded as universal panaceas for recessionary times. Another statement presented by Piercy et al (2010) who point out that prospering in a recession is about more than price cutting. However, the combination of exploitation and exploration appears to be an important strategy during a recession.

During difficult economic period, customers' buying behaviour changes and the results are not encouraging for companies. Customers have less to spend and cut back personal expenses in response to the overall decline; unemployment rises, credit becomes less available and competitors engage in price cutting in order to produce more sales (Pearce and Michael, 2006). Therefore, authors observe that companies responded quickly by proactively managing their customer portfolio (Dobbs and Hamilton, 2007). Many companies do not manage to survive though, and as a result, larger and well-established companies seek to grow internally by acquiring their weak rivals. As a consequence, established companies focus on internal growth during an economic decline buying up inexpensive companies that did not make it through the recession (Rhoads and Gupta, 2010). A recession is a good opportunity for companies which have strong balance sheets and good banking relationships to acquire badly managed firms (Nafday, 2011). Moreover, acquiring a company becomes less expensive and it is unlikely for other competitors to compete in a bidding competition. Hence, growth and expansion through acquisition can be less expensive and more profitable during a recession (Pearce and Michael, 2006).

3.5.4 Repositioning Human Resource Management Strategy

Pearce and Michael (2006) identify various cost-cutting activities including reduced staff levels and pay freezes and pauses (Kitching et al, 2009). Evidence on the impact of the recession within workplaces show that during 2004 there was a level of 48% of workplaces operating in an emerging market while that percentage fell to one third (32%) in 2011. Specifically, 33% of the trading private sector in the UK's workplaces reported that they were not facing a decline in their market during 2004 in contrast with the declining market faced by 2011 (Van Wanrooy et al, 2013) (See Figure 3.10). According to the same authors, some sectors have been affected more than others and some examples are the public administration, manufacturing, construction and health sectors which are the sectors that have been affected the most.

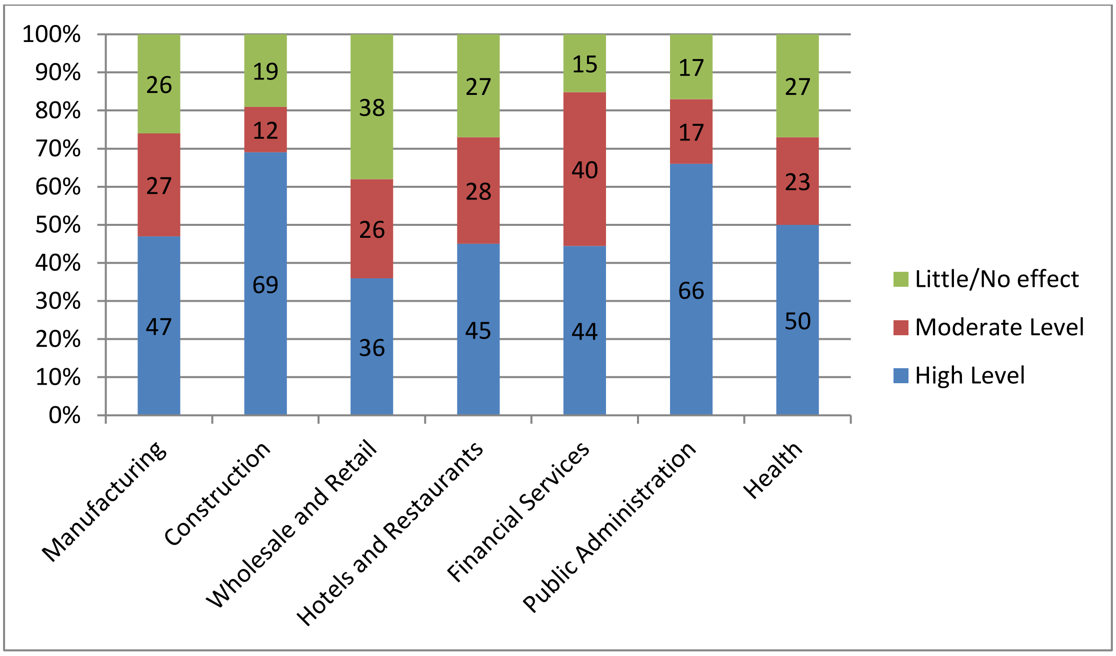

Figure 3. 10 Workplaces the most affected by the Recession, Adopted from Van Wanrooy et al (2013)

Another example of the changes in the workplace in Ireland during the recession was presented by the National Workplace Employee Survey 2009 and the Changing Workplace Survey 2003 who found that over half of employees reported increased responsibilities (61%) in 2009 compared to one third (38%) in 2003. Moreover, the pressure on employees was reported as having increased in 2009 by 54% in contrast to the increased pressure of 34% in 2003. Surprisingly, during 2003 employees were feeling more secure about their jobs compared with 2009 with a percentage of 34% reporting that they were feeling less secure about their jobs. Another important aspect is that of the employees' rate. According to the Irish research findings, a total of 21% of the employees in 2009 reported that their pay rate was decreased in contrast with 2003 which there were no evidence of pay rate decrease.

However, in the case of the UK, workplace managers in the private sector reported that their workplace is weaker because of the recession compared with the public sector (Van Wanrooy et al, 2013). According to managers' reports, only 18% strongly agree (and agree) that the workplace in the public sector is now weaker while a total of 39% disagree with that statement. In the case of the private sector almost similar findings were presented. Specifically, 22% of workplace managers strongly agree (and agree) that because of the recession the workplace is weaker while 40% stated that they disagree with that statement (See Figure 3.11).

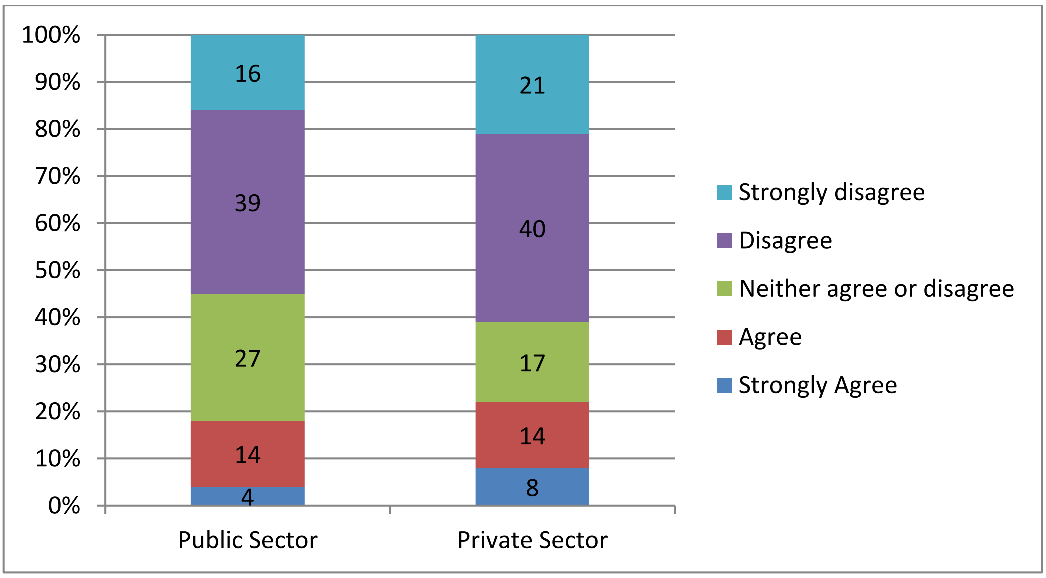

Figure 3. 11 Workplace managers' reports: 'The workplace is now weaker because of the recession', Adopted from Van Wanrooy et al (2013)

- **Employers' responses to the recession**

The workplace during the last recession forced managers to respond by making changes in their human resource structure or rearrangements. Accordingly, measures taken to deal with the recession such as frozen or cut wages, changes in the organisation of work, reduced overtime and postponement of employee expansion were some examples of managers' responses. Specifically, Van Wanrooy et al (2013) survey in 2011 shows that 38% and 64% of the private and public sector respectively reported a freeze or cut in wages (See Figure 3.12). Moreover, the second response was the freeze on filling empty posts. Similarly, 26% of the private sector's employers reported that this was their second response while 44% of the public sector's employers reported this to be their second response.

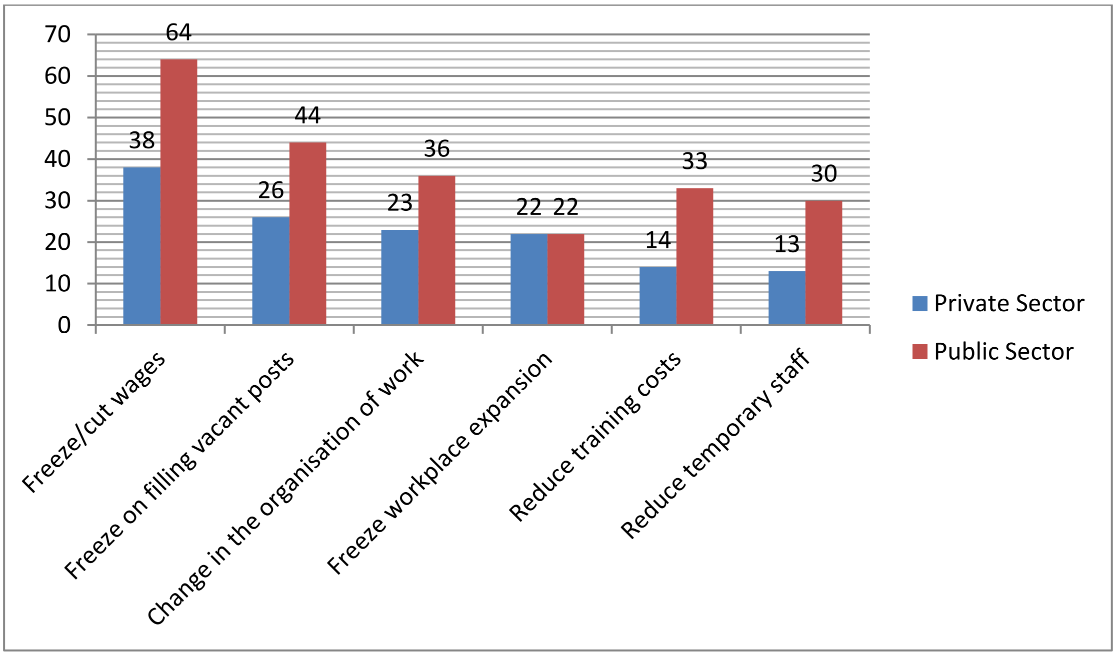

Figure 3. 12 Basic employment responses to the recession (percentage %), Adopted from Van Wanrooy et al (2013)

Similar results were indicated by employees who reported that they felt the changes occurred because of the recession specifically. Therefore, 26% of the private sector and 49% of the public sector's employees have experienced their wages being frozen or cut while 26%

of the private sector and 36% of the public sector's employees report that there was a reorganisation of their work. Moreover, reports indicate that a great percentage of employees stated an increase on their workload as well as restrictions in paid overtime hours and in training. This supports what Majumdar (2007) earlier suggested, that training is falling during recessions and as a result of the layoffs, training requirements will be lower. Comparing the UK-based responses with other studies it can be identified that responses are quite similar. As it can be seen in an Irish study of Russell and McGinnity (2013) and Roche and Teague (2012) there have been some changes in the ownership, in the organisation of work, in the management levels and changes in the staff number (See Figure 3.13).

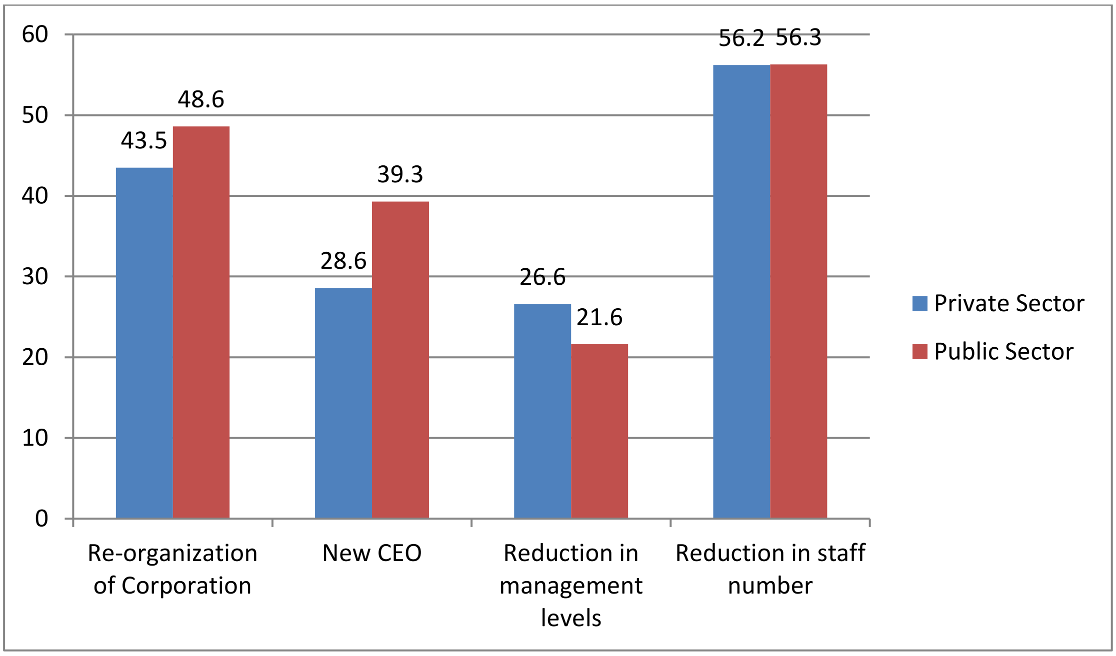

Figure 3.13 Changes in the Organisation in 2009 (percentage %), Adopted from Russell and McGinnity (2013)

According to Roche and Teague (2012) employment's responses in Ireland were quite similar. The first response was to communicate the organisation's demands to the staff while the second response was to cut wages and salaries for some or all the staff members.

However, the next responses adopted by employment teams were to reduce overtime and/or to introduce voluntary redundancies. In the case of UK though, only 23% of the public sector introduced voluntary redundancies and only 7% of the private sector while the reduction of overtime was adopted by 23% of the public sector's organisations and 19% of the private sector's (Van Wanrooy et al, 2013). Thus, in both countries, the first employment change was to freeze or cut wages and salaries and to maintain their staff numbers as is. These are also supported by other studies which emphasise that Ireland's private sector attempted to reduce staff numbers as well as other strategies such as reducing wages at the same time. In addition, the cutting or freezing of wages change was combined with two or three other actions taken at the same time (Bergin et al, 2012). Similarly, in another European study, research in Italian workplaces indicated that companies' responses were also based on the restructuring of organisations, changes in management programmes as well as reducing employee's number (Riva, 2013). According to Van Wanrooy et al (2013)'s findings, 24% of the private sector's employees stated that they have faced change in their workplace as a result of the recession while 26% of the public sector's employees reported the same thing.

Although retrenchment is a quite common strategy during a recession, some managers have acted opportunistically, seeing recession as an opportunity to make changes in their workplace that might have been more difficult to make in previous years. Therefore, employers reacted to the recession mostly by making improvised adaptations (Roche and Teague, 2012). Such responses of retrenchment were also presented by well-established firms in the UK in order to control costs during the recession. Therefore, according to the Incomes Data Services (2009) one in ten companies in the UK has frozen staff's payments in order to deal with the associated costs during the crisis. Some of the most well-known companies adopting this kind of strategies were BT and National Express (Kitching et al, 2009) while BCC (2009) mentions that 58% of companies were planning to freeze wages and another 12% planning to cut payments.

3.5.5 Summary

The task of this chapter was to present the strategies which companies adopt in order to deal with the recession. As has been shown, the latest recession is the longest which countries have experienced in the last century.

In terms of strategy, companies adopted different strategies in order to deal with recession. Accordingly, large companies tend to develop their reactive strategic flexibility and they adopt turnaround strategies based on cost-cutting, revenue generation, asset reduction, investment and a combination of cost-cutting and investment (ambidextrous). However, as has been seen, the companies' first choice is to engage in cost-cutting/retrenchment activities while their second choice was to invest aggressively depending on the resources' availability.

Nonetheless, changes in the internal characteristics of the companies have occurred as well. Large companies tend to reposition their Human Resource Management strategy by freezing or cutting wages, freezing the recruitment of new staff to fill vacant posts as well as other activities. However, it has been identified in the literature that companies' first change was to freeze or cut wages while their second change was to freeze the filling of any vacant posts in the organisation.

To summarise, this chapter shows the transformation of large companies' strategies presented in the previous chapter, to the strategies during recessionary times, as Figure 3.14 shows. The next section shows how small and medium firms changed their strategies during the recession. As a result, similarities and differences will be shown between large companies and SMEs' strategies during the recession and their impact on performance.

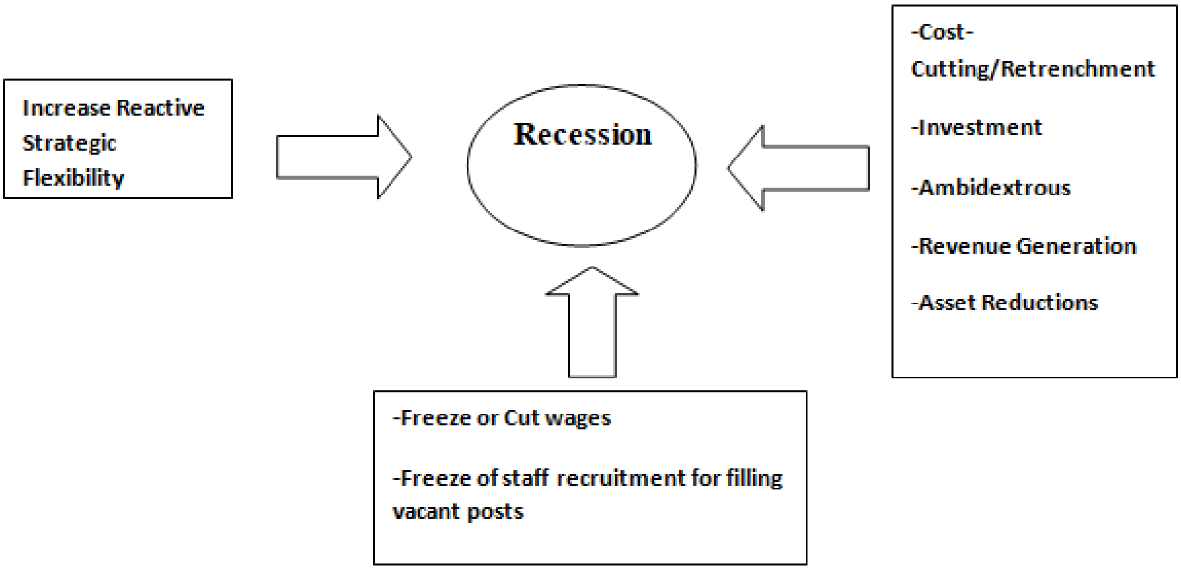

Figure 3.14 Companies' Responses to the Recession, developed by the researcher

3.6 SMEs Responses to the Latest Recession

SMEs respond to economic recessions in order to survive or even thrive. Therefore, they change and adopt strategies which are most suitable for them as has been seen in the case of large corporations previously. According to the SMEs' life cycle presented in the previous chapter (Figure 3.4), small and medium enterprises might reposition themselves in the life cycle framework, moving from the growth/success stage to the survival stage in order to cope with the recession. Therefore, this is confirmed by the changes they make in their strategic posture. In line with previous findings, this will inform the line of inquiry of this study in terms of the effects of recessions on SMEs in correlation with its effects on retail apparel SMEs which this study seeks to explore. Accordingly, as will be shown next, SMEs tend to adopt certain blocks of the turnaround strategies since they seem to be very useful in coping with external environmental uncertainty such as recessions.

3.6.1 SMEs' Responses: Retrenchment or Revenue Generation Strategies?

Small firms operate at a smaller scale and they have to compete not only with bigger rivals but also with the limited resources they have available. According to Piercy et al (2010), many bigger organisations have actively taken advantage of the economic crisis by adopting strategies that aimed explicitly to kill off smaller competitors. It has been shown that declines in small firms are larger than total sectoral percentage declines, with the exception of manufacturing which experienced a uniform impact across firm sizes (Sahin et al, 2011). Nevertheless, those companies which survived the recession were hit hard by the crisis and they reacted by cutting costs, including those for labour (Chow and Dunkelberg, 2011). The same statement was given the previous decade by Robbins and Pearce (1993) who point out that the most appropriate strategy to respond to the sharp economic and competitive decline for small firms is the combination of cost and asset reduction. Moreover, the authors conclude that retrenchment can be very valuable and effective to small firms as a response to an economic downturn (Robbins and Pearce, 1993; Pearce and Robbins, 1994; Dedee and Vorhies, 1998; Michael and Robbins, 1998).

Recessions present small businesses with a major dilemma, either to cut costs in order to maintain survival in the short term but at the risk of reducing their capacity to adapt adequately when recovery comes; or to maintain greater capacity, incurring higher costs in the short term in order to retain the capability to realise opportunities for long-term value creation when the upswing comes (Silberston, 1983). In terms of cost reduction, history suggests that focusing entirely on cost reduction techniques during a downturn rarely results in superior long-term performance (Reeves and Deimler, 2009). This is supported by Mills and Schumann's (1985) earlier statement, who mention that smaller firms have been less successful in executing turnarounds, even though their ability to retrench is a crucial factor for their survival. Research conducted by Michael and Robbins (1998) shows that retrenchment is a common but not universal strategy for small firms. They identify that over two-thirds of firms in their sample retrenched during the 1990-1991's recession having used cost and asset reduction as the same time. Therefore, according to the authors, retrenchment is likely to be the primary strategic option available during recession. Evidently, cost-cutting approaches have been taken by construction and manufacturing sectors of SMEs including the reduction of staff working hours, pay cuts and unpaid leave (Athey, 2009; Lai et al, 2016). A more recent research of SMEs' responses indicates that small vulnerable firms have reduced their costs on advertising, labour, investment and have introduced wage freezes as a response to the recession. As a result, the Federation of Small Businesses (2011) report that 20% of businesses managed to grow their profitability during the recession partly because of job cuts and wage freezes. On the other hand though, small resilient firms have increased their expenses on new equipment and they have employed more people in their business (Smallbone et al, 2012).

Admittedly, recent research findings by Price et al (2013) argue that revenue-generating is more adoptable by small firms rather than the cost-cutting approaches. According to the results of this specific research, half of the businesses have shown a commitment to expand the activities in their business despite the severe economic crisis. Kitching et al (2011) reinforce the effect of the revenue generation strategy by indicating that introducing new products and attracting new customers was the most successful strategy for SMEs. By contrast, Smallbone et al (2012)'s findings suggest that retrenchment was the first common strategy for SMEs while revenue generating through the development of new markets was the second. A more comprehensive observation has been presented by Anderson et al (2010) who state that small businesses followed some steps in order to cope in the recession such as combining price and cost reductions and trying to maintain or increase sales; diversifying; increasing/improving marketing and advertising; expanding to overseas markets; switching to different business models and tightening credit control and debt recovery. Some authors identify that during an economic downturn, increasing product development capabilities is a good way to boost a small firm's performance (Dedee and Vorhies, 1998), while others point out that market and product diversification such as the introduction of new products or services and attraction of new customers, can be the most successful form of SME response (Kitching et al, 2011).

Between cost-cutting and revenue generation activities, SMEs switched strategies during the recession period, especially during 2008-2009 compared with the 2010-2011 (See Table 3.8). Based on Kitching et al (2009), small businesses changed their strategies from cost-cutting to revenue-generating and vice versa.

	Cost-cutting actions 2008-2009 (%)	Revenue-generation actions 2008-2009 (%)	ALL (%)
Cost-cutting actions 2010	53.1	18.2	29.4
Revenue-generation actions 2010	46.9	81.8	70.6
ALL	**64**	**137**	**201**

Table 3. 8 Actions of SMEs in 2008-09 compared with 2010, Adopted from Kitching et al (2009)

According to the research findings, both cost-cutters and revenue generators were unlikely to switch their strategy. Moreover, it was more difficult for cost-cutters to switch to revenue generation strategy because of the reduction of resources and capabilities. Alternatively, revenue generators switching to cost-cutting activities during 2010 possibly found their attempts to generate revenue through investment or diversification less successful than intended (Kitching et al, 2009). Despite the findings that cost-cutting and revenue activities offered positive effects to small business performance, the research indicates that market and product diversification have been the most successful strategies of adaptation by small businesses (Kitching et al, 2009).

Nonetheless, Smallbone et al (2010)'s research indicates similar findings in terms of the strategies adopted by SMEs during the recession. More precisely, the findings emphasise the fact that 70 % of SMEs were focusing on revenue generation strategy, 29% concentrated on cost-cutting activities and only 1% of SMEs executed both cost-cutting and revenue generation strategies (both called 'ambidextrous'). Correspondingly, Price et al (2013)'s findings also agree that revenue-generating strategies are more preferable for SMEs than cost-cutting activities. In addition, the majority of the businesses indicated that they were planning to increase staff working hours or even recruit additional staff. Again, research findings from New Zealand indicate that an estimated 54% of small businesses adopted revenue generating strategies while 21% were using cost-cutting strategies during the recession (Battisti et al, 2013).

3.6.2 Flexibility and Resource Constraints

Small firms are characterised as flexible and they are able to adjust resource inputs, processes, prices and products quickly in response to environmental decline. For that reason, strategic flexibility has a positive influence on the performance of small firms after a crisis. This is a crucial capability to facilitate business survival (Reid, 2007; Kitching et al, 2009). Based on previous recessions, smaller firms that prospered during recessionary times shared a long-term capital structure, closeness to customers and a proactive approach to strategy (Beaver and Ross, 2000). Additionally, small firms have a competitive advantage that is derived from their sensitivity to environmental change and their subsequent ability to enact a rapid response (Chen and Hambrick, 1995; Latham, 2009). Despite the fact that survival strategies often buy time until the recovery comes, they are not likely to foster a sustainable competitive advantage for small firms (Reeves and Deimler, 2009). The consequences of the recession are often direr for smaller firms since they do not possess the advantages of larger, older and more established firms (Latham, 2009). According to Smallbone et al (1999), the limited resource base of SMEs affects their ability to scan, analyse and respond to a major environmental change compared with larger firms. On the other hand though, researchers point out that smaller firms are not necessarily more vulnerable to recessions that larger organisations, despite external commentators often presenting a contrary position (Kitching et al, 2009). In addition, several other authors point out that small businesses are less likely to perceive negative impacts on performance during recession periods (Shama, 1993; Latham, 2009). The perception though that small firms are more vulnerable to external shocks arrives from the notion that they are different from larger organisations based on the insufficient time to accumulate resources to be resilient and they have differences in many levels based on their financing which increases SME's dependence on banks (Kitching et al, 2009). Literature suggests that small firms tend to rely more on credit obtained especially from banks, while larger companies have a variety of sources of financing (Sahin et al, 2011). This is the main reason of keeping small firms constrained and not able to adopt investment strategies.

Many authors mention that the reduction on the finance availability affected SMEs disproportionately since small firms were characterised as a higher investment risk sector than their larger peers (Taylor and Bradley, 1994; Sahin et al, 2011). In addition, research findings suggest that access to finance continues to be an important factor in business survival and that the reduction on the finance availability is a major disadvantage for smaller firms (Price et al, 2013). However, governmental authorities in the UK argue that the availability of finance is not the main problem for small firm's current performance since small firms that required debt finance were largely able to obtain it (BIS, 2010b). Research conducted by Latham (2009) reveals that smaller firms tended to be more adaptive in their response, focusing on revenue-generating activities, whereas larger firms relied on cost reductions in an effort to improve performance. It is unfair and uneven to compare small with large firms but despite small firms' greater strategic agility, larger firms may have greater capacity in terms of "deep pockets" of resources to weather the storm (Kitching et al, 2009).

For most firms, strategic response to a recession is no simple matter; it is complicated by the inherent nature of recessions (Bigelow and Chan, 1992).

3.6.3 SMEs' Responses in Urban and Rural areas

Many authors concentrated on the perception that smaller firms reacted to the recession differently in terms of location. Studies suggest that rural and urban small firms responded with different strategies and that environmental differences play a crucial role for their survival. Therefore, Battisti et al (2013) point out that it is arguable that rural SMEs may be less affected by economic downturns than urban SMEs. Anderson et al (2010) through identify that rural firms were performing marginally better than urban firms despite their expectations that the impact of the recession would be greater on rural firms rather than urban ones due to a more constrained environment in rural areas.

However, Smallbone et al (1999) argue that the survival of small rural firms depends on their ability to respond to threats and opportunities presented by the external environment. The suggestions upon the two types of SMEs in terms of location are based on their different characteristics. It is noticeable that rural and urban small firms differ in many aspects and so, their resilience and competitiveness is at a different level as well. The same observation was pointed out by Keeble (1997) who mentions that there are many differences from one region to another and for that reason, small business development and response is uneven. This is supported by many authors who state that SMEs in rural locations compared to SMEs in urban locations are smaller in size, slow to innovate, have limited networks and higher rates of self-employment and family labour (Vaessen and Keeble, 1995; Cosh and Hughes, 2000; Smallbone et al, 2002). Predominantly, local rural SMEs customers may be more loyal (Stokes, 2004) but local markets are more limited and may be more competitive in certain sectors (Paddison and Calderwood, 2007).

3.6.4 External Support: Seeking Finance

External support during a recession is a very important aspect for the survival of SMEs. It has been stated that small firms tend to rely more on credit obtained especially from banks (Sahin et al, 2011). Authors highlight that SMEs were affected disproportionately from the reduction of finance availability since they were characterised as a high investment risk sector (Taylor and Bradley, 1994; Kitching et al, 2009; Sahin et al, 2011). According to the BERR SME barometer, half of the firms seeking finance were able to obtain it during the recession and 35% of SMEs were unable to obtain any financial support (IFF, 2009). This is because banks have changed the terms of overdrafts or bank loans as well as changes in bank fees which affected SMEs significantly (FSB, 2009). Rather than giving financial support to SMEs, banks are not promoting the availability of finance and they do not offer financial support easily to SMEs (Price et al, 2013). The notion of restrains in obtaining financial support is linked with the view that most business owners/managers experience late customer payments which affected SMEs significantly (Kitching et al, 2009; Paul and Boden, 2011; Price et al, 2013).

However, the UK governmental departments argue that this is not a main problem for SMEs. According to the Department of Business, Innovation and Skills (2010), small firms requiring debt finance were more likely to obtain it. Despite several governmental statements, research findings indicate the converse. As Figure 3.15 shows, 78% of SMEs were able to obtain financial support in 2004 in contrast with 2008 with a decreased percentage of 55%.

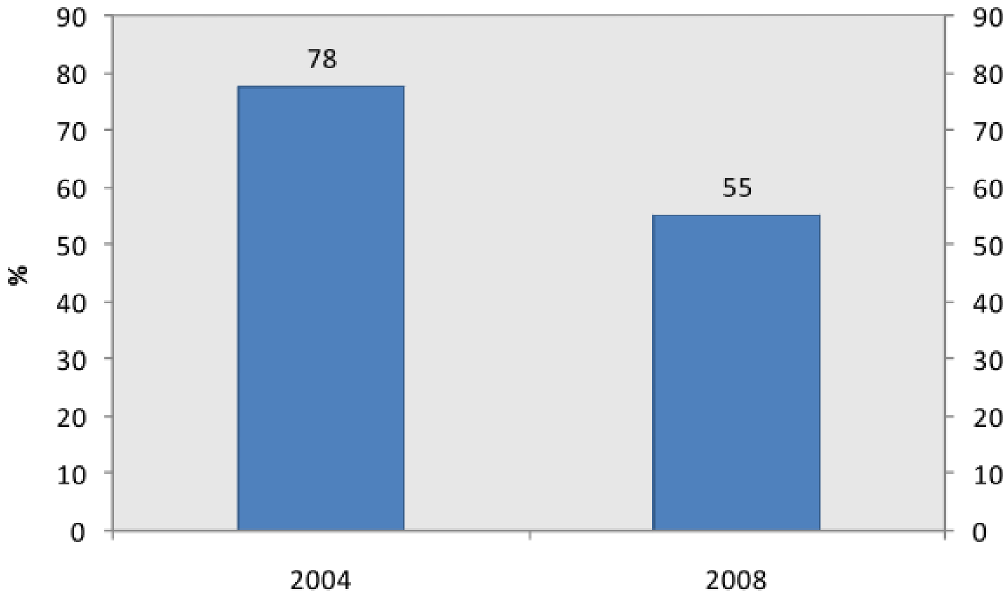

Figure 3. 15 SMEs obtaining financial support in 2004 and 2008, Adopted from Cosh et al (2009)

Similarly, BIS (2010) reports that 24% of SMEs which applied once for financial support in 2009 were unable to obtain it while 39% of them who applied more than once were still unable to receive finance. Surprisingly, a great proportion of SMEs (59%) seeking finance in 2009 based on their first attempt were able to obtain it without any difficulties. Again, a percentage of 36% of SMEs which applied more than once obtained finance with no difficulties. Nonetheless, it is clear that in the pre-recession period, obtaining finance was significantly easier while in 2009 it was much harder. According to Figure 3.16, only 14% of SMEs were unable to obtain finance before 2008 while in February and September of 2009 there was a rate of 34% of SMEs seeking finance in which their requests were declined. Contrasting these results with the percentage of SMEs obtaining finance with no difficulties, in the pre-recession period the vast majority of SMEs (73%) were able to obtain finance with no difficulties at all. Instead, the availability of finance fell, especially in February and September of 2009 with a rate of 47% and 46% respectively and a significantly low percentage in 2010 of 48%. Hence, small firms face tighter financing options compared to large enterprises and lending criteria are most strict. This leads to liquidity and insolvency issues (Cowling et al, 2012).

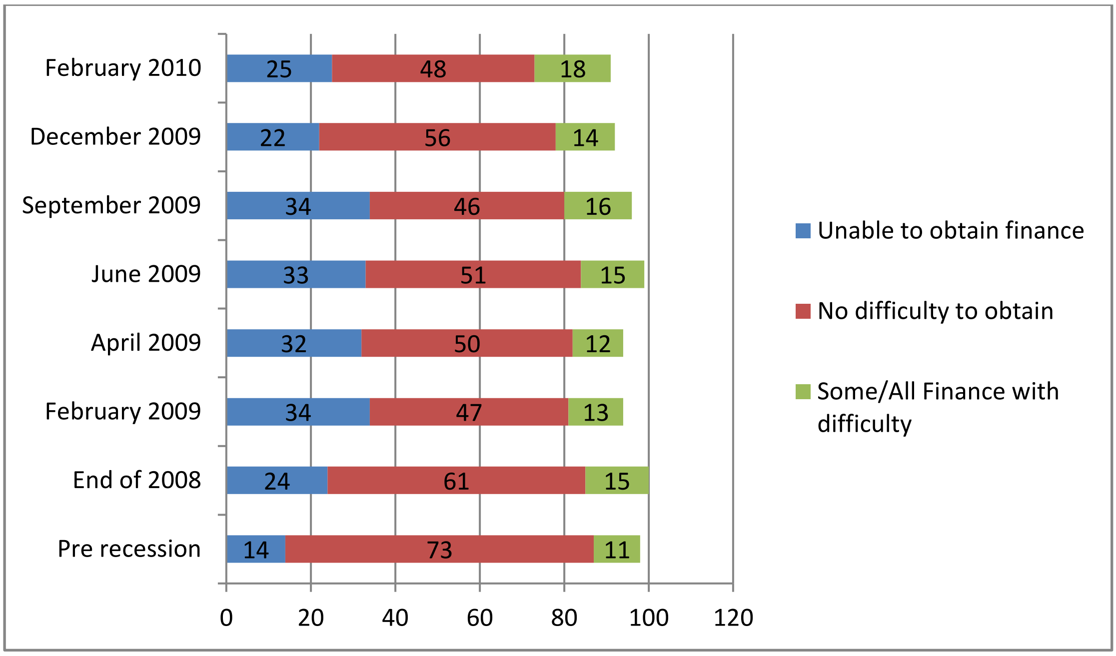

Figure 3.16 Difficulties in obtaining finance pre-recession and during (Percentage of SMEs), Adopted from BIS (2010)

More specifically, SMEs found it more difficult to obtain finance through commercial loans and mortgages (52%), issuing shares (41%) and grants (39%). On the contrary, they found no change or even easier to obtain financial support through credit cards (94%), leasing or hire purchase (82%) and taking loans from owners and factoring (79%) (Cosh et al, 2009). As Figure 3.17 shows, there was a significant change in obtaining finance in 2008/2009 compared with the pre-recession period and this confirms what many authors state that indeed the finance availability was significantly lower during the recession (Taylor and Bradley, 1994; Kitching et al, 2009; Cosh et al, 2009; Sahin et al, 2011; Price et al, 2013).

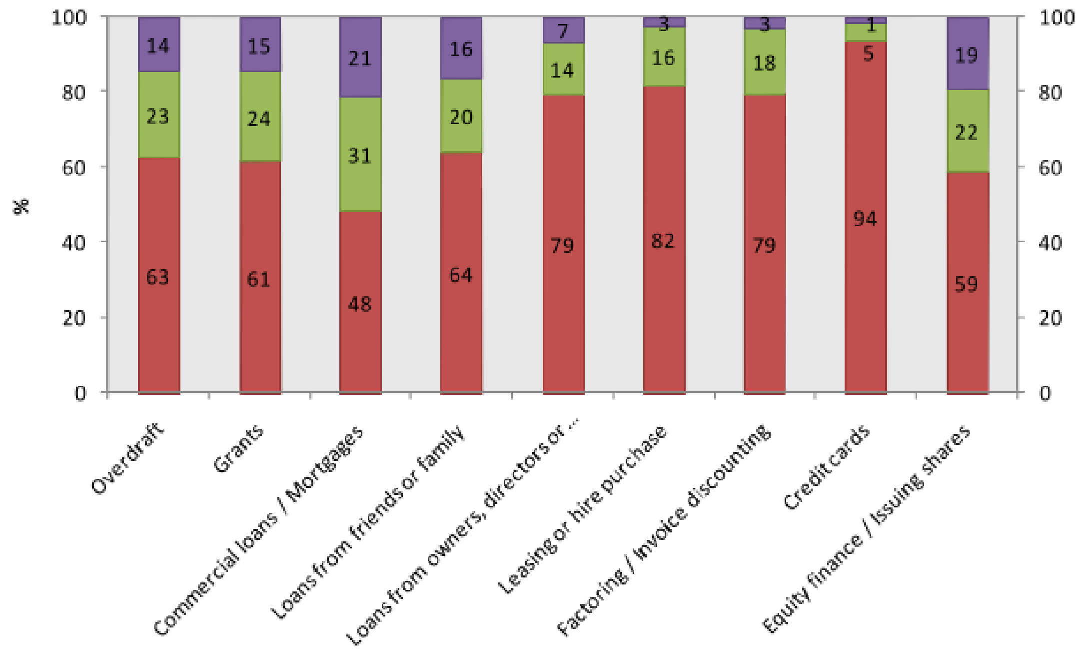

Figure 3.17 Difficulty of obtaining finance during the recession, Adopted from Cosh et al (2009)

3.6.5 SMEs' changes in Human Resource Management

As has been shown in the previous chapter, the Human Resource Management strategy has changed for large companies during the recession. However, it has been stated that small organisations' workplaces were less adversely affected than those workplaces belonging to larger companies (Van Wanrooy et al, 2013). According to findings, workplaces in small firms with a maximum of 50 employees were more likely to report that they were weakened by the recession than medium-sized companies with a maximum of 249 employees. Based on these findings, there is a clear observation that smaller firms find it more difficult to deal with the recession while for larger companies it is easier probably because of the higher availability of resources (Van Wanrooy et al, 2013). According to their HRM strategy though, research findings suggest that SMEs decreased their workforce during 2009, however in 2010-2012, SMEs report showed that there was an overall percentage of 10% which increased the size of their workplace (Price et al, 2013) (See Figure 3.18).

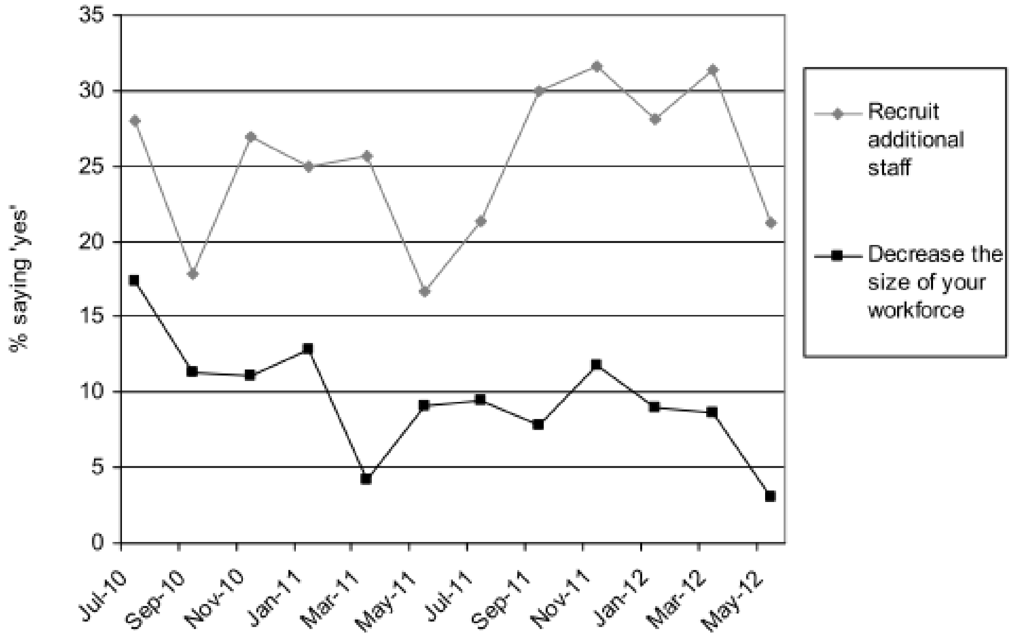

Figure 3.18 SMEs' Planned Changes in the workforce size between 2010-2012, Adopted from Price et al (2013)

The findings suggest that SMEs are aiming to retain their workforce capacity since a great proportion of SMEs (10%-25%) intend to increase employees' working hours. Moreover, a high number of SMEs (17%-32%) reported that they are planning to recruit additional staff. In contrast, there is a decline in the businesses planning to reduce their workforce size from 17% to 3% and a slight decline from 28% to 21% in businesses wishing to recruit more staff in their organisations (Price et al, 2013).

A more comprehensive clarification of SMEs' responses in terms of organisations' workplace was given by Whyman and Petrescu (2011) who identify the most common responses of SMEs during the recession in a sample of UK Lancashire-based SMEs. Accordingly, the research identifies that 26% of SMEs responded by freezing management wages while 17% of those by cutting staff salaries. Other responses were also based on management bonuses' avoidance (14%), a percentage of 14% of SMEs introduced a reduction in working time which increased voluntarily as a result while a percentage of 13% responded by introducing compulsory redundancies and cuts in management salaries.

Comparing though the pre-recession period with the period during the recession it appears obvious that SMEs changed their strategies as a result from the recession. According to Van Wanrooy et al's (2013) findings, 31% of small businesses engaged in pay freezes or cuts during 2011 while 34% of medium enterprises also froze or cut wages during the same year (See Figure 3.19). The research compares the findings of 2004 and 2011 and as a consequence, the results are of a great importance.

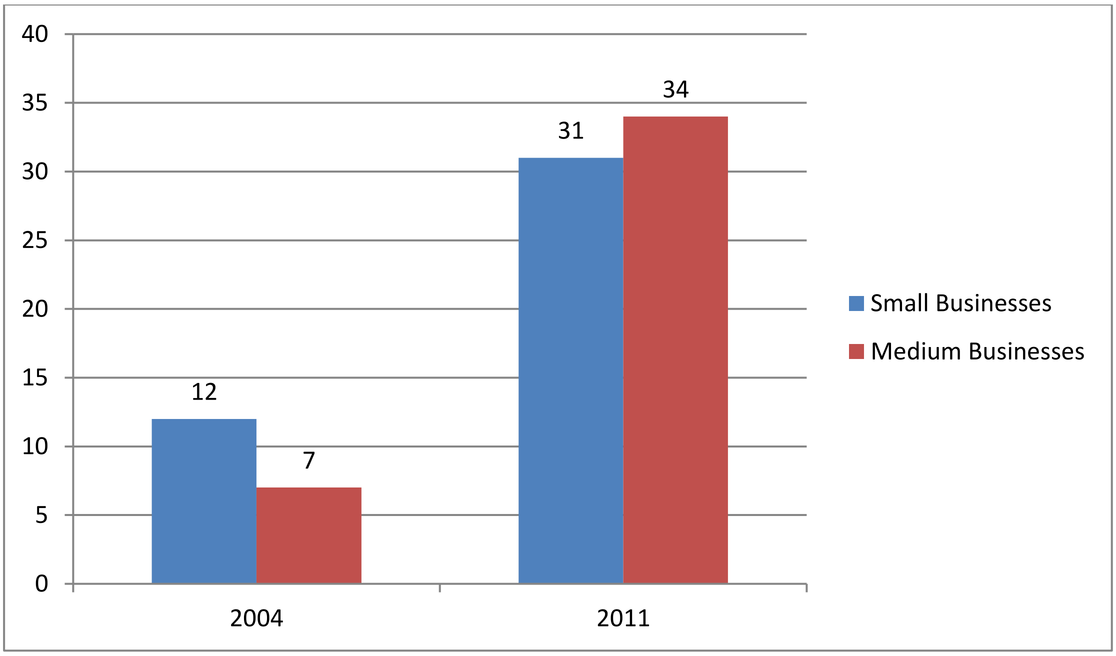

Figure 3.19 Pay freezes or cuts in the workplace 2004-2011 (per cent), Adopted from Van Wanrooy et al (2013)

According to Blundell et al (2013) cuts such as in wages are related to the unbalanced labour supply and demand and a reduction in the quality of labour.

3.7 Chapter Summary

The purpose of this chapter was to introduce the strategies adopted by SMEs compared with their larger rivals. The key to SMEs' survival, growth and profitability is the continuing development of new products and processes (Verhees and Meulenberg, 2004; Wolff and Pett, 2006). SMEs rely on their behavioural advantages to innovate which are based on their flexibility, entrepreneurship and rapid response (Rothwell and Dodgson, 1994; Lewin and Massini, 2003) while large organisations rely on their critical capabilities and resources for innovation (Rothwell and Dodgson, 1994; Hewitt-Dundas, 2006). Small and large firms are good at different types of innovation based on their strengths and weaknesses (Nooteboom, 1994).

In correlation with the research's unit of analysis the ownership characteristics and the owner-managed type of SMEs and their independence have been examined. Overall, small firms' ownership is usually upon the same individual who has managerial responsibilities and they are characterised by independence. In addition, small firms develop their strategies based on the owner/manager's personality and perceptions and they tend to engage in a higher level of risk. On the other hand, in large companies, ownership is mostly different from management control and managers tend to engage in a medium level of risk. Again, SMEs are more flexible by their nature and they can adapt speedily to environmental changes instead of larger companies which are slower adaptors. It has been observed that small firms seek to occupy a niche market through focus differentiation strategy since they lack resources while larger companies tend to compete in broader markets through cost leadership or differentiation. Large companies are technologically integrated, have more resources and access to financial support and they usually enjoy the advantage of economies of scale, managerial experience, reputation and greater market power. On the other hand, small firms have less innovation and their strategic planning is based on the short-term goals of the company instead of their larger counterparts which they plan to accomplish their goals in the long term.

Nonetheless, the chapter has presented the differences between small entrepreneurial growth-oriented businesses and small businesses, often lifestyle, which do not seek to grow. Their differences rely upon the ownership characteristics and the centrality of the owner manager as well as on the firm's structure. Therefore, small growth-oriented businesses tend to adopt corporate structures and behave in a more corporate way while non-growth-oriented firms tend to seek a steady turnover since they often desire lifestyle, engaging in a more freely way in operating their own business. Moreover, autonomy, independence and control contribute to the non-growth desire of the vast majority of small businesses which are often family-based firms; often employing family members and avoiding regulations and much time commitment and as a result do not engage in a formal strategic planning.

Again, the chapter sought to explore small and medium enterprises' strategies during a recession and its effects on different types of SMEs' industry in correlation with the study's unit of analysis. Thus, Smallbone et al (2012) and Anderson et al (2010)'s findings gave quite interesting data in terms of the resilience of small businesses and the impact of the recession on small businesses in different regions of the country respectively. After that, the literature has focused on the strategic changes in SMEs during the recession, taking into consideration the turnaround framework by Hofer (1980) and Kitching et al (2009) and presented the changes which SMEs mostly conducted as well as changes in HRM strategy. Moreover, other factors have been considered such as the external financial support given to SMEs, the advantage of flexibility and other resource constraints.

The following chapter will present the literature regarding the retail and fashion sector in economies and the strategies that retailers adopt in order to compete in their industry. The chapter will also present some important elements of retail strategies such as customer service, fast fashion and own brand development which are applied in the case of retail organisations.

CHAPTER 4: LITERATURE REVIEW- THE RETAIL SECTOR AND THE FASHION INDUSTRY

4.1 Introduction

This chapter finalises the review of the literature by concentrating on retail SMEs and fashion retailers at an international level and in the Cypriot economy. As has been discussed in the previous chapter, SMEs differ from larger organisations in terms of their strategic direction. This chapter will focus on the retail SMEs and their strategies, establishing their difference from SMEs operating in other industries. Therefore, from the broad concept of strategy and from the strategic dimensions of SMEs discussed in chapter 3 as well as from the SMEs effects and strategies during recessionary times, the current chapter focuses on the retail SMEs and on fashion retailers which are the basis of this research. Thematically, the chapter is separated in two parts, first presenting the importance of retail SMEs and their strategic posture followed by the literature surrounding the fashion retail industry and the strategies mostly used. Although the chapter focuses mainly on the strategies of fashion SMEs, it also refers to the operational and tactical decisions that fashion retailers make. Hence, the chapter first shows a holistic strategic review of the retail industry narrowing down to the strategic posture of fashion retailers including the operational and tactical decisions they take which is the aim of this thesis.

4.2Competitive Strategies of Retail SMEs

Studies of small retailers in the strategic management field have increased during the last two decades, with some authors linking their strategies with Porter (1980)'s conceptualisation of the three generic strategies considering differentiation and focus strategies (McGee, 1987; Wortzel, 1987; Dwyer and Oh, 1988; Helms et al, 1992; Megicks, 2001; Ramakrishnan, 2010; Peters and Zelewski, 2013) and others adopting Ansoff (1957)'s product market approach (Doyle and Cook, 1980; Miller, 1981; Omura, 1986; Walters and

Knee, 1989; Park and Mason, 1990). However, the literature is mainly surrounding different sectors of independent retailers such as the grocery retail sector. Hence, the literature regarding the strategies and strategic decision-making process of retail SMEs is still underdeveloped. This implies that there is a tremendous research gap in the literature which this particular thesis will try to fill. Taking this into consideration, it is important to review the literature regarding strategy of small independent retailers. Therefore, according to Megicks (2001), the vast majority of small independent retailers are strategically active and adopt different competitive positions in their industry. It is quite important to mention that small retailers operating in towns and cities for example in England have experienced a significant decline in recent years due to the increased competition within a sector which has gone through a significant consolidation over the last two decades (Coca-Stefaniak et al, 2010).

In terms of their competitive strategies, there is a lack of literature regarding the strategy and decision-making process of small independent retailers in small developing countries. Hence, the literature presented is only associated with evidence from international studies mostly in advanced countries such as UK and America. Furthermore, the literature suggests that independent retailers do adopt competitive positions within their market. This is supported by Megicks (2001) study, which highlighted that competitive types exist in the UK independent retail business sector which confirms the findings of USA-based studies conducted earlier by Conant et al (1993) and McGee and Rubach (1996). Therefore, their strategies reflect their survival and profitability in an industry which is well occupied by large retailers. In terms of small retailers' competitive strategies, Tinsley (1976) and Rubach and McGee (2002) highlight that small retailers have to focus on narrow market segments and develop their knowledge upon these segments. It is proposed that the avoidance of low price and differentiation strategies, which are mostly adopted by larger retailers, can give smaller retailers more opportunities to thrive (Litz and Stewart, 2000; Haans, 2011). Equally, an

American study conducted by Covin and Covin (1990) agrees also that independent retailers should avoid low price as a strategy and that they should structure their strategies based on the customer service and product specialisation or customisation. Therefore, emphasising a more focused strategy could give small retailers a more accessible advantage to capture market segments not fully addressed by larger firms (Watkin, 1986). Moreover, a comparative study conducted between the emerging economies of Peru and Argentina and the developed economy of the USA by Parnell (2013) shows that there are low levels of competitive uncertainty in the United States for retail SMEs. In addition, the study showed that markets are classified as more competitive in the United States compared to the markets of Peru and Argentina and applying to the concept of the Miles and Snow, the study presents that defenders and analysers strategise based on low costs and they tend to be more successful in emerging markets (Parnell, 2013). Again, a study by Cotton and Cachon (2007) conducted on retail SMEs versus mega retail stores in America showed that a number of American retail SMEs were unsuccessful because they were competing on an identical product line and brand. On the other hand, several small American retail SMEs were successful as a result of operating mostly as specialty shopping stores such as corner shops with a variety of products offered to consumers particularly during hours that large retailers were closed.

Since large retailers tend to have the advantage of economies of scale, they dominate the retail market (Srichookiat and Jindabot, 2017). However, a study conducted in Netherlands indicates that commercial corporation in a combination with the retail SMEs' flexibility and knowledge of the local market can give them the opportunity to thrive (Masurel and Robin, 1998). Furthermore, Megicks (2007) adds that a customer service focus business strategy is very for small retailers. In addition, by knowing their local customers and trading area, small independent retailers can exploit niche merchandise assortments that large retailers do not offer. This is also supported by Srichookiat and Jindabot (2017) who also suggest that the advantage that small independent retailers have over retail chains is that they can build strong personal relationships especially with nearby consumers. Therefore, a niche strategy adjusted to the local segment community is essential (Lee et al, 2008). This supports earlier statements that SMEs' success is based on their ability to attack niche markets in different countries (Namiki, 1988; Chaganti et al, 1989; Aragon-Sanchez and Sanchez-Marin, 2005). Therefore, because of their limited resources, it is more appropriate for small firms to pursue niche markets (Parnell, 2013). As a result, the study indicates that focus differentiation strategy through customer focused and competitor focused approach can lead to a superior performance. Another similar study by Ramakrishnan (2010) conducted in India shows that retail SMEs in emerging markets adopt several functional and business strategies in order to deal with competition. Moreover, the study was conducted in the grocery retailing and it concludes that small grocery Indian retailers adopt a focused differentiation strategy mainly through customer service and competitor-centered approached which leads to enhanced performance. The study also suggests that small retailers operating in emerging economies should select and adopt business strategies proactively rather than postponing strategising. However, this does not mean that small retailers have to remain in the usage of one single strategy. It depends completely on the environment which they operate and the degree of competition faced by larger retailers. In that respect, research findings suggest that independent retailers need to examine their business strategies often and adjust these strategies in order to co-align with the changing expectations of their local customers (Lee et al, 2008). For example, research studies indicate that retail SMEs deal with the changes in the business environment and uncertainty. This was evident in the case of Greek retail SMEs where several factors lead to environmental uncertainty while retail SMEs tend to engage in adaptation in order to cope with these changes (Theodoridis and Priporas, 2013).

Nonetheless, retail SMEs are primarily threatened by chain stores which usually offer low prices and a larger variety of merchandise (Stern and El-Ansary, 1988; Brennan and

Lundsten, 2000). However, consumers tend to shop from small retailers for the unique items offered (Lee et al, 2008). In response to this, SMEs started to cooperate commercially, exchanging part of their independence for additional security (Masurel and Robin, 1998). Despite the fact that studies show the importance of the elements of competitive intelligence in the retail sector (Gatsoris, 2012), retail SMEs lack the technological advantages that large retailers possess (Peston and Ennew, 1998). Even though small independent retailers have significant advantages such as flexibility and adaptability (Berman and Evans, 1989; Totterdill et al, 1989; Davies and Harris, 1990; Conant and White, 1999; Lee et al, 2008 ;Megicks and Warnaby, 2008), their technological disadvantages offer limited options for customers. According to Peston and Ennew (1998), small retailers must improve their technology and management systems and they must consider more advanced delivery services for home shoppers in order to satisfy customer desires. As a result, despite the importance of the traditional advantages which small retailers have in terms of location, opening hours, friendliness and personal service (Baron et al 2001), they face a high degree of competition based on their lack of technological development. Again, apart from the technological disadvantages, small firms are characterised by their inconsistent supply chain, lack of available capital for investment, lack of business experience especially in the particular sector which they operate and low operating margins (Dawson and Kirby, 1979; Merrilees et al, 2011; Bocconcelli et al, 2016). By the same token, small retailers face a number of external and internal issues such as insufficient management training, distrust towards local authorities and lack of supporting lobbying in representing them locally, nationally and internationally. This was also shown in the case of American retail SMEs in which small independent retailers are dealing with the untrustworthy relationship with the local authorities while large retailers were receiving ‘tax breaks’ (Cotton and Cachon, 2007). Moreover, they have been a target of the increased crime levels, they are faced with an adequate urban infrastructure and with the rapid changes in the consumer behaviour (Parker and Byrom, 2000; Hallsworth and Warnaby, 2003; Coca-Stefaniak et al, 2010).

However, there is an absence of evidence regarding retail SMEs in small developing countries such as Cyprus. The lack of literature regarding small retailers in small economies leads to a comparison with evidence of other European small independent retailers. As such, the literature can be associated only with European retail SMEs particularly in southern countries present similar characteristics. According to Ozcan (2000), the characteristics of the Turkish retail SMEs sector are similar to those of Greece and Portugal. Moreover, the study investigated Turkish retail SMEs and it has concluded that, similarly to those of Greece and Portugal, a number of medium-sized Turkish wholesalers and retailers are investing in their own regions rather than competing with larger retailers and they have been also assisted by the local developed touristic wave. Furthermore, Ozcan (2000)'s findings indicate that small Turkish retailers are unable to compete in their local markets and they are not capable of cooperating. Again, business alliances developed with large retailers benefit small retailers in which they mostly attempt to improve their marketing techniques in order to survive. Moreover, according to Erkip and Ozuduru (2015), the existence of shopping malls has shrunk the number of Turkish retail SMEs since large retailers occupy large shopping malls in the main cities. Large retailers have also threatened the existence of small independent retailers but small retailers have identified new strategies in order to be more resilient. In addition, Erkip and Ozuduru (2015)'s findings show that small Turkish retailers adopt a reactive strategy since they cannot forecast the changes in the market such as large retailers and they do not possess sufficient financial resources in order to develop better strategies.

4.2.1 Customer Relationship Management (CRM)

According to Chen (2013), the economic effects which the recession presented, has increased the pressure on service businesses to provide good and upgraded relationships with customers and increase their service quality; therefore, many authors proposed different models to enhance quality service (Hung et al, 2003; Chen et al, 2007). A comprehensive model of an integrated model of customer relationship is Customer Relationship Management (CRM). CRM has been defined differently by many authors in the past. Whilst LaPlaca (2004) defines it as the "*management of mutually beneficial relationship(s) from the seller's perspective"* (p463), Reinartz et al (2004) state that *"CRM entails the systematic and proactive management of relationships as they move from the beginning (initiation) to end (termination) with execution across the various customer-facing contact channels"* (p295). Academics and practitioners have distinguished CRM in to two levels, the strategic and the operational. Based in the interest of this study, the strategic CRM has been defined as *"A cross-functional strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments*" (Frow and Payne, 2009, p11). In particular, CRM involves several factors contributing to the overall performance of a business from a strategic and an operational perspective. These factors are marketing, sales, customer service and the supply chain activities of a company (Parvatiyar and Sheth, 2001, p. 5). This was also expressed by Anderson et al (2007) in their review of CRM in the retail sector in which they identified that the retailers' target is to enhance customer loyalty through the use of a developed customer service. Again, a major finding of the research is that customer loyalty is a major strategy used by retailers. Therefore, customer service and the close relationship with customers is a factor arriving from CRM and an advantage which small retailers have. As a result, it has been proposed that small retailers can effectively compete in a very intense environment if they are willing to adopt a customer value concept approach (Clow and Cole, 2004). Moreover, Carraher et al (2009) state that customers are more selective nowadays and consistent with their buying habits and as a result, small retailers should focus on meeting customer needs in order to increase customer loyalty. This will eventually lead to a competitive advantage. O'Gorman and Doran (1999) also supports the importance of service in which they show that an increased customer service in SMEs may lead to effectively competing with large companies that they can gain a cost advantage. The importance of CRM was imposed by many studies but its importance on SMEs was presented in the case of Central and Eastern European countries such as the studies of Alshawi et al (2011) and Özgener and Iraz (2006). On the other hand, Hutchinson et al (2015) present the importance of CRM in the context of SME and retail SMEs in the UK supporting evidence presented by previous studies.

Hence, CRM is a crucial element for small retailers' strategic orientation. Despite the existence of literature surrounding CRM in small businesses and small independent retailers there is lack of evidence in terms of whether small independent retailers in small developing countries consider CRM and the improvement of customer service as a vital strategy. The element of customer service is presented in more detail in the following section.

4.2.2 Customer Service and flexibility: Sources for Advantage

A unique advantage that small retailers have though compared with larger retailers is the direct interaction of the owner-managing director with customers. Their advantage arises from the notion that the owner-managers keep close contact with customers and they have the ability to act quicker and more flexibly to customers' changing needs (Megicks and Warnaby, 2008). Small retailers have another strength which is the interaction of top management with customers. Relationship marketing is a crucial strategy for SMEs and as a result, studies such as Kodish and Pettegrew (2008) and Tanti (2016) suggest the SMEs' owner-managers should establish good communication with their customers. Hence, the presence of the owner/manager is an advantage that larger retailers cannot imitate (Tinsley, 1976). Moreover, Baron et al (2001) point out similar findings in which the owner-manager of small retail independent firms is often on first-name terms with customers and can chat informally and identify service issues directly from the consumers. Similarly, small retailers' owners/managers have the opportunity to know all employees personally which give them the advantage to develop employee trust and confidence (Tinsley, 1976). Again, this was also confirmed by findings derived from Carraher et al (2009) who investigated the importance of customer service in 6 central and eastern European states. Earlier studies conducted by Carraher et al (1998; 2002) in the USA, UK and Canada present more developed customer oriented behaviours by small business owners.

In addition, Davies and Harris (1990) make explicit description of customer service in small independent retail shops which offers them the opportunity to thrive and prosper. Correspondingly, Miller and Kean (1998)'s findings on rural shops showed that small retailers who gave greater emphasis on customer service and personal interaction with customers, succeed in gaining a competitive advantage. This was confirmed by UK studies conducted earlier such as Megicks and Warnaby (2008) but again also by European studies such as Carraher et al (2009). In particular, a study conducted by taking samples from Austria, Hungary, the Czech Republic, Latvia, Slovakia and Slovenia shows that customer service is a vital aspect of retail SMEs. Carraher et al (2009) explain that customers have become more selective and as a result, small retailers must focus on meeting customer needs in order to obtain their customers' loyalty. This can eventually offer them a competitive advantage over large retailers (O' Gorman and Doran, 1999). Conclusively, the research highlights the importance of customer service by presenting the high expectations from the researched countries, emphasising this way the importance of customer service to European retail SMEs. Therefore, service image is a key aspect for small independent retailers (McGee and Petersen, 2000). The importance of service and personal relationship with the customer was also suggested by Roper and Parker (2006) who stated that the beauty of the small brand is that it gives the opportunity to interact and develop a genuine relationship with the customer through personal service which is in fact the envy of larger brands' attempts to succeed through marketing and loyalty card programmes. In many sectors of retailing, such as apparel, grocery, warehouse clubs etc., the personal service aspect is improving since consumers demand it and are willing to pay for it (McGee and Petersen, 2000). As a consequence of this aspect, it has been suggested that by integrating service quality and personal interaction with the customer, small independent retailers have superior performance (Covin and Covin, 1990; McGee and Rubach, 1996; McGee and Finney, 1997; McGee and Petersen, 2000). Other studies tend to focus not only on product and service but also on the store environment which according to them is a basic strategy to enable independent retailers to compete with large ones (Fiorito and Laforge, 1986;Stone, 1995; McGee and Petersen, 2000; Turley and Milliman, 2000; Lee et al, 2008; Parsons, 2011; Clarke, 2012) ; However it is beyond the scope of this thesis to examine the sensory environment of small retailers as it fits in the operational part of SMEs.

However, another advantage which small retailers have, is their ability to adapt to different market conditions and their flexibility (Sullivan-Taylor and Branicki, 2011). It has been observed that small retailers compete primarily on the basis of achieving flexibility in response to different customers' needs by providing speedy delivery and a high level of service back-up (Totterdill et al, 1989). Moreover, it has been argued that small retailers have a great deal of flexibility in selecting their target markets and in devising their strategies (Berman and Evans, 1989; Davies and Harris, 1990; Conant and White, 1999) and therefore, it has been identified that they have a strategic advantage in being able to adapt speedily to changing market conditions (Berman and Evans, 1989). Accordingly, the small size of independent retail stores

".. has the advantage in customizing their offerings to local markets, rolling out different types of stores, a distinct merchandise mix and providing alternative approaches to pricing, marketing, staffing and customer service" (Lee et al, 2008).

Another important advantage which small retailers have, especially with independent food and grocery retailers, is convenience. However, according to Peston and Ennew (1998), this advantage is being eroded, despite observations that convenience provides a niche for small retailers that larger retailers cannot match (Gordon and Walton, 2000). In rural areas, shops are used as a destination for ‘emergency’ purchases, providing products/services that cannot be found elsewhere (Smith and Sparks, 2000). However, in urban areas with a more mobile population, customers have less need of the ‘local’ shop and in combination with advanced retailing technology large retailers have more benefits in terms of cost savings, scale economies and high standard of professional management (Howe, 1992). Hence, independent retailers often become locationalized and economically marginalised (Smith and Sparks, 2000). In addition to these, the ease of entry into the sector without the necessary financial support along with the high competition in the market, are some of the factors resulting in the high failure rates amongst independent retailers (Smith, 1937; Collin, 1937).

Some authors argue that small retailers can gain more benefits by engaging in alliances. According to Pickering et al (1998) and Baron et al (2001), independent retailers have the strategic option of developing vertical and horizontal alliances in their same location which can have higher benefits in terms of their performance. However, in this case, anyone can argue that small retailers should bet either on an alliance or in an expansion at an international level. Nonetheless, this can be a difficult strategy to be followed by small retailers since the risk of losing control by SMEs’ managers/owners is the main barrier (Hutchinson et al, 2009). The owners/managers in the research highlighted that they are unprepared to embark upon international expansion not only for the fear of losing control but also by the difficulties to transfer their company abroad. Such difficulties were the lack of resources as well as the lack of consolidation in the home market (Hutchinson et al, 2009). Even the relocation of a small retailer in another city district or town seems to be very difficult since global competitors enjoy a much greater degree of mobility and in that case, small retailers' ability to develop and implement competitive strategies is a necessity (Coca-Stefaniak et al, 2010).

4.3 The Competitive Strategies of Fashion Retailers

In the late 1990s academics started placing a great emphasis on the new concept of creative industries (Flew and Cunningham, 2010). Although most of the European governments were reserved in adopting the new concept, some countries still refer to either cultural industries or creative economy (Craik, 2007). According to UNESCO (2007), creative industries include publishing, arts, music, film and photography, television and radio, visual arts and crafts, advertising, design including fashion, museums and libraries and interactive media such as games and mobile phones. Earlier, the UK's Creative Industries Task Force published a document with the creative industries by sector (CITF, 2001). However, these lists were criticised by many in regards to the inclusion of some sectors (Cunningham, 2002). The importance of the creative industries in several European economies is undeniable since they are linked to anticipated growth and innovation (Foord, 2008). In addition, a study conducted by Lazzeretti et al (2016) shows that cultural/creative industries form a great proportion of Mediterranean economies such as in Italy, Spain and Turkey. Moreover, Italy's most important economic sub-sector is fashion while the macro sector of creative industries accounts for more than 9% of the country's GDP. In the case of Spain, studies emphasise the importance of the music, audio-visual and arts industry (Pablo and Munoz, 2001; Bonet and Villaroya, 2008; Herrero et al, 2011).

Despite the importance of all the creative/cultural sectors, fashion represents an industry of interest for many authors. A number of studies have given great emphasis to fashion, particularly fashion retailers in terms of both their importance and the strategies they adopt in order to compete in the market. According to Lewis and Hawksley (1990) fashion retailers are almost obligated to follow the rapid changes in the fashion industry to meet customer demands. Similarly, the rapidly changing environment in the fashion industry and the intensified competition particularly during difficult trading conditions has led to several consequences. This has forced fashion retailers, particularly small independent fashion retailers, to adopt new strategies in order to cope with the new environmental changes. Some of these strategies related to the e-commerce nature, the development of own brands in order to succeed through differentiation in the fashion market and the element of fast fashion adopted mostly by large retailers.

4.3.1 Differentiation and Own Brand Development

The fashion industry is characterised by a high level of market demand uncertainty as well as short product life cycles (Sen, 2008). Fashion retailers face a significantly high level of competitiveness and many ‘big players’ develop their strategies differently. According to Johnson (1987), fashion retailers rely on two bases upon which competitive advantage can be obtained; cost-focused and market focused. Moreover, Conant et al (1993) state that small US apparel retail companies tend to use focused business strategies. Clearly for corporate fashion firms, strategies will be mostly based on either cost leadership or differentiation and as such, the price premium issue is becoming increasingly contentious in retailing. For example, some UK fashion retailers, tried to gain a competitive advantage through cost leadership strategy, by shifting sourcing of merchandise to the Far East (Bhardwaj and Fairhurst, 2010) while others try to differentiate their brand from their competitors through a discounting position (Brïdson and Evans, 2004). Moreover, a study conducted on US apparel and footwear stores by Moore and Fairhurst (2003) shows this image differentiation. Similarly, customer service was considered to be a very important element which leads to higher performance (Moore and Fairhurst, 2003). It has been proposed that differentiation is essential for a fashion retailer to survive (Ghosh, 1994) but most of them face a dilemma on differentiation and sustaining a long-term advantage over their competitors (Brïdson and Evans, 2004). This statement agrees with earlier statements by several authors that a combination of price and product differentiation can provide a competitive advantage for organisations (Porter, 1980; Ries and

Trout, 1982; Day and Wensley, 1988; McDonald, 1992). However, fashion retailers must not only achieve differential advantage but they have to offer superior reasons to consumers to visit their stores compared to their competitors (Ghosh, 1994). Hence, it has been stated that the service element can improve the fashion retailer's market position (Birtwistle et al, 1998) as well as it's differentiation from competitors (Turnbull and Wilson, 1989). Accordingly, Bridson and Evans (2004) point out that customer service advantage can be achieved through additional levels of in-store and after sales service and this way, by adding value for consumers can achieve significant results.

Accordingly, in order to achieve market differentiation, fashion retailers started developing their own brands in order to provide products that are offered exclusively by their stores (Plunkett Research, 2007). These products are also called private labels (Stone, 2004) and are designed to offer different products to customers which can only be found in a particular store (Parrish, 2010). It is well acknowledged that most fashion retailers have been offering their own-brands. The fashion own-brand is undoubtedly a main feature for fashion retail markets and is the basis of the major fashion retailers' strategies (Moore, 1995). As such, by developing their own labels, fashion retailers do not only achieve differentiation but they can design and develop their own brands in-house, excluding the middleman, and create their product with superior quality with less expenses than their competitors (Parrish, 2010). As a result, they enjoy significantly higher profits and sustainable competitive advantage (Coolidge, 2003).

Comparing retailers' own brands of now and few years ago, it has been argued that retailers' brands now, except from the higher price, offer better quality and are supported by a more significant technical investment than before (McGoldrick, 1990). The vast majority of the major fashion retail players either exclusively or predominately retail their own-brand products (Moore, 1995; Tungate, 2005; Keynote, 2007). As a result, large fashion retailers which have developed their own powerful labels eliminated competitors who had not created their own brands, especially the small independent fashion retailers who focus on promoting foreign brands (Lane and Probert, 2005). Fashion own-brands must be able to satisfy consumers' requirements in terms of quality, durability and styling and therefore, they cannot be seen as a lesser alternative to the manufacturer brand either in terms of quality or price (Moore, 1995). Moreover, the purchase of a retailers' own brand can provide consumers with additional psychological benefits especially when a retailer is perceived to have a superior image in either quality or/and status (Randall, 1990). Looking more closely to the companies' own brand development, Fernie et al (1997) suggests that fashion retailers have to improve their brand names and capabilities in order to achieve greater market differentiation. According to Stanley (2005), companies that create and promote their own brand have the advantage of succeeding in differentiation and having product variety and they have also the advantage of customer loyalty since they avoid comparisons with the competitors. Moreover, they enjoy freedom in the pricing strategy and manage better their inventory stock.

However, several authors point out that there are also some disadvantages to the own brand development. According to Juhl et al (2006) a company may 'cannibalise' its manufacturers' brands if the own brand production becomes the principal sale priority. Another disadvantage is that customers may perceive the own-brand's quality to be lower than national brands (Sheinin and Wagner, 2003; Laforet, 2007). Therefore, this can affect directly the performance of the own-brand production as well as the loyalty of the company's customers (Erdem, et al, 2004).

4.3.2 Fast Fashion: Flexibility and Responsiveness

Nonetheless, customers are concerned about their wardrobes. They look for quality, value, comfort, variety of colours, trendy and sexy clothes. As a result, they will shop from whoever has the ability to offer them the best look, price and fit (Ling et al, 1998). Young consumers especially consider fashion as a very important part of their lifestyles. They are champions of the latest fashions styles and they tend to influence other consumers to adopt and purchase new fashions (Schrank and Guilmore, 1973; Polegato and Wall, 1980; Kaiser, 1990; Beaudoin et al, 1998). The importance of young consumers and their interaction with retail stores has been elaborated by Priporas et al (2017) and Pantano et al (2018) who focused mainly on the smart technologies that retail companies use. Hence, the authors highlight the importance of technological advancement either through smart technologies in retail stores (Priporas et al, 2017; Pantano et al, 2018) or through the development of mobile retailing (Pantano and Priporas, 2016). Moreover, large fashion retail companies have considered the importance of this particular segment of consumers and they have being offering their products to young, impressionable and fashion-conscious teens (Newman et al, 2002) maintaining an important competitive advantage over its rivals (Newman and Patel, 2004). Consequently, fashion retailers must present values and lifestyle characteristics which are relevant, recently developed and attractive to customers (Moore, 1995). Moreover, fashion retailers are now seeking low cost and flexibility in design and quality (Doyle et al, 2006).

Even though fashion retailers' competitiveness can be expressed based on different factors, speed, flexibility and responsiveness seem to be the key ingredients for success. It has been stated that based on the increased number of fashion seasons and changes in the structural characteristics in the fashion retailers' supply chain, they have been forced to seek more low cost and flexibility in design, quality, delivery and speed (Doyle et al, 2006). Moreover, fashion retailers were forced to improve responsiveness in reduced time and as a result, they modified the supply chain's flexibility responsiveness time (Fernie and Azuma, 2004). Hence, rapid responsiveness and flexibility are some results of keeping closer relationships between suppliers and buyers (Wheelright and Clark, 1992). In addition, Bhardwaj and Fairhurst (2010) highlight that fashion apparel retailers need to take the 'speed to market' approach to differentiate their organisations from their rivals. Market responsiveness and agility increases the profit margins for retailers which can be achieved through the rapid insertion of consumer preferences into the design process during the product development process (Christopher et al, 2004). It is now essential for a fashion company to develop a more efficient supply chain strategy in order to be more responsive, especially to the changing market conditions (Christopher et al, 2004; Masson et al, 2007). Equally, Tyler et al (2006) emphasise that the fashion apparel industry around the late 1980s focused on promoting responsiveness through reduced lead times, maintaining low costs at the same time.

The concept of fast fashion was initially regarded as a niche market. A clear definition of fast fashion has been presented by Barnes and Lea-Greenwood (2006) who state that "*fast fashion aims to reduce the processes involved in the buying cycle and lead times for getting new fashion product into stores, in order to satisfy consumer demand at its peak"* (p259).

Therefore, fast fashion is a strategy which relies on fashion companies' responses to customer demands and the requirement of flexibility to respond to changing customers' needs (Barnes and Lea-Greenwood, 2010). However, the effects of the recession upon fashion retail industries were tremendous. For instance, the UK fashion retail sector has experienced a great impact from the recession. However, certain companies have performed significantly well.

4.3.3 E-Business/ E-commerce

One of the most important strategies which large fashion retailers adopted the latest decade is the use of the World Wide Web. E-business has been tremendously useful for certain companies. The concept of electronic–businesses has been increasingly developed and used in the last decade. The specific term relates to companies which are conducted in the Internet (World Wide Web), offering products and services to customers and collaborating with partners and suppliers. Therefore, companies following the e-business concept, accept the creation of a competitive advantage through differentiation and as a result, increased profitability (Arvaniti, 2010). Therefore, within the concept of e-business, activities undertaken are based on four types of relationships which are the Business to Business (B2B) and the Business to Customers (B2C), Consumer to Business (C2B) and Consumer to Consumer (C2C).

According to the first type, B2B relates to the exchange of products and services between organisations over the internet. As a result, there is a possibility of tracking shipping information for products, delivery date and other information. On the other hand, B2C refers to the transaction between of a business and the consumer, offering products or services directly to the customer online through e-shopping (Arvaniti, 2010). Consequently, the result of the e-business/e-commerce concept gave many benefits to many companies and as such, large fashion retailers have adopted it, achieving significant growth. Despite the excessive existence of e-commerce/e-retailing in developed countries such as the USA and UK, e-commerce has been less developed in eastern European countries. Again, evidence regarding the existence of the development of e-commerce in European countries is limited; a study conducted by Loubeau et al (2014) shows that Bulgarian teenagers form the majority of consumers who purchase products that relate to apparel and accessories. Moreover, the study focuses on young people and demonstrates that similarly to other eastern European countries such as Greece, Slovakia and Serbia, the main category that people use the internet to purchase relate to fashion and accessories products. The changing business environment and the impact on high streets has caused a conflict between brick and mortar retail and online stores. Hence, the changing environment on high streets led to some changes since only older people were attracted. The main aim was to avoid leading younger consumers to online choices (Theodoridis et al, 2017). However, a study conducted by Vynias et al (2016) contradicts the findings presented by Loubeau et al (2014) who suggests that e-commerce has been substantially developed in the last decade in Greece in spite of the presence of the economic crisis. Again, the study shows that 42% of all purchases of clothing and footwear are online; however, the study demonstrates that many e-shops have failed to survive either because they have failed to promote the idea that e-shops are a safe environment for transactions and the delivery dates are long.

4.4 Chapter Summary

The purpose of this part of the literature was to present the strategies of retail SMEs and fashion retailers at an international level. Hence, the literature highlighted similar aspects with the overall SME strategy discussed in chapter 3. Accordingly, the importance of the retail sector is acknowledged in both international and Cypriot economies. Furthermore, retail SMEs mostly operate with a more focused strategy based on differentiation and they have the advantage of being flexible to adapt speedily to changes in their environment. However, they tend to focus on customer service and they develop their advantage from being able to personally interact with their customers. Moreover, the owner/manager's ability to interact with customers is a crucial advantage and the flexibility to adapt to changes in customers' needs becomes a unique privilege. Another important aspect of small retailers is their nature to operate as a convenience store, especially retail food and grocery retailers.

On the other hand, the literature shows significant aspects of the retail fashion industry and the strategies mostly adopted. On the one hand, a great proportion of fashion retailers were adopting a differentiation strategy, specifically on price and product differentiation, in order to compete with their rivals. On the other hand, many fashion retailers were engaged in cost leadership competition with their competitors.

Nonetheless, a great aspect of fashion retailers is their engagement in e-business/e-commerce. The vast majority of fashion retailers embark on their ability to develop their own brands as well as sell their products and services via the Internet. Hence, costs were minimised and they were promoting products which were unique and customers could not only find them within their stores but on the World Wide Web as well. The development of own labels was part of their differentiation strategy which was mostly used by companies that had variety and availability of resources. Equally, literature shows that the majority of fashion retailers were promoting the "Fast Fashion" strategy. As a result, companies have the flexibility and the ability to respond to changes in their customers' needs, offering greater advantages and better performance.

However, recession has affected the fashion retail industry, especially companies offering low- and middle-end products. Consequently, large fashion retailers have decreased the number of their outlets and have experienced losses in sales and profits as well. On the other hand though, high-end fashion retailers have performed better during the recession, most of them having higher performance than their competitors in the industry. The same decrease in performance is presented in the case of the Cypriot fashion retail sector in which the industry was mostly affected by the recession in 2011 followed by a further decrease in 2013 as a result of the haircut on banks' savings.

This specific chapter has focused on the strategies used by small independent retailers, presenting their competitiveness in the retail industry of the country and the most important factors which keep then competitive. Finally, a significant proportion of the fashion retail industry literature's reviewed presents the contribution of the retail fashion industry in the Cypriot economy and the strategies adopted in the specific market's competitive environment at an international level. Furthermore, the final part of the literature has presented the impact of the recession on the retail fashion industry in Cyprus, showing this way that the current market is still existing under the shadow of the recession leaving behind survivors but many casualties too.

Key Findings of Fashion Retailing		
Strategies	Bridson and Evans (2004); Doyle et al (2006)	Differentiation of brands compared to rivals. Low cost in design and quality is the main target.
Customer Service	Birtwistle et al (1998); Moore and Fairhurst (2003); Bridson and Evans (2004);	Customer service leads to higher performance and improved market position.
Own Brand Development	Moore (1995); Lane and Probert (2005); Parrish (2010)	Own-brand development is a crucial figure of fashion retailers' strategies. Create product with superior quality and low cost. Leads to higher profits.
Technology	Pantano and Priporas (2016); Priporas et al (2017); Pantano et al (2018)	Smart retailing technologies used as well as mobile retailing which increases demand and profits.
Rapid responsiveness and flexibility	Fernie and Azuma (2004); Doyle et al (2006); Masson et al (2007)	Fashion retailers seek flexibility in design and quality, delivery and speed. This implies modifications in supply chain to cope with changing market demands.
E-Commerce	Arvaniti (2010); Loubeau et al (2014); Vynias et al (2016)	Fashion retailers enjoy increased profitability. Achieved through online e-shopping. Eastern European countries have not yet harvested the concept although in Greece it has been increased.

Table 4.1 Key Studies of Fashion Retailing

Focusing on the literature regarding strategy and strategic responses of fashion retailers (See Table 4.1), certain factors were identified to be affecting the strategic decision-making process in SMEs and the strategic responses of SMEs during recessionary periods.

The review of the literature showed that a number of internal and external factors affect the strategic decision-making process in SMEs such as the ownership and management characteristics, the competition, access to funding, the business environment and technology. Hence, this particular thesis will use these findings from the literature in order to form specific questions and to explore whether similar or additional factors affect Cypriot fashion retail SMEs in the context of the latest recession. Thus, the literature review raises a number of questions that this thesis will attempt to answer in the context of Cypriot SMEs. The following chapter presents the findings from the literature review in a form of a conceptual framework which leads to a number of research questions. In addition, the following chapter will present the methods that the researcher will use in order to answer the research questions derived from the review of the literature.

CHAPTER 5: METHODOLOGY

5.1 Introduction

The chapter focuses on the methodological aspects of this particular thesis. It presents the research gap derived from the review of the literature and the research questions that the thesis will try to answer. The thesis then clarifies the methodological route that the researcher will follow and the philosophical assumptions of the researcher. In particular, the thesis has adopted a phenomenological approach since it explores a particular phenomenon through the lived experiences of the research participants rather than focusing on quantitative and statistical data. The research will try to unwrap the lived experiences of the owner-managers of small fashion retailers in Cyprus during the latest ongoing recession. As such, a qualitative research method is needed with the adoption of a particular approach that will reveal their true experiences. Hence, phenomenology as a methodology has been chosen to serve the purpose of the research since it will assist the researcher in giving meanings to the lived experiences of the owner-managers. Again, several characteristics that phenomenology offers will help the researcher to set aside any prejudgments of the phenomenon of recession. Thus, the researcher will be able to give meanings derived from the lived experiences and consciousness of the research participants. In addition, the research method that this particular thesis uses is described and case study method is explained by presenting its applicability to this thesis in terms of answering the research questions compared to other research methods. Furthermore, the sample selection and the criteria of the selection are presented as follows by the quality assessment of this research. Finally, a summary of the chapter is presented which will prepare the ground for the presentation and analysis of the data collected.

5.2 Research Objectives

As the review of the literature presented in chapters 3 and 4, certain factors affect the strategic decision-making process in SMEs leading to a number of specific strategic responses during recessionary periods. It is essential to mention that the aim of the literature review was to present the decision-making process in SMEs and the factors affecting the process rather than presenting the strategic responses of SMEs during recession *per se*. Therefore, chapters 3 and 4 have highlighted important information regarding the strategic decision-making process in SMEs which is the main objective of this research rather than focusing only on the strategic responses of SMEs during recession. According to the findings, certain questions arise that this particular thesis will try to answer. Despite the fact that the literature regarding strategic decision-making process in SMEs and strategic responses of SMEs during recession has been expanded the last decade, there is no evidence regarding the process of strategic decision-making process in a small economy such as Cyprus. Hence, this gap raises multiple questions in terms of how SMEs in a small economy such as Cyprus formulate and implement their strategies during recessionary times and what factors affect strategy formulation. As a result, the literature surrounding Cypriot retail SMEs is still underdeveloped and there is a tremendous gap that the thesis will try to shed light on. Again, the factors affecting the strategic decision-making process in Cypriot fashion retail SMEs and their strategic responses during the latest economic recession are set to be examined. The performance indicators of the Cypriot fashion retail SMEs will also be part of the investigation objective in order to clarify whether the strategic responses used were successful.

According to the findings derived from the exhaustive review of the literature, there are a number of internal and external factors affecting the strategic decision-making process in SMEs as well as certain strategic responses that SMEs tend to adopt during an economic recession. These factors and strategic responses identified in the literature review will form the basis of this research investigation and as a result, a conceptual framework is derived from the findings of the literature review which will form the basis of the research investigation (See Figure 5.1). Thus, based on the findings of the literature review presented in the conceptual framework, this thesis will attempt to explore whether these factors are applied in the case of Cypriot SMEs by investigating a specific industry which is fashion retailing. As has been mentioned previously, there is no evidence regarding the Cypriot fashion retail industry in any other subject and as a result, Cypriot fashion retail SMEs represent a new area of research interest particularly during the economic recession era which this thesis will try to shed light upon.

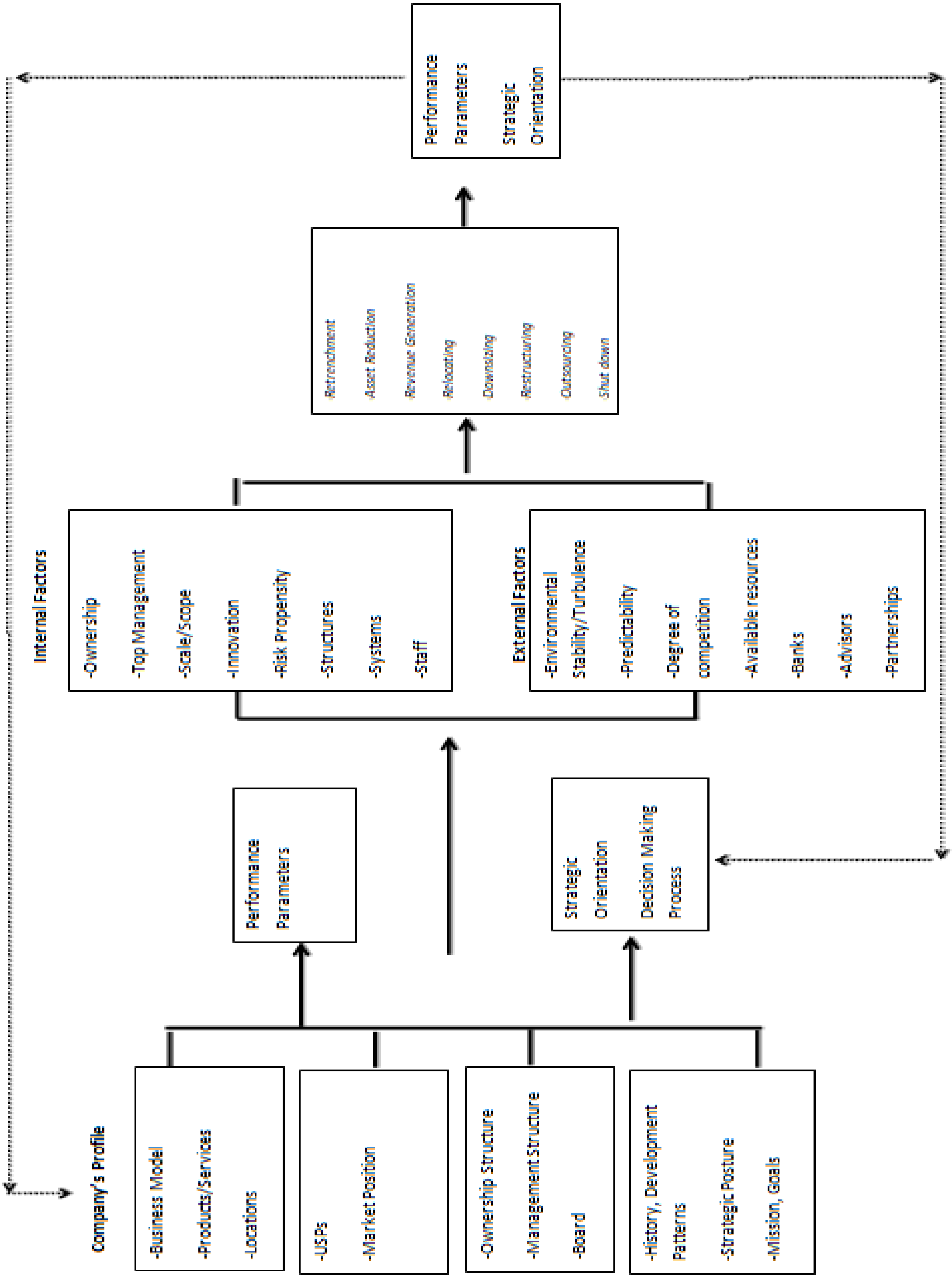

Figure 5. 1 Conceptual framework derived from the literature review findings, Developed by the researcher

Therefore, this particular thesis will follow a series of research objectives that consist of the following:

1) To present the profile of the companies prior to and during the recession.
2) To explore the internal and external factors affecting the strategic decision-making process during recession.
3) To examine the outcome(s) of the strategic decision-making process during the latest recession and changes occurring in the strategic direction of Cypriot fashion retail SMEs.
4) To investigate the issues and challenges that Cypriot fashion retail SMEs face during recession.

In addition, in order for the thesis to attempt to follow the objectives set and to answer the research questions, the methodological considerations have to be presented. The following section presents the philosophical assumptions of the researcher followed by the methodological considerations and the chosen methodology.

5.3 Philosophical Considerations

In order to explore the lived experiences of owner-managers during the latest recession and to interpret those experiences it is essential to clarify the type of knowledge sought from this thesis. The ontological stance of the research is based on the subjective understandings of the participants and the meaning that they give through their relationship with their *lifeworld*. The concept of lifeworld relates to the context where people experience the phenomena under study (Gibson and Hanes, 2003). This is associated with the assumptions that researchers present in regards to the way that the world works and it is also associated with the nature of reality (Saunders et al, 2012). Based on the subjective nature of the thesis, it is essential to explore the social construction of the lived world of the participants in order to draw conclusions based on their understandings. This sociological approach is called social constructionism and it is associated with the way that people make sense of the world based on sharing their experiences with other individuals (Easterby-Smith et al, 2012). Social Constructionism is a new research paradigm that was originally introduced by Berger and Luckmann (1967) and it emerged as a reaction to the predominance of positivism in social sciences (Easterby-Smith et al, 2012). It is related with interpretivism which is associated with *'culturally derived and historically situated interpretations of the social life-world'* (Crotty, 1998, p67). Hence, social constructionism will enable the researcher to explore the understandings of the small business owners of their world through sharing their experiences with the researcher. The researcher should focus on the different constructions and meanings that people give through their own experiences (Easterby-Smith et al, 2012).

A more comprehensive rationale for the suitability of social constructionism versus positivism is presented in the table below in order to explore the lived experiences and understandings of small business owner-managers in Cyprus.

	Social Constructionism	Positivism
The Observer	Is part of what is being observed	Must be independent
Human Interests	Are the main drivers of science	Should be irrelevant
Explanations	Aim to increase general understanding of the situation	Must demonstrate causality
Research progresses through	Gathering rich data from which ideas are induced	Hypotheses and deductions
Concepts	Should incorporate stakeholder perspectives	Need to be defined so that they can be measured
Units of analysis	May include the complexity of 'whole' situations	Should be reduced to simplest terms
Generalization through	Theoretical abstraction	Statistical probability
Sampling requires	Small numbers of cases chosen for specific reasons	Large numbers selected randomly

Table 5. 1 Implications of Positivism and Social Constructionism, Adopted from Easterby-Smith et al (2012), p24.

Following the ontological stance, the research adopts an interpretivist epistemological stance in order to claim the type of knowledge that the research will make (Mason, 2002). Moreover, epistemology concerns itself with the question of what acceptable knowledge in a specific field of study is (Saunders et al, 2012). Epistemology is divided in two main research paradigms, positivism and interpretivism (Ritchie and Lewis, 2003). Positivism is a paradigm used in quantitative research studies but according to Pittaway (2005), positivism appears to be problematic for the area of entrepreneurship since it requires precision in mathematical presentations. However, positivism has been widely used by researchers in order to investigate the application of strategic changes in small businesses as well as the impact of the strategic changes in SMEs' performance. Again, studies sought to objectively present facts about a specific subject through the use of numerical data. For instance, studies attempted to measure the effects of SMEs' responses to the financial crisis in European countries such as Spain (Li et al, 2011) while others sought to investigate the strategic responses of start-up versus established firms during the latest economic recession (Latham, 2009). However, these research studies did not enable investigating how people as subjects experienced the economic recession and what drove them to choose and implement the strategic changes.

In this study it was important to explore and understand the way that small business' owners as subjects experienced a particular phenomenon and the factors that affected their strategic decision-making process. Hence, the research had adopted interpretivism as an epistemological stance since it seeks to investigate the meaning that people give to their experiences based on their relationship with the lifeworld. This is mainly presented in studies in which cultural and personality characteristics affect the decision-making process of small business owners. However, people's experiences may be influenced by previous experiences of a particular phenomenon. According to Saunders et al (2012), it is important for the researcher to enter into the world of the research subjects and try to interpret their meaning of their world. Moreover, it is wise to understand that an individual does not hold knowledge and knowledge is not an 'objective truth' but it is hidden in the relationship of individuals with their world (Kvale, 1996).Hence, in order for the researcher to identify the factors that affect business owners in selecting certain strategies during the latest economic recession, it is necessary to interpret the relationship that business owners have with their world. Consequently, the experiences of participants will be taken as the primary basis of the particular thesis. As such, the researcher adopts the epistemological stance that knowledge is formulated from the relationship of people and their lifeworld and an interpretivist approach will be followed.

The aim of this exploratory study is to explore conscious, lived experiences of small business owners in Cyprus in particular reference to the phenomenon of economic recession. In order to achieve this, a suitable methodological perspective is required. A phenomenological approach is deemed essential in order to enable the researcher to explore the subjective experiences of participants. Part of the phenomenological paradigm is to bracket any pre-flections, prejudgments and perceptions of the area under study. Hence, the following section presents the reflection and judgment of the researcher in regards to the Cypriot economy in order to bracket it and deal with the subject as fresh through the collection of primary data.

5.4 Bracketing the Research Area

Bracketing is a crucial element of phenomenology. According to Miller and Crabtree (1992, p24) bracketing is the element where the researcher must bracket his/her own preconceptions and be the experiencing interpreter. As such, the researcher of this thesis will attempt to bracket his own pre-flections and pre-judgments of Cyprus, the Cypriot business environment and the recession in Cyprus prior to engaging in the data collection process. As such, this particular section is based on the researcher's perceptions of Cyprus.

The economy of Cyprus is predominately supported by the hospitality industry. Cyprus has been a highly rated touristic destination for many decades and a variety of cultures have been visiting the island, increasing this way the income and

GDP of the country. For instance, Cyprus was declared in one of the four most ‘hot’ destinations in the world by CNN, mentioning that Cyprus had an income of 2.6 billion Euros in 2016 derived from tourism (Petroff, 2017). Entrepreneurship is spread across the country and the birth rate of small and medium enterprises presented positive signs up until 2008 as a result of the economic stability.

Additionally, the economic recession occurring in 2009 has caused uncertainty in Cypriot markets. In addition, Greece being the main trading partner of Cyprus and the strong economic relationship of the two countries has also led Cyprus to slip into the economic recession. Hence, the strong economic bonds of Cyprus with Greece and the Greek economic recession led to a deepening of the crisis by the end of 2011 which forced the government to request economic bailout. Since then, the economy of Cyprus has been struggling to overcome the barrier of the economic recession but also to adapt to the new, severe measures that lenders forced the government to implement in order to repay the debt. This had caused the unemployment rate to rise, the construction industry to shrink and led to the bankruptcy of many small and medium companies. As a result, this cost the reduction of SMEs in Cyprus which made up the majority in the Cypriot business community.

Consequently, the fashion retail industry of Cyprus was also affected by the recession in 2011. The fashion retail sector was enjoying a substantial increase up until 2011 including the expansion of international retailers on the island such as Marks and Spencer, Bershka and Zara. Again, small fashion retailers were also enjoying great benefits and a great proportion of fashion retail SMEs have managed to expand their operations even overseas as a result of the environmental stability. However, the introduction of the recession has forced many small fashion retailers to introduce huge sales in order to attract customers. In particular, the haircut on banks’ savings that took place in 2013 had a tremendous impact on the small companies in which a great proportion of SMEs were forced to shut down. Governmental bodies were unable to help and banks were refusing to offer funding. As such, small retailers attempted to survive by their own means either by inhaling personal capitals in their firms or by shutting down outlets. The latest recession has principally affected the construction industry and the retail sector while the banking system of Cyprus was described as 'high risk' based on several credit-rating agencies such as Standard and Poor. Evaluation of the Cyprus economy was presented by several financial institutions in which they were all downgrading the economy as a result of the inability of the government to cope with the effects of the recession.

This particular section named bracketing is based on the researcher's own reflections and understanding of the area and context of the study. Hence, the section of bracketing clearly relates to the personal view of the researcher regarding the Cypriot economy and the events leading to the recent recession as part of the phenomenological methodology employed. However, it is essential first to review the origin of phenomenology and its application to the specific research.

5.5The Foundations of Phenomenology

In order to investigate the phenomenon of recession, a phenomenological perspective has been adopted by the researcher. Phenomenology is an interpretive, qualitative type of research which aims to research and describe phenomena that are experienced (Ehrich, 2005; Flood, 2010). The philosophy emerged in the late 19th century as a reaction against the dominant philosophy of positivism (Ehrich, 2005). The founding fathers of phenomenology are the German philosophers Franz Brentano (1838-1917) and Edmund Husserl (1859-1938), and the philosophy was developed further by

Husserl's successor, Martin Heidegger (1889-1976). However, Edmund Husserl is credited as the father of phenomenology since he started the phenomenological movement in 1913 (Moustakas, 1994; Cohen and Omery, 1994, Ray, 1994, Draucker, 1999; Moran, 2000; Gibson and Hanes, 2003; McConnell-Henry et al, 2009; Converse, 2012; Tuohy et al, 2013). Husserl first used phenomenology to describe the experience of a phenomenon in consciousness (Converse, 2012). It emerged as an epistemological philosophy and it was refined by other philosophers such as Martin Heidegger (1889-1976) and Maurice Merleau- Ponty (1908-1961) (Gibson and Hanes, 2003).

Phenomenology differs from other approaches since the emphasis is given to the participants' experiences and their meanings rather than simply on their observed behaviours (Polkinghorne, 1989). Phenomenological research is inductive and descriptive and it aims to capture the cognitive subjective perspective of the individual's experience and the effect that perspective has on the lived experience (Omery, 1983). The word '*phenomenon*' has its origins from the Greek word 'phainomenon' and it relates to the appearance of phenomena or things (Spinelli, 1989; Moustakas, 1994). Moreover, all the major contributors agree that the focus of the specific philosophy has to be consciousness, human existence and focus on the human beings and their worlds rather than the thing and nature (Giorgi, 2005). According to Edie (1962), phenomenology concentrates on the point of contact at which 'being and consciousness meet' rather than only on the subject or object of experience itself (p.19). Moreover, Dowling (2007) points out that it is a way of exploring a reality of life and living. It describes phenomena as they appear to the person experiencing these phenomena (Tuohy et al, 2013).

According to Sanders (1982) and Moustakas (1992), there are four main philosophical concepts of phenomenology which represent the foundation of phenomenology. The concepts of intentionality, lifeworld, intersubjectivity and phenomenological reduction are presented briefly in Table 5.2 and an in-depth explanation is presented thereafter.

Intentionality	**Lifeworld**	**Intersubjectivity**	**Phenomenological Reduction**
The object or experience of a phenomenon exists in an individual's mind in an intentional and conscious way	The context where persons experience the phenomena studied	The act of researchers' being with, and developing a trusting relationship with, the researched individuals as they describe their experience	Refers to the process where the researcher perceives, thinks, remembers and judges the contents that construct the phenomenon

Table 5. 2 Characteristics of Phenomenology as a Methodology, Adopted from Theodoridis (2014)

Intentionality

The notion of intentionality refers to the concept by which the visual and the emotional response that we as humans have to a particular phenomenon is influenced by the intention of an individual bringing the phenomenon into their consciousness (Barber, 2004). According to Smith (2009) and Conklin (2014) intentionality is the structural dimension of an experience. Gibson and Hanes (2003) exhibit the importance of intentionality in phenomenological research and highlight that the purpose of phenomenological research is to reach an understanding of how humans experience and perceive specific phenomena in the world. The notion of intentionality is the phenomenological inquiry in which researchers examine the consciousness of individuals (Wertz, 2005). Husserl presented the particular notion to show the relationship of the process of consciousness and the object of attention. According to Moustakas (1994), the object of attention of an individual's consciousness and the act of consciousness are intentionally related, meaning that when something is presented to an individual, it is presented as something and the individual sees it, interprets it and understands it as something. Accordingly, this is related to the concept of owner-managers' consciousness and how they perceive an object or a particular phenomenon. Husserl (1931) later added the concepts of noeses and noema in which he distinguishes that *"Whenever a noesis exists it is always directly related to a noema"* (Moustakas, 1994). 'Noema' and 'noesis' are Greek words that Husserl used in order to show this correlation between intentionality as a total meaning of what is expected (Noema) and the mode of experiencing (Noesis) (Sanders, 1982) (See Figure 5.2).

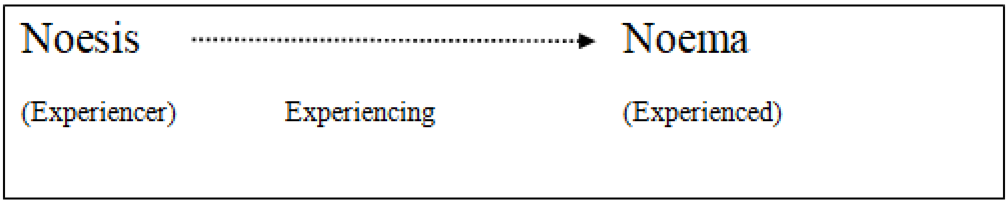

Figure 5. 2 The relationship between noesis and noema, Adopted from Ihde (1977), p44.

In terms of the application of the concepts in the case of small business owner-managers, the noesis is related to the attitudes of business owners such as perceiving, remembering and judging through their experiences of the recession as experienced. The phenomenon is then perceived as such *"that which is experienced and what is experienced*" (Idhe, 1977, p43) which the researcher will try to uncover.

Lifeworld

Husserl (1982) presented his contribution in the phenomenology area by the concept of which he describes the natural attitude which was later presented as the concept of '*lifeworld*'. He indicates that the natural attitude exists around us and part of this is the *"I and my surrounding world"* (Husserl, 1982, p51). Hence, in order to access and gain knowledge about a specific phenomenon researchers must go out in the lifeworld and search for experiences and meaning of phenomena (Gibson and Hanes, 2003; Wertz, 2005; Seamon, 2015). Again, in order for the researcher to gain meanings for the experiences of owner-managers and study the phenomenon of recession he must go out in the lifeworld and study the phenomenon of recession and how small business owners experience the recession in their natural attitude. In particular, the concept of intentionality has a close relationship with the concept of lifeworld since intentionality is driven outwards from the lifeworld as a whole (Gibson and Hanes, 2003).

Intersubjectivity

According to Gibson and Hanes (2003) intersubjectivity is the concept by which we describe how we are in the world. The concept of intersubjectivity is related with the concepts of lifeworld, and intentionality and it was introduced by Heidegger (1962). The basic notion of intersubjectivity is to construct the context based on the individuals' experiences of the phenomenon in an empathetic way. According to Smith et al (2009) "*intersubjectivity refers to the shared, overlapping and relational nature of our engagement in the world"* (p17). The applicability of the concept of intersubjectivity was explained by Gibson and Hanes (2003) who mention that researchers are being with and developing a trusting relationship with the researched individuals during their presentation of their experiences of a particular phenomenon.

Additionally, the contribution of Merleau-Ponty (1962) in advancing the concepts of lifeworld, intersubjectivity and consciousness is presented through the presentation of the notion that these concepts are based on the experience of the body. The concept of *embodied consciousness* was presented by Merleau-Ponty (1962) who stated that the body is part of the lifeworld and we as individuals live in the lifeworld through our body. Moreover, Gibson and Hanes (2003) explain that when two individuals come together in the lifeworld, they bring their own spatiality and temporality. Hence, this has an impact on both individuals' consciousness and bodies. In addition, Gibson and Hanes (2003) relate the concept of embodied consciousness with the changes in the body of and how it has an impact on individuals, the researcher and the interviewee. For example, when the interviewee says something and the researcher is surprised, the interviewee notices the changes in the body expressions of the researcher and he/she might stop discussing the topic of interest. As in the case of this thesis, the researcher is well aware that the body and consciousness of themselves and the interviewees can affect the process of the data collection. Therefore, the researcher will be aware of the subjective body and the impact that it might have in the interview process.

Phenomenological Reduction

For Husserl, phenomenological reduction is all about narrowing the necessary attention to the phenomenon, without taking into consideration what is already known or experienced of the particular phenomenon (Dowling and Cooney, 2012). This particular dimension is separated into two procedures, the bracketing or according to Husserl, the epoché and the second procedure which is the reduction. Based on the procedure of epoché, Sanders (1982) highlights that bracketing, which is also known as epoché (which is Greek for abstention) (Cerbone, 2006, p22), refers to the temporary suspension of any existing beliefs, perceptions or assumptions of the specific phenomenon under investigation, getting straight to the examination of the phenomenon of 'what a thing essentially is' (p355).According to Moustakas (1994), "*perceptions, preferences, judgments and feelings must be set aside in achieving the Epoché*" (p88). This is mainly concerned with the researcher of this particular thesis who shall bracket all previous prejudgments and preconceived ideas (Moustakas, 1994) about the phenomenon of recession and deal with it as fresh and describe it precisely as experienced by the business owners.

The second procedure of phenomenological reduction is the reduction. According to Husserl (1931), phenomenological reduction *"takes on the character of graded prereflection, reflection and reduction, with concentrated work aimed at explicating the essential nature of the phenomenon"* (p114). Moreover, researchers must adopt a scientific attitude rather than a natural one in order to practice phenomenological reduction (Gibson and Hanes, 2003). According to Conklin (2007), in practice, phenomenological reduction is the process by which the researcher will collect and synthesise information from different sources in order to construct his research context which will be expanded even further by the findings of the primary research.

5.6 Phenomenological Process

Describing the phenomenological concepts derived mainly through the father of phenomenology, Husserl (1931), and presenting the different concepts of phenomenology, it is important to clarify the phenomenological process that takes place in research context. According to Sanders (1982), phenomenology is a qualitative research method (Ehrich, 2005) and it aims to give a detailed explanation of the lived experiences of the participants. Moreover, the researcher has only one legitimate source of information which is the real experiences of the participants (Gibson and Hanes, 2003). The researcher agrees with the statements of Sanders (1982) and Gibson and Hanes (2003) and he further expands that the particular thesis is mainly based on the experiences of Cypriot owner-managers and the meanings they give for their actions during the latest recession in Cyprus. Again, this is a purely exploratory, qualitative research which predominately aims to explore the lived experiences of the owner-managers during the recession in Cyprus. The applicability of phenomenology in entrepreneurship studies was explained by Berglund (2005;2015) who stated that phenomenology can provide detailed accounts of the lifeworld of entrepreneurs and adds it to existing theories which later inform policies and practises across sections and industries. In addition, Colaizzi (1978) presented a number of steps that researchers must follow in order to conduct the phenomenological research process. Similar to Colaizzi, other authors attempted to present the process of phenomenological research such as Van Kaam (1966), Stevick (1971) and Keen (1975) while Hucner (1985) provided a modification of Colaizzi's phenomenological research process with a more detailed account. This particular process was used in several studies such as a similar phenomenological study conducted by Theodoridis (2014) who also exhibit the importance of Colaizzi's phenomenological process.

Colaizzi (1978) suggests that there are seven steps of phenomenological process which are:

1) First, the research has to read the participants' transcripts in order to understand their meanings and ideas.

2) Second, the researcher has to elicit important statements made from the participants and to identify key words and sentences associated with the phenomenon of interest.

3) After extracting these important statements, the researcher tries to formulate meanings.

4) This particular process is repeated and themes start to emerge. This is also associated with the researcher seeking to validate the meanings of the participants by returning to them.

5) The researcher should unify the themes identified and search for rich information regarding the phenomenon of interest.

6) The next step relates to the reduction of the themes in a way which will offer a formal explanation of the phenomenon.

7) At the end, the research could return to the participants for follow up interviews or to engage in further checks of the participants' interpretation.

In addition, Moustakas (1994) reflected on the phenomenological research process by comparing the different steps that authors provided through the last century. Despite the fact that the most detailed explanation of the phenomenological research process was presented by Hucner (1985), Colaizzi's earlier version seems more appropriate to the current thesis. That is because phenomenological studies are characterised by the notion of flexibility that allows participants to present their experiences and other elements such as emotions and feelings during the interview process. Consequently, the researcher has adopted the seven steps suggested by Colaizzi in order to have the opportunity to capture all the elements of research participants that are presented through their experiences during the interview process.

Consequently, the researcher has read the participants' transcriptions several times in order to understand the meanings that they give. After completing this task, he attempted to extract important statements or quotes relating to the phenomenon under investigation and he tried to give meaning to these statements. After reading the transcripts and extracting the important quotes, certain themes started to emerge in which the researcher tried to combine the emerged themes and explore rich and valuable information that regarding the phenomenon of recession. Finally, the researcher practiced the concept of reduction in which he reduced the number of themes in a way which will give the most rich and vital explanation and information about the latest recession.

5.7 Case Study Method

However, moving on to the selection of participants, the researcher has used a number of case studies in order to investigate the phenomenon of recession. Case study is as a qualitative approach which is mostly used in order to deal with questions of "Why" and "How" and where the focus of the research is on a particular phenomenon (Yates and Leggett, 2016). This particular research method has been used by several authors where their main focus was on SMEs and decision-making. Some examples of the use of case study method in SMEs research are Hutchinson et al. (2006) who investigate small UK retailers, Donnell et al (2012) and Theodoridis (2014), while evidence of the use of the specific method is also presented in regards to decision-making in SMEs studies (Smith et al, 1988; Dimitratos et al, 2011; Hang and Wang, 2012). This particular thesis follows a phenomenological stand in order to examine the latest recession as the phenomenon to be researched. As such, the thesis has adopted the case study method since it offers the possibility to explore phenomena by investigating a single or a number of cases and it also provides the possibility to obtain rich data from a variety of sources. In addition, the case study method is a way by which researchers can understand real life phenomena through the experiences and understandings of the practitioners (Morris and Wood, 1991; Reige, 2003) and it is a path which offers rich information which can result in the generation of theory (Stake, 2000). Yin (2003) proposes that the sources available to researchers that follow a case study method are:

- Interviews
- Documents
- Participant Observation
- Archival Records
- Direct Observation
- Physical Artefacts

This particular thesis has adopted the case study method in order to investigate the phenomenon of recession based on the lived experiences of owner-managers. As a result, the researcher has used six case studies in order to obtain information about the phenomenon under investigation. The preference of the multi-case study method over a single case study was presented by Eisernhardt and Graebner (2007) who state that the multi-case study method enable comparisons between the findings from each case and they create more robust theory building. Phenomenological studies make use mostly of the case study method in order to investigate specific phenomena and qualitative data can be obtained from in-depth interviews (Yates and Leggett, 2016). The researcher has adopted this particular data collection technique since it can offer better insights into the experiences of the participants during the phenomenon of recession.

5.7.1 Size Sample and Selection of Cases

In order to investigate the phenomenon being studied through the lived experiences of the participants, the size of the sample shall be selected based on the information that the participants will be able to give. However, Eisenhardt (1989) suggested that a sample of four to ten case studies is certainly enough in order for the researcher to achieve satisfactory data. Moreover, Eisenhardt and Graebner (2007) state that the use of multiple cases offers more grounded and accurate findings which can offer comparisons. Again, Piekkari et al (2009) also agree that the use of multiple case studies offer more benefits compared to the use of a single case study. The selection of case studies is usually purposive in order to yield cases that can offer rich information (Patton, 2002). In addition, purposive sampling is a technique which offers the possibility to researchers to identify and select individuals who are characterised as “knowledgeable” and “experienced” in regards to the phenomenon under study (Cresswell and Plano Clark, 2011). The distinction between qualitative and quantitative inquiries is based on the sampling selection that each researcher acquires. For instance, qualitative studies place the emphasis on saturation while quantitative studies place the emphasis on generalisability. Furthermore, purposive sampling is distinguished based on different strategies (See Table 5.3). According to Patton (1990) non-probability purposive sampling is a non-probability sampling method that provides the opportunity to the researcher to select a sample based on his/her judgment. Moreover, purposive sampling is separated in these strategies:

Criterion	Select all cases that meet certain predetermined criteria.
Typical Case	Illustrates what is typical, normal or average
Homogeneity	To describe in depth a subgroup, reduce variation, simplify analysis and facilitate group interviews.
Snowball	To identify cases of interest from people who know people who know cases that are information-rich.
Extreme or Deviant Case	To learn from highly unusual manifestations of the phenomenon of interest.
Emphasis on Variation Intensity	To learn from unusual manifestations of the phenomenon of interest with less emphasis on the extremes.
Maximum Variation	Important shared patterns that cut across cases and derived their significance from having emerged out of heterogeneity.
Critical Case	To permit logical generalisation and maximum application of information because if it is true in this one case, it is likely to be true in all other cases.
Theory-based	To find manifestations of a theoretical construct so as to elaborate and examine the construct and its variations.
Confirming and Disconfirming Case	To confirm the importance and meaning of possible patterns and checking out the viability of emergent findings with new data and additional cases
Stratified Purposeful	To capture major variations rather than to identify a common core, although the latter may emerge in the analysis
Purposeful Random	To increase the credibility of results
Opportunistic	To take advantage of circumstances, events and opportunities for additional data collection as they arise
Convenience	To collect information from participants who are easily accessible to the researcher
Politically Important Cases	To attract attention to the study (or to avoid attracting undesired attention) by purposefully eliminating from the sample politically sensitive cases.
Combination or Mixed Purposeful	Triangulation, flexibility, meets multiple interests and needs

Table 5. 3 Strategies of Purposeful Sampling, Adopted from Patton (1990) and Palinkas et al (2015)

For the purposes of this thesis, the researcher has adopted the criterion purposive sample in which he has set a number of predetermined criteria for the selection of the case studies. The particular sampling strategy was deemed more appropriate since the selection of the case studies based on these predetermined criteria can offer rich information derived directly from the owner-managers who have indeed experienced the phenomenon of the latest recession. One of the research objectives of this particular thesis is to investigate the factors that affected the strategic decision-making process in fashion retail SMEs during recession and as such, criterion sampling is considered as the most appropriate method to answer the research questions set. Moreover, the predetermined criteria that the researcher has set are based on the ownership and management structure, the number of units and their location, the type of businesses and the range of products as well as based on the business model. Again, the age, size, independence and market position are also taken into account. These criteria are shown on the table below.

Ownership Structure	Case studies that have at least 1 owner-manager
Size	Small and medium enterprises (excluding micro) having 10-249 employees and more than €1 million and less than €50 million turnover
Experience in industry	Having at least 5 years' experience
Range of Products	Case studies that provide clothing, footwear, accessories and bags.
Business Model	Business to Business (B2B) or Business to Consumer (B2C)
Units	Single or multiple stores
Market Position	Low and/or middle end
Location	Urban, rural, high street, shopping malls
Independence	Independent companies which are not part of a franchising group or a chain.

Table 5. 4 Criteria for the Selection of Case Studies, Developed by the researcher

5.8Fieldwork Stage

The fieldwork stage was conducted in two stages. Firstly, a pilot study was conducted with two Cypriot fashion retail SMEs during the MPhil stage in order to test the validity of the survey questionnaire and to better sequence the interview questions. The data collected was used for the PhD stage and the researcher gained insights on how the interview questions had to be positioned in the interview process and in the survey questionnaire as well. The owner-managers were contacted by phone, and after showing interest to the study, an invitation letter was sent to them via email describing the nature of the research. A screening survey questionnaire was sent to participants after accepting to participate in the research and they had to complete it and send it back to the researcher via email. The survey questionnaire referred to some basic information of their companies such as number of employees, range of products, experience in the industry, level of education, ownership and management structure and number of owner-managers. By collecting this information through the survey questionnaire, the researcher had the chance to gather some basic information about the pilot studies prior to the interview. Ethical implications were considered as well and for that reason, the information sheet has been orally explained to participants as well in order to emphasise again the nature of the research, the participants' rights as well as how any data collected will be stored and protected. Therefore, by completing and sending the survey questionnaire back to the researcher via email, the researcher and the owner managers agreed on the interview date, time and place.

Interviews were conducted in July and August of 2014 with the owner-managers of two case studies in order to pilot test the interview questions and the survey questionnaire. The information sheet was orally explained to the participants and a consent letter was signed by them before the interview process.

5.8.1 Fieldwork: Second Stage

The second stage of the fieldwork stage was carried out from June until November of 2015. Four more case studies[1] were selected in addition to the two case studies already used in the pilot testing stage. Again, the four new case studies were informed about the research project via phone call and after showing interest in the research study, an invitation letter was sent to them along with the survey questionnaire via email. After completing the survey questionnaire owner-managers sent it back to the researcher via email and a follow-up phone call took place in order to arrange interview dates and times.

Prior to the interviews, participants were again informed about the purpose of the research and about their rights as participants. Therefore, after signing the consent letter, they engaged in the interview process. Participants were interviewed separately and the interviews were audio recorded and transcribed verbatim. Interviews took place in the companies' offices in order for participants to feel more comfortable in their own environment. Moreover, semi-structured interviews took place with two participants during the pilot test stage and another seven interviews were conducted during the second fieldwork stage. Interviews took approximately two hours each and there was a five-minute break in each interview in order for the researcher to reintroduce to research participants the aim of the research purpose and the information sheet.

It has to be noted that the researcher kept a close relationship with the research participants up until the completion of the thesis and several phone calls took place

[1]The profile of the case studies is presented in the Analysis of Data chapter (Chapter 7)

after the completion of the fieldwork stage in order to receive some feedback regarding any strategic or organisational changes.

5.9 Analysis Procedure of Data

Based on the multi-case study research strategy adopted in this thesis, a large amount of data was collected from the six selected case studies. Moreover, a total of nine interviews were conducted with four follow up phone discussions. Interviews derived from the six case studies selected which were chosen based on purposive criterion sampling. Hence, the six selected case studies were chosen since they met all the preset criteria outlined in Table 5.4. All interviews were audio recorded and they were transcribed personally by the researcher. Data was analysed by hand using notes for each theme and subtheme instead of using qualitative data analysis software. The use of any kind of this software is mostly useful for large data (more than 20 interviews) (Easterby-Smith et al, 2004) while software packages cannot provide an accurate and valuable judgment of the data collected. According to Hartley (1994; 2000), the development of categories and themes is proven to be an important step during the analysis of data. Again, Yin (2003) explains that analysis of data involves examining, categorising, tabulating and testing while this was also supported by Burnard and Morrison (1994) who also suggest that the aim is to organise the data, find patterns and elicit themes. Hence, the researcher has read and re-read all the transcribed interviews in order to acquire the main perceptions and experiences of the participants. The researcher has adopted the approach suggested by Eisenhardt and Graebner (2007) who mentioned that the best way to analyse data derived from the case study method is by summarising the data and then analysing it section by section or by analysing following each research objective. Therefore, after an explicit evaluation of the data in relation to the research questions and objectives of the thesis, the researcher focused on whether the data collected answers the research questions/meet the research objectives. This was followed by a development of a summary for each interview and focusing on the main findings that relate to the thesis' research questions. The analysis of the data followed the aim of the thesis which relates to the factors affecting the strategic decision-making process and the strategic outcomes during the latest economic recession in Cyprus. Hence, the researcher read the interview scripts again in detail, looking for data that gives answers to the research questions. Moreover, a number of themes and subthemes were developed relating to each research question and objective. Moreover, data was separated first into themes such as data describing the profile of the companies before and during the recession including marketing strategies, business models, strategic posture, market position and products and services. Furthermore, another theme was the description of factors affecting the strategic decision-making process. Thirdly, data was distinguished based on the relation to their strategic responses during the latest recession and finally the researcher presented data that relates to the main issues and challenges that Cypriot fashion retail SMEs face during the recession. Moreover, the researcher focused on how the recession is perceived by the research participants. A further investigation was conducted during the analysis stage in order to forge a link between the perception of the participants in regards to the recession and its applicability to the factors affecting strategic decisions and the strategic outcomes.

The analysis of data followed the phenomenological stand that the researcher has adopted. However, the multi-case study method is distinguished into two different analysis types. Within case study provides a detailed description of each case study and the themes emerging (Creswell, 1998) while the cross-case analysis provides an analysis of themes across cases in order to explore similarities and differences (Eisenhardt, 1989). The researcher has adopted the cross-case study approach in order to explore certain themes in six case studies across Cyprus. Hence, the researcher investigated how owner-managers of each case perceived the latest recession, which factors affected the strategic actors in each case study and what the strategic outcomes were in each company. Thereafter, a comparison of the findings from each case study has revealed several differences and similarities in regards to these themes.

The phenomenological stand that the researcher has adopted refers to the investigation of certain phenomena by gaining insights of the lived experiences of the research participants. In order to achieve this, it is necessary to present the actual quotes of research participants without any interpretation from the researcher. This provides a detailed and full capture of the experiences of the research participants in spite of the fact that the themes need the personal interpretation of the researcher in order to become meaningful (Hackley, 2003). This also relates to the way which data was analysed. On the other hand, the correct analysis and credibility of the data depends on the judgment of the researcher only (Easterby-Smith et al, 2008).

5.10 Achieving Validity

Validity is an important concern of case study methodology (Cook and Campbell, 1979). Therefore, in order to achieve validity certain steps were taken during the data collection and the analysis of the data.

In order to capture the concepts studied (Yin, 1994, 2003; Carson et al, 2001) this research has used multiple sources of evidence. The sources utilised in this thesis relate to the data collected from interviewing multiple respondents and a survey questionnaire which was completed by the respondents prior to the interviews. Moreover, construct validity was also established by physically presenting the transcribed interviews and the interpretation of the findings to the respondents in order to verify the responses. This has offered the opportunity to locate any misinformation or misinterpretation from both the respondents and the researcher's point of view. Furthermore, there is a necessity of establishing relationship in the data through a comparison of cases (Yin, 2003). In this thesis themes were identical in every case study and the results were compared with each case study in order to identify similarities and differences. These were cross-checked with the findings of the literature review in order to give better insight into the internal validity of the research. According to Moustakas (1994) in order to enhance the validity and reliability of the findings, research participants should give feedback on the researcher's interpretation of the interviews' data. This was achieved in the case of this thesis since interviewees had the opportunity to review the interview transcripts in order to check the validity of the interpretation. Moreover, in order for the researcher to achieve reliability, a single common interview protocol was used for the interviews with all the owner-managers and general managers of the six case studies involved.

5.11 Chapter Summary

In this chapter the methodological underpinnings that this particular thesis has adopted is discussed. The rationale for the phenomenological methodology was explained and its applicability in researching the phenomenon of recession and its effect on the decision-making process of SMEs. In order to fill the gap that the literature review has offered and to answer the research questions set, phenomenology has been adopted which will give the opportunity to focus on the personal experiences of the owner-managers during the latest recession. Furthermore, an explanation of the selection of the case study method is presented along with the selection criteria and the size of the sample. The selection of multiple case studies will offer the possibility of examining different case studies and different occasions of family owner-managed fashion retail SMEs in Cyprus with different backgrounds and business profiles. Moreover, six different case studies were selected with different characteristics and size in order to investigate the factors affecting the strategic decision-making process. It is demonstrated that the chosen methodology will provide a developed report of the owner-managers' interpretation of the latest recession and will provide insights into their experiences through the recession.

CHAPTER 6: ANALYSIS OF DATA

6.1 Introduction

Chapter 6 presents the analysis of data gathered from researching six Cypriot fashion SME retailers for the purposes of this thesis. Moreover, the chapter is separated into six different reports, each one presenting findings from each case study. A summary of the profile and the research participants of each case study is presented in Table 6.1 followed by the aim and objectives of this thesis.

	Company 1	Company 2	Company 3	Company 4	Company 5	Company 6
Age	30	19	25	8	31	23
No. of Employees	25	26	51 FT 3 PT	13	25	24
Target	Growth	Growth	Growth	Growth	Growth	Growth
Advertising Channels	Radio,TV, Magazines, Social Media Platforms	Leaflets, Social Media	Sponsorships, Website	Catalogue, Leaflets, Posters, SMS, Social Media Platforms	Magazines, Leaflets, Radio, Posters, Social Media Platforms	E-shop, Social Media Platforms
Market Position	Middle-End	Middle-End	Low and Middle End	Middle-End	Middle-End	Middle-End
No. of Stores	5	2	4	3	4	7
Products	Clothing, footwear, accessories	Footwear	Clothing, footwear, accessories, bags, linens	Clothing, footwear, accessories, bags, suits	Clothing, accessories, bags	Clothing, footwear, accessories.
Participants	1 Owner-Manager	1 Owner-Manager	2 Owner-Managers	1 Owner-Manager	1 Owner-Manager	1 Owner-Manager
	1 General Manager	1 General Manager				
Interviews	2 in-depth Interviews (June 2015) 2 follow up phone discussion (August and September 2015)	2 in-depth Interviews (July-August 2015) 2 follow up phone discussions with owner-manager (August and October 2015)	2 in-depth Interviews (July-September 2015)	1 in-depth interview (August 2015)	1 in-depth interview (September 2015)	1 in-depth interview (October 2015)

Table 6. 1 Profile of case studies and Research Participants, Developed by the researcher

As shown in Table 6.1, each company has a different number of stores that operate in Cyprus. The importance of the retail location of the stores of each company is an element which is significant for companies and it will be investigated. Hence, Figure 6.1 presents the locations of the stores of each case study in order to offer the possibility to consider the different retail location as an additional factor to be considered in the analysis of data.

Figure 6. 1 Location of Stores, Adopted from Maps Source (2016)

- Company 1: 5 Stores
- Company 2: 2 Stores
- Company 3: 4 Stores
- Company 4: 3 Stores
- Company 5: 4 Stores
- Company 6: 7 Stores

Nicosia is the capital city of Cyprus and is located in the centre of Cyprus. The city is divided in half since 1974 with the southern part of the city populated by Greek Cypriots and the northern part of the city by Turkish Cypriots. The population of the free part of the city is estimated to be 290,000 people including the metro areas. Therefore, it is the biggest city of Cyprus.

Limassol is the second largest urban area in Cyprus and is located in the southern area of Cyprus. The majority of the citizens are Greek Cypriots while there is a great number of

Russian citizens living permanently in the city. Limassol has the biggest port and the population of the city is 101,000 while the urban population is approximately 170,000.

Larnaca is the third largest city and is located in the southern part of Cyprus. Larnaca is homed to the country's primary airport, Larnaca International Airport, and it has its own marina. The population of the city is 52,000 and the urban population 85,000.

Paphos is located in the southwest of Cyprus and it has the second biggest airport. The city has its own marina and is considered to be one of the oldest cities of the country with a well-developed history. The population of the city is estimated to be 33,000 and the urban population 62,000.

Paralimni is a town situated in the southeast area of Cyprus next to the famous tourist destinations of Ayia Napa and Protaras. The size of the town increased since 1974 due to the migration of the northern population. The population of the town is approximately 15,000 while a great proportion of workers of Ayia Napa and Protaras are situated in Paralimni during the tourist season.

Avgorou is a village in the south-western part of Cyprus close to the town of Paralimni. It is one of the biggest villages of the Famagusta district and it is mainly economically supported by the production of potatoes (because of its red soil) and farming. The population of the village is estimated to be 4,500.

Xylophagou is a village in the south-western part of Cyprus next to Avgorou. The village is under the authority of the UK as part of the UK administrated area of Dhekelia. The population of the village is estimated to be 6,200.

The majority of the fashion retail market is based on small-medium fashion retailers while large retailers are usually international companies operating in the market. As Table 6.2

shows, the Cypriot fashion retail market consists mainly of micro small-medium firms with 0-249 employees while the rest are classified as large companies with 249 and more employees.

Size of Firm (number of employees)				
	0-9	**10-49**	**50-249**	**250 and over**
Retail of clothing, underwear, footwear and bags.	2724	154	30	2
	Total number of Companies: 2910			

Table 6. 2 Number of Cypriot fashion retail firms per size, Adopted from Cyprus Statistical Service (2015)

In addition, the number of fashion retail firms in each major city of Cyprus represents the basis which retail firms focus their operations at. As Table 6.3 represents, the majority of fashion retail stores are located in the district of the capital city, Nicosia while the second largest number of stores is located in the second biggest city, Limassol.

District					
	Nicosia	**Limassol**	**Larnaca**	**Paphos**	**Famagusta**
Retail of clothing, underwear, footwear and bags.	1548	1364	698	474	386
	Total number of Stores: 4470				

Table 6. 3 Number of fashion retail stores per Cypriot District[2], Adopted from Cyprus Statistical Service (2015)

[2]Number of stores: Includes all the multiple stores that each company may have.

The analysis and presentation of data follow the objectives and the research questions set in the previous chapter. As mentioned previously, the objectives of the thesis are:

1) To present the profile of the companies prior to and during the recession.
2) To explore the internal and external factors affecting the strategic decision-making process during recession.
3) To examine the outcome(s) of the strategic decision-making process during the latest recession and changes that occurred in the strategic direction of Cypriot fashion retail SMEs.
4) To investigate the issues and challenges that Cypriot fashion retail SMEs face during recession.

As described in chapter 5, the research follows a phenomenological approach in order to explore the lived experiences of the ownership and top management team of each case study during the latest recession in Cyprus. The presentation of the data is informed by direct quotes collected by the research participants. Again, since the researcher was part of the research context, the data analysis is his own reflection on the data collected.

6.2 Case Study 1

6.2.1 Profile of the Company

Company 1 is a family-owned small-medium firm that has operated in the retail sector for 30 years and it employees 25 people including the owner-managers. Moreover, the company was created in 1986 and it was operating as a manufacturer up until 2003. Since 2004, the company was vertically integrated by focusing on retailing, having Limassol city as the main base of the company. The company is engaged in the sale of clothing and footwear for men and women as well as accessories. According to the owner, the company was always targeting growth; however, based on some external factors, the target has changed, moving from growth to survival.

In terms of the advertising channels of the company, radio and commercials on television, magazines and Facebook used to be the main channels of advertisement for the company. In terms of the ownership and management structure, the company is owned by two shareholders who are the research participant and his wife while the owner-managing director, his wife and the general manager who has been working for the company for over 20 years are actively involved in the strategic decision-making process. However, the company does not present any elements of a formal management structure within the company despite the existence of the general manager.

In terms of the location of the stores, all five stores are located on the high streets of each city and one of the stores is located in a large shopping mall in Paphos city.

Based on the previous performance of the company, the owner-managing director indicated that turnover and net profits were satisfactory up until 2008. However, problems appeared by the end of 2008 where the company had a slight reduction in terms of both turnover and net profits.

In terms of the firm and family culture, the organisation is considered to be paternalistic whereby according to Dyer (1991)'s theory, the founder and family members retain all the authority to make decisions and set goals and targets. This was also shown in a study conducted in Cyprus by Stavrou et al (2005) who indicated that Cypriot family-owned businesses tend to be described as paternalistic. In addition, the family structure is based on a patriarchal family type in which the owner-managing director of Company 1 is the person who takes all the decisions and sets goals which the other family members or leaders follow.

As the owner-managing director presented:

"All the decisions are taken by me. My wife and the general managers also offer their opinion but all the decisions especially strategic decisions are taken solely by me".

(Company 1: Owner-managing director)

6.2.2 Business Environment and Strategy during the Pre-recession Period

Company 1 has reflected on the business environment and the retail market prior to the recession which they considered as ideal for targeting growth. During the interview, the owner-managing director expressed his admiration about the business environment prior to the recession, looking back to the 'years of the golden cows'.

As the owner-managing director indicated:

> *"The environment was very good; people had their jobs and money to spend. So, they didn't care how much money they will spend but they wanted something different from other people. Therefore, we were trying to offer different products that other companies were not offering in order to meet those demands."*

(Company 1: Owner-managing director)

In addition, because the customer demand was high as a result of the good economic condition of Cyprus, companies needed to offer to consumers something unique. That was something that most of the companies were following in order to compete in the market. Hence, the product differentiation specifically on the design and quality seemed to play a vital role for competing in the retail market. Similarly, the company invested significantly in advertising campaigns in an attempt to attract new customers. Moreover, advertisements through different channels seemed to be considered as a very important aspect to the owner-managing director in order to increase the customer demand and the performance of the company at the same time.

Equally, the retail location is considered to be an equally important element for competing in the retail market. Its importance was raised on multiple occasions during the interview and high streets were considered as the best location. Throughout the interview process the owner-managing director expressed his admiration about the business environment but with a dose of exaggeration.

As the owner-managing director showed:

> *"The market in Cyprus is very small so you have to find the best location for your stores. High streets were considered to be the best place to open a store. This is where all people would go when they wanted to buy something. So, I believe that I chose the best locations for my stores since all of them are located on the high streets of each big city. Again, high streets before the recession were actually high streets. Customer demand was high and all the high streets were well-populated. I managed to open a store in Makariou Street [3] in Nicosia. Makariou was the Oxford Street of Cyprus. It was very busy from 8 am to 11 pm and there were around 5000-10000 people passing by my shop every day. This was the best location. The same goes for the stores in Aneksartisias Street [4] in Limassol and Ermou Street [5] in Larnaca."*
>
> *(Company 1: Owner-managing director)*

[3] Makariou Street used to be the busiest high street in Cyprus. It is located in Nicosia.
[4] Anexartisias is the busiest high street in Limassol city.
[5] Ermou is the main high street of Larnaca city.

6.2.3 Strategic Changes to Cope with the Recession

The decrease in the turnover and profits of the company has played a crucial role for the company to engage in certain strategic changes. Hence, the existence, as well as the effects of the recession on the performance of the company, led the ownership and management of the company to engage in a series of strategic changes.

As the owner-managing director of the company explained:

> *"We saw that the market was slightly hit by the recession by the end of 2008. However, we had the resources to survive and we were expecting that it would be over the following year. We didn't take any measures earlier because we were waiting to see if things would have been better. However, when we saw that things got quite worse in 2011, we decided to take some measures in order to survive."*
>
> *(Company 1: Owner-managing director)*

Despite the early recognition of the existence of the recession, there was an element of patience during those years since companies were hoping to experience a short crisis in the market. However, the impact of the recession on performance is the main factor that forced companies to take measures. As a result of the impact of the recession, there was a change in the targets of the company.

Nonetheless, characteristics of the *turnaround strategies* which were first presented by Hofer (1980) and were previously explained in depth have been adopted by the specific case study. Moreover, cost-cutting strategies were considered as a first measure taken by the ownership and the management team. Data collected from Company 1 implies that cost-cutting measures were taken firstly in order for the company to keep operating in the market.

As the owner-managing director mentioned:

> *"When we saw the performance falling dramatically by the end of 2011 we said that we have to do something. What is the first thing you do when you have a house and the income is less than the expenses? Of course, you try to reduce the expenses of your house in order to succeed a balance between income and expenses. We started reducing expenses from the first month."*
>
> *(Company 1: Owner-managing director)*

In addition, the owner-managing director expressed that redundancies of employees were not a choice at the beginning; however, it was something unavoidable in order for the company to survive.

As the owner-managing director explained:

> *"I didn't want to lay off staff. That was not on my to-do list. I respect them and I know that they are trying to survive like me. But it came to a point where I didn't have any other choice. I don't like that I took this decision but I didn't have any other choice, honestly."*
>
> *(Company 1: Owner-managing director)*

In addition, the owner-managing director indicated that a decision was taken regarding reducing the basic[6] working hours in order to shrink the costs of the company. This is also classified as a measure taken personally by the owner-managing director as an immediate response to the recession. In addition, the owner-managing director explained on several

[6] Basic Working Hours: Refers to the reduction of working hours from a normal 8 hours work to 4 or less. The participant here refers to shifting employees from a full-time to a part-time basis.

occasions that compulsory redundancies or reduction of basic working hours of employees were decisions predominately taken in order to restrain the company's expenses and to stabilise the performance of the company.

Moreover, the frustration was obvious during the discussion on the company's strategic changes particularly on the section where the owner-managing director explained in detail the cost-cutting activities. Moreover, the owner labelled unpredictability and uncertainty as the main reasons for taking these decisions, specifically compulsory redundancies.

In addition, apart from dismissing two members of staff, a decision was taken regarding cutting business expenses of the ownership and management. The owner-managing director focused mainly on the necessity of cutting business expenses which for him was a logical decision that had to be taken even prior to the recession despite the fact that it wasn't necessary.

As the owner-managing director indicated:

> *"I took the decision of stopping some business expenses. In the good old days, I was going for a business trip but also for holidays at the same time. We stopped that. Again, the general manager wanted, for example, to go to Italy to search for new products. Instead of going 4 times per year for a duration of 1 week each time we reduced it."*
>
> *(Company 1: Owner-managing director)*

Additionally, the owner-managing director seemed to have an understanding of the expenses caused but he explained that the healthy environment and the good performance of the company offered them the possibility of making those expenses. This focuses particularly on the culture of the owner-managing director who seems not to consider any changes necessary since the performance of the company was at high levels. Hence, the ownership of the company did not consider the high expenses of the organisation as unnecessary since the turnover and profits of the company were still increasing.

As the owner-managing director explained:

> *"We knew that we could avoid these expenses before the recession but precisely because the performance of the company was good we didn't mind. However, when we saw that the performance of the company fell because of the recession and when we understood that things were really difficult, we stopped all these unnecessary expenses."*
>
> *(Company 1: Owner-managing director)*

However, cost-cutting activities took place in the advertising budget as well. Changes have taken place as part of the retrenchment adopted.

As the owner-managing director indicated:

> *"We used to use radio and TV as the main channels to advertise our company. We had to stop this as part of reducing our expenses when the recession began. I remember we were also advertising our products in magazines and we had a catalogue as well. Now we have only a Facebook page".*
>
> *(Company 1: Owner-managing director)*

Another strategic change that has been made is the attempt of the company to diversify through the introduction of new products. This particular diversification strategy was adopted by the company by introducing their footwear department in an attempt to boost the sales of the company. The particular strategy was considered as a target by the owner-managing director that was always part of the plans. However, limited knowledge and experience of the footwear retail market appeared to be a barrier for the owner-managing director as well as highly risky.

As the owner-managing director explained:

> *"Our target was not to claim profits but to keep the turnover of the company stable. So we took the decision of introducing the footwear department. To be honest, I couldn't even touch this department before because it's very difficult to deal with. Every store offers clothes and footwear as well. I looked at this concept in 2005 and 2006 but I didn't go into it because we had to learn the new concept and get some experience beforehand."*
>
> *(Company 1: Owner-managing director)*

Moreover, the specific department has been employed by the company as a response to losses in sales. This was exhibited by both the owner-managing director and the general manager of the company.

As the owner-managing director stressed:

> *"In order to be able to sell 10 products, the sales of clothes dropped to 7 products and we were selling 3 products from the footwear department and at the end, we were reaching our goals."*
>
> *(Company 1: Owner-managing director)*

Nonetheless, despite the fact that cost-cutting was the first strategy adopted by the company, the ownership and management of the company were also engaged in revenue generation strategies. Moreover, Company 1 was engaged in introducing mid-season sales for a period of 3-4 days. The target of the particular strategy was to increase the fluidity of the company as well as to attract new customers.

As the owner-managing director presented:

> *"We did this because we wanted to increase basically the fluidity of the company. You know, in order for the company to get money from sales and to expand our products range in our stores. I was always saying that sales have to be presented on time. Not every week or every month. This is stupid. Others were doing it but not us. So we said that it was about time to do it to bring more money in the company and bring new products in".*

(Company 1: Owner-managing director)

Nonetheless, another change that is important during the economic crisis in Cyprus is the relocation of specific stores. In addition, the decision of relocating a store has taken place as a result of the downturn on high streets and the increasing customer demand in shopping malls. It has been observed during the data collection that high streets are not considered as populated compared to shopping malls in Cyprus.

As the general manager mentioned:

> *"Since stores started shutting down in Makariou Street, consumers turned to shopping malls. Shopping malls are the main place to visit because you can go for coffee and walk outside the shops at the same time and you can find everything in one location. This is exactly why we took the decision of relocating a store from Nicosia to the mall in Paphos."*

(Company 1: General Manager)

6.2.4 Factors Affecting the Strategic Decision-Making Process during Recession

The turbulence in the business environment has affected the strategic decisions taken by the company. However, the event which took place in March of 2013 regarding the haircut of banks' savings[7] of the two major Cypriot banks affected dramatically the already tense situation caused by the recession. This particular event has affected the owner-managing director of the company personally since he had been left with exactly 100,000 Euros in the company's bank account. In several occasions, the owner-managing director mentioned that the company could cope with the recession but the haircut on banks' savings sank any possibilities of overcoming the crisis. As a result, the company sought new ways to generate revenue mainly from the introduction of mid-season sales.

As the owner-managing director explained:

> *"They left me with 100,000 Euros. How was I supposed to operate my company with this amount of money if I had all these expenses? How I could be competitive in the market if I couldn't bring new products into my stores? People were afraid and we had to bring them back. That's why we put mid-season sales."*
>
> *(Company 1: Owner-managing director)*

Moreover, the owner-managing director showed his frustration and anger during the discussion of the specific topic. Again, the owner-managing director was very emotional during the discussion of this matter and at a certain point of the interview, he asked to proceed to the next question. Part of the changes in the business environment was the main

[7] A decision taken by the European Commission, the European Central Bank (ECB) and the International Monetary Fund (IMF) and implemented on 25th of March 2013. Cyprus received 10 billion Euros as bailout and another 5.8 billion was generated from a local haircut on banks' savings of the two largest banks. All deposits exeeding 100,000 Euros were haircut while deposits less than that amount remained untouched.

high streets of Cyprus and the competition in the retail market. Both the owner-managing director and the general manager of the company consider high streets and competition as part of the business environment and, therefore, they also hold these two factors responsible for reacting with the strategies adopted during the recession.

As the owner-managing director pointed out:

> *"The crisis started affecting our performance first. After, there was an impact on the main high streets like in Makariou Street in Nicosia. Next, the competition became more intensive. Everything is a chain which starts from the recession and each circle affects the following circle and it goes on."*
>
> *(Company 1: Owner-managing director)*

Hence, there is a perception that strategic decisions are affected by the business environment and by the effects of the recession on the high street and competition which all affect the strategic changes employed by Company 1. The reduction in customer demand seems to be linked to the turbulence in the business environment as well as the impact on the high streets (See Figure 6.2).

As the owner-managing director gave as an example:

> *"A young couple came in the store here and I showed the man some nice shirts of 49 Euros and he suddenly chooses a shirt from the sales which cost 19 Euros. The person that would have had a special day, a unique day gets a shirt of 19 Euros in order to christen his daughter. So his wife found a dress of 39 Euros and they had reached around 60 Euros total from the 400 Euros that we were expecting to normally get. Then I turned on the man and I said that it will be a special day for him and that they will have many photos taken that he will see all his life so it*

would be better to buy something nicer for that special day. Then he turned and said: 'my friend, I'm unemployed, my wife works part-time and we live at my mother in law's house."

r-managing director)

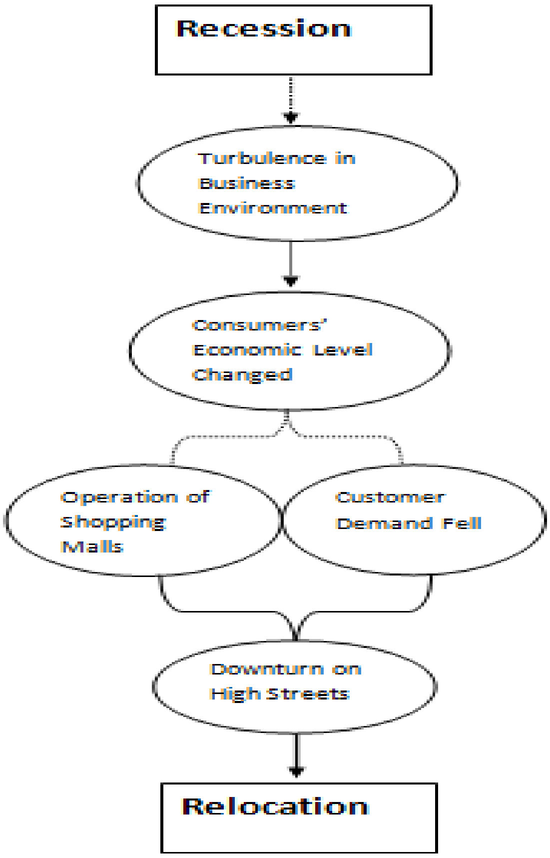

Figure 6. 2 An interpretation by the ownership and management team of factors leading to relocation-Company 1, Developed by the researcher.

Moreover, the data collected showed that not all the locations were affected by the downturn. Specifically, the main high street (Aneksartisias) of the second biggest city of Cyprus, Limassol has experienced severe effects from the recession but the high street remained well-populated despite the existence of a shopping mall within the city. However, the location of the Limassol high street can be considered as privileged since it is located close to the harbour of the city which a great proportion of the overall population visit daily. Despite this being only an assumption by the researcher, interviewees gave all their focus to the main high street of the capital city of Nicosia.

Similarly, competition is considered as part of the turbulence in the business environment caused by the recession specifically from large international companies. It was demonstrated during the interviews that the degree of competition changes during an economic recession as well as the competitive behaviour of the rivals.

As indicated by the owner-managing director:

> *"The competition got higher. Everybody was dropping their prices in order to 'steal' customers from the others. Not only small companies like us but large companies like Zara and Marks and Spencer. They destroyed the market and all the small-medium sized stores. You can't compete with them but they did compete with us in order to destroy us."*
>
> *(Company 1: Owner-managing director)*

Again, the general manager of the company described competition as a behaviour which the company never followed in order to compete in the market. However, the effects of the recession upon competition have affected the strategic decisions taken by the company. Therefore, for the general manager, high competition is considered to be a result of the crisis and it is also considered as a factor of engaging in revenue generation strategies such as introducing mid-season sales. Hence, the decision of engaging in mid-season sales was not just considered as a way of increasing the fluidity of the company but also as a reaction to the increased competition in the retail market. Despite the fact that this particular strategy has been part of the strategic decisions of the company, the owner-managing director showed his disagreement on the usage of this particular strategy but also the necessity of it.

As the owner-managing director stressed:

> *"I was always saying that sales have to be on time. All the stores were presenting sales anytime they wanted. So, we decided that we will present mid-season sales as well because other stores were trying to compete with us with this way."*
>
> *(Company 1: Owner-managing director)*

However, two of the factors already mentioned appear to affect other strategic decisions within the company. The falling customer demand and the high competition in the retail market had an impact on the company which affected the decision to engage in diversification through the introduction of the footwear department. This was a decision taken by the owner-managing director and the general manager of the company as a measure to stabilise the number of sales. Despite the fact that the introduction of this particular department was never in the future plans of the company, results have shown a positive impact on the company's performance. Moreover, the expansion into other markets seems to be a very difficult choice for small-medium companies because of its complexity. However, the recession seems to affect strategic actors to rethink the possibility of expanding their range of products.

As the owner-managing director explained:

> *"We were always looking at the market and we knew that others have an advantage over us because they offer footwear and accessories along with clothing. We used to offer only clothing and if a customer wanted to buy both they would have visited us for clothes and then go somewhere else for shoes or accessories. So we tried to offer the possibility to customers to buy everything from our stores."*
>
> *(Company 1: Owner-managing director)*

Hence, by introducing this particular department the company's target was to cover the losses in the sales of clothing and to reach stability in terms of performance but also to offer to consumers the possibility to purchase all the range of products from their store. The main factor that has affected the particular strategy is the intensive competition during the crisis in the retail market. Moreover, the results of the introduction of this particular strategy had a positive impact on the overall performance of the company.

As the general manager said:

> *"It helped us a lot. As I said before it was one of the main reasons that the company managed to survive."*

(Company 1: General Manager)

In addition, another factor identified from the data collection was the limited access to funding. Access to funding appears to be part of the external factors which was affected mainly by the haircut on banks' savings in March 2013. Again, availability of funding especially during recessionary times is considered to be a very important factor for small-medium entrepreneurs.

As the owner-managing director stressed:

> *"The haircut came in 2013. Ok, they [Banks] took our money. But give us something to fight with. I need time and money in order to try to move and survive. We are asking for help and they don't give it to us. I tried many times to ask for help but they always say that they can't help me or any other owners. So no, we didn't have any help from the banks. That's why we introduced mid-season sales. In order basically to follow the competition but also to bring money in the company and keep operating."*

(Company 1: Owner-managing director)

6.2.5 Summary

The data collected from Company 1 show that the business environment during the pre-recession period was offering opportunities to small businesses to grow while focusing on a focused differentiation strategy to compete in the Cypriot retail market. However, the strategic direction of small businesses changed as a result of the economic recession. Company 1 tried to cope with the effects of the recession by engaging in retrenchment activities especially in the workforce and in the advertising channels of the company. Moreover, diversification was part of the strategic changes that the company was engaged in through introducing new products as well as revenue generation strategies mainly by engaging in mid-season sales. In addition, the company has extensively used the technique of relocation in order to turn away from the downturn on high streets. However, all the decisions taken by the ownership of Company 1 were affected by a set of internal and external factors. The turbulence in the business environment caused by the effects of the economic recession and the European decision of haircutting the banks' savings (including the savings of the owner-managing director) has affected Cypriot entrepreneurs and led them to engage in retrenchment. Again, the high competition in the retail market, the downturn on the main high streets of Cyprus and the limited access to funding has affected the strategic decision-making process and the outcomes.

The analysis of data of the first case study indicates that the entrepreneur was affected financially, particularly from the haircut on banks' savings. Hence, the reduced capital available and the low funding opportunities have led them to seek strategies to generate revenue such as mid-season sales and product diversification. Also, the company is characterised as having a low formality and this leads to a rapid response time to the changing environment.

6.3 Case Study 2

6.3.1 Profile of the Company

Company 2 is a small-medium size company that has operated in the retail market for 19 years. The company is family-owned, having four owner-managers who are family related and one general manager. In terms of the strategic actors of the company, the two owners who still own all the shares of the company are taking part in the decision-making but not in the daily operations of the company. Moreover, their two children who are considered to be the lawful inheritors of the company are the family members that formulate the company's strategy. Implementation of any strategy has to be approved by the senior shareholders of the family business, their parents. Additionally, the general manager of the company has been involved in the company for the last 5 years and he is actively engaged in the strategic decision-making process of the company. The company does not have a formal management structure except for the general manager. Moreover, Company 2 is considered to be a collaborative family culture in which all the leaders and founders share information and have the same goals. Again, it is considered as a paternalistic firm in which the founder and leaders of the company take all the decisions while they consider staff members valuable but not trustworthy to be involved in the decision-making process.

Company 2 employs 26 employees including the owner-managers and the general manager and it has two stores, one on the main street in Larnaca city and another store on the main high street of Paralimni town. In addition, Company 2 provides exclusively women, men and children's' footwear as well as a small department offering accessories. The company is placed in the middle-end of the market and it tries to serve consumers aged from 15-50 without excluding other age groups. In addition, the advertising channels that the company uses are the distribution of leaflets and social media tools such as Facebook. It has been implied by the owner-managing director that the website for the company is under construction and that Facebook is currently the main channel whereby customers can find the stores in which they have 70-80% of the products advertised on their personal page.

In terms of the targets of the company, the owner-manager and the general manager showed that the company targets growth despite the targets having changed as a result of the recent difficult economic conditions. The company was enjoying increased profits and turnover year by year up until the end of 2010.

6.3.2 Business Environment and Strategy during the Pre-recession Period

Company 2 considers the business environment as ideal for growing a business during the pre-recession period and the market was blooming exactly because of the stable business environment.

As the owner-managing director mentioned:

> *"I remember before the recession everything was perfect. I mean businesses were healthy, people had money to spend. Especially for us that we are in this business for 20 years, it was a privilege to operate in the retail market. After the recession came and the event in March of 2013 and we tried to survive".*
>
> *(Company 2: Owner-managing director)*

In addition, the targets and goals of the company have changed as a result of the impact of the recession on the performance of the company. The company is targeting stability as a result of the impact of the recession on the business environment.

As the owner-managing director explained:

> *"We are always thinking ways of expanding. My family's dream is to open a store in each major city of the island but not to expand into Greece for example. I think that if you expand into another country you are just losing control of your company, nothing else".*
>
> *(Company 2: Owner-managing director)*

Nonetheless, the blooming business environment and the good status of the retail market prior to the recession had given the opportunity to small-medium firms to try to compete in an ideal business environment. Hence, companies appear to have been engaging in serving their loyal customers despite their willingness to expand in other locations of Cyprus. Company 2 has been operating in the retail market, focusing exclusively on their core product which is footwear, serving mostly their local community. However, the growth plans on expanding in other areas of Cyprus has been acknowledged. Therefore, focusing only on the retail of footwear was the main strategy of Company 2 and the target of the company was to offer middle-end products targeting consumers between 25-50 years old. Evidently, elements of the focus differentiation strategy are presented by the owner-managing director who also exhibited his knowledge of Porter's competitive strategies.

As the owner-managing director presented:

> *"I did a bachelor and a master's degree in management so I know how they call it. To be clear, yes our main strategy was to focus only on footwear at a regional level. So we can understand better each other now".*
>
> *(Company 2: Owner-managing director)*

Again, the strategic direction of the company had a positive impact on the company's performance up until the economic crisis first began. This was the main factor of the company trying to keep away from the lower-end of the market. Similar indications were given for the high-end market which seems to also be considered as a non-target for the company.

6.3.3 Strategic Changes to Cope with the Recession

Company 2 began implementing strategic changes at the beginning of 2012 and formulation and implementation of strategies took place. The firm has engaged in a series of retrenchment activities in order to cut unnecessary expenses. Retrenchment has affected the workforce of the company as well as the ownership and management's payroll and at the same time, the budget of advertising the company's products shrank. Firstly, the workforce of the company was affected more than anything else since it has been classified as costly. Company 2 has engaged in the redundancies of two members of staff who were on a part-time basis and they reduced staff and management's wages at the same time.

Furthermore, the decision of compulsory redundancies was considered also as a protection measure for the other employees of the company. The majority of the staff has worked for the company for a number of years and they are all considered as part of a big family. Therefore, the decision of releasing two new members of staff who were on a part-time basis prevented the strategic actors from taking additional measures regarding the workforce of the company. Again, the decision of engaging in reducing the number of staff is linked with the reduction of basic working hours. For Company 2, reducing basic working hours is a more effective measure rather than redundancies. This was expressed by the owner-manager who showed a notion of 'protection' over the oldest company's employees during the recession.

As the owner-managing director indicated:

> "*Instead of trying to take advantage of the crisis and lay off 2-3 members of staff who are working for us many years, we prefer to find some other solution such as reducing their working hours. This way they will, at least, have some income for their families and we will manage to reduce our expenses at the same time".*
>
> *(Company 2: Owner-managing director)*

Moreover, another measure taken in the workforce apart from the reduction of basic working hours and the release of a number of staff was the cut on the annual benefits offered to employees. Employees were usually offered a basic monthly salary as well as a 13th and 14th salary which were salaries offered to employees at the end of each year. Moreover, such benefits were under the umbrella of the Cypriot law in which all employers were obligated to offer these benefits to all employees. However, these were the first to be cut as part of retrenchment. The particular law though was overlooked by the government particularly after the haircut on bank's savings and as such, the majority of Cypriot firms stopped offering these benefits. This is associated with the impact of the recession on the performance of the company according to the general manager and also by the changes in the business environment.

As the general manager explained:

> *"Employees were enjoying great benefits at the end of each year such as the 13th and 14th salaries. These benefits were the first that we stopped offering to all the employees. It is sad but you can't be in a middle of a recession and offer benefits such as these".*
>
> *(Company 2: General Manager)*

Nonetheless, the reduction of the budget for advertising in Company 2 was as a result of the engagement of the company in retrenchment. Moreover, the workforce and advertisement campaigns were the highest cost elements for companies and as a result, cost-cutting activities are mostly associated with these.

As the owner-managing director explained:

> *"We are using only Facebook and leaflets at the moment because it is a cheaper solution. Basically, we don't pay much. However, I understand that nothing can replace the traditional advertisements but the traditional advertisements are expensive and we don't have the budget because we are trying to reduce our expenses".*
>
> *(Company 2: Owner-managing director)*

However, another measure taken by Company 2 in order to reduce the operational costs was the attempt to reduce the electricity bills of the stores. Moreover, the replacement of lights by Light-emitting diode (LED) lamps has been an effective measure taken by the company in order to reduce the high electricity usage of the stores.

As the general manager indicated:

> *"We tried to reduce the expenses as much as possible for example the electricity bills. We were giving too much money to electricity. Obviously, we can't turn off the lights but we installed LED lights and at the end we managed to reduce the electricity bills by 40%".*
>
> *(Company 2: General Manager)*

However, another measure taken by Company 2 was the downsizing of the company's operations. Company 2 had 3 stores up until 2012 when the decision of shutting down one of the stores was taken. The closing of the store was mainly taken as a decision of the low customer demand which offered losses to the company but also as a retrenchment strategy. Moreover, it was expressed during both the interviewees that the main reason for shutting down the company's store was to reduce the expenses of the company as a result of the losses caused by the falling customer demand.

As the owner-manager director explained:

> *"We had another small shop in another area of Larnaca and we shut it down. We opened it in 2010 and we closed two years later. The reason was mainly because the costs of operating that store were too high but also because the big store was fighting the small one. People were coming to the big store because they could find all the products. Precisely because the demand was low we took this decision".*
>
> *(Company 2: Owner-managing director)*

The store was located in the heart of the city of Larnaca on a main high street which is considered as an area of high customer demand. However, the reason expressed by the ownership and the management team for shutting down the specific store was the small size of the store which it didn't offer to consumers all the products that the company was offering in the bigger shop in Larnaca. Hence, it was explained that the large-sized shop of the company was mainly 'fighting' the small store.

However, data collected from Company 2 show that both the ownership and management of the firm were planning to relocate a store to a highly populated area of free Famagusta. Company 2 was targeting a better retail location within a well populated high street in Paralimni but also a reduction in renting the premises.

As the owner-manager presented:

> *"We are planning to relocate the store in Dherinia and go closer to Paralimni high street. Nowadays people are not visiting 15 shops to purchase something. They go to 2-3 shops and that's it. So we want to be one of these 2-3 shops that people are visiting. The store does not have the ideal location at the moment".*
>
> *(Company 2: Owner-managing director)*

Hence, there is an acknowledgment of a bad retail location of the particular store by the owner-manager who clearly considers retail location as essential for increasing the customer demand. However, a future relocation of the particular store has also been considered as an opportunity for reducing operational costs. The data collection took place in 2015 and it was expressed by both the owner-managing director and the general manager that relocation was being considered to take place in the next few months. Moreover, it was observed by the researcher that 3 months later, the company actually relocated the store from Dherinia village to Paralimni in a bigger sized premise. During a follow-up phone discussion that the researcher had with the owner-managing director, he indicated that they took the decision of relocating the store when they have been informed about the opportunity of renting the specific premises on Paralimni high street. In addition, the relocation that took place increased customer visits but also offered lower rent costs. Hence, relocation had positive results for the company in terms of customer demand as well as reducing operational costs.

Nonetheless, another measure taken by the ownership and the management of the company was the removal of the clothing department. Specifically, the existence of clothing in Company 2 is considered to be a non-profitable option and the decision of removing that particular element was taken as a result of the low customer demand which was impacted by the ongoing recession as well as of the attempt of the organisation to focus on its core product.

As the owner-managing director explained:

> *"We had the clothing department, specifically sports clothing. However, it wasn't so profitable because of the crisis and because we wanted to focus only on footwear which we are strong at, we decided to remove the clothing department".*
>
> *(Company 2: Owner-managing director)*

Evidently, the effects of the recession, as well as the particular event in the banking system of Cyprus, prompted the ownership and management of the company to shrink the range of products. As a result, Company 2 managed to keep their sales and profits stable by removing the clothing department.

Nonetheless, the replacement of the traditional suppliers as a measure to reduce costs appears to be an additional important measure. Moreover, both the owner-managing director and the general manager of Company 2 articulated the importance of seeking new suppliers. The decision of changing suppliers was to seek cheaper suppliers but also the arrangement of a 'stock procurement' a term that is defined by the general manager of the company:

> *"We changed our suppliers because I personally tried to collaborate with suppliers that were ready to accept terms. Our terms were that they would send us the products and if we sold them, then we would pay them or else we would send the products back. This was our term let's say of collaborating with the new suppliers and it was very helpful".*
>
> *(Company 2: General manager)*

Therefore, the purpose of this particular strategy appears to be the reduction of the company's expenses with a way of keeping the supply chain of the company fully operational.

Additionally, when the owner-managing director was asked why this particular strategy was not adopted prior to the recession he indicated that because of the environmental stability and the increased performance of the company prior to the recession it was unnecessary to replace something that was already tested. This reflects the entrepreneurial culture of Company 2 in which the long relationship developed between decision makers of the firm and suppliers appears to prevent any actions taken during the pre-recession period. However, the effects of the recession upon the company forced the ownership and management of the company to reconsider the particular collaboration with the suppliers of the organisation.

Nonetheless, Company 2 has also engaged in generating revenue through the introduction of mid-season sales. The strategic decision of introducing mid-season sales was a decision taken after the event of the haircut on bank's savings and was predominately taken in an attempt to increase the falling customer demand and the fluidity of the company.

6.3.4 Factors Affecting Strategic Decision-Making Process during Recession

Certain factors were identified which affect the strategic decision-making process during the recent economic crisis in Company 2. The environmental change which shifted from stability to turbulence presented in 2011 has affected a number of the strategic decisions that Company 2 took. This was acknowledged by both the owner-manager and the general manager of the company who both highlighted the differences in the environment as a result of the impact of the economic crisis. Moreover, it is presented that a number of strategic decisions were taken based on the changes in the environment but also by the decrease in the company's turnover and net profits. Strategic decisions taken by Company 2, such as retrenchment have been affected by the changes in the business environment and falling customer demand. In addition, there was a long discussion around the event of the haircut on banks' savings which took place in March of 2013 and it identified that this particular event has affected the retail market and, as a result, small retail companies

As the owner-managing director indicated:

> *"The market changed from 2010-2011 and everybody could see the difference. We had fewer customer visits in our shops, our profits fell and we needed to do something. The haircut was the final shot to the economy and the retail market. Imagine that the first week after the event took place, everything was empty. It was like a ghost town. High streets were empty and even if we had a couple of customers, they were trying to pay by their credit card and they couldn't. It was a tragic period."*
>
> *(Company 2: Owner-managing director)*

Hence, the changes presented in the business environment and the haircut on banks' savings prompted the ownership and the management of the company to engage in the relocation a particular store. However, it is quite interesting to mention that the two factors had, as a result, falling customer demand and impact on the Cypriot high streets as well. Therefore, the decision of relocating the specific store was based on the factors mentioned. It is important to mention that the shareholders of Company 2 have not been affected personally by the haircut on banks' savings.

Another factor that has affected the strategic decisions taken during the recent recession is the degree of competition. The ownership and the management of Company 2 have also considered competition to be higher compared to the pre-recession period which affected certain strategic decisions. Company 2 is not considering international companies as the main competitors but other small retailers operating in the region. Despite the high competition in the retail market, the company avoided an engagement in price competition and they instead focused on different measures in order to cope with it.

As the general manager mentioned:

> *"The competition is higher. We wanted to follow the competition and follow the prices of other companies but we can't introduce products of 10 euros because we will sacrifice the quality. We don't want this. So we tried to compete with a different way and that is why we introduced mid-season sales".*
>
> *(Company 2: General Manager)*

Moreover, Company 2 does not consider competition to be more intense because of international companies but instead they consider competition to be higher with other small-medium local retailers. Again, the general manager of the company reflected on the product quality of their rivals revealing that competitors tend to operate in the lower-end of the market which Company 2 is not interested in. Hence, instead of engaging in a price competition with rivals, companies pursue and adopt strategies to follow the high competition differently.

As the owner-manager explained:

> *"We introduced mid-season sales not only to increase the fluidity of the company but also to deal with the high competition".*
>
> *(Company 2: Owner-managing director)*

Nonetheless, a factor that has been identified as affecting the strategic decisions during the recent recession is the sales staff. Despite the fact that the sales staff do not take part in the decision-making process of the company, they affect the ownership and the management of the company differently. The sales staff are considered as part of the 'family' by the ownership of Company 2 which affect certain strategic decisions. The personal relationship of the sales staff with the customers has played an important role in the decision-making process. Hence, the sales staff receive feedback and comments from consumers which the ownership or management cannot access directly because the sales staff are considered to be relatively 'closer' to the consumers. The owner-managing director of Company 2 acknowledges the importance of the sales staff and also the importance of the feedback collected by them to the strategic decisions of the company. Moreover, relocating one of the company's stores closer to Paralimni town as well as the removal of the clothing department were decisions affected by the feedback received from customers through the members of staff.

According to the owner-managing director:

> *"They [sales staff] give us information about what the customers want and what they like. You know, customers are dealing with the owners and managers differently than with the simple staff. When they talk with the sales' staff they are more critical and realistic. When they talk to us they always say that everything is very nice and we know that they are more willing to say things to the staff that they don't dare to say to us. For example, they [sales staff] told us that consumers come here only for shoes and that they go somewhere else to buy clothes. So when we received this feedback from the staff and that we didn't have any profit from that, we said that it was time to remove clothing and focus only on shoes."*
>
> *(Company 2: Owner-managing director)*

Despite the fact that the decision of relocating one of the company's stores was implemented in an attempt to reduce rent of the premises, it has also been selected as a result of the feedback provided by the sales staff. Moreover, feedback received by the sales staff from the customers has affected the particular decision of relocating the particular store as implied by the owner-managing director.

As the owner-managing director further indicated:

> *"Our offices are in Larnaca and because we have the biggest store here, no one from the owners or the general manager can always be in Dherinia. We just go there twice a week to see how it's going and we mainly receive feedback from the sales staff there. The staff there informed us repeatedly that consumers expressed the idea that it would be better if the store was closer to Paralimni".*
>
> *(Company 2: Owner-managing director)*

Nonetheless, the ownership of Company 2 is structured as four family owner-managers and a general manager who is a member of the family as well, having fewer responsibilities. However, different characteristics of the owner-managers actually affect the strategic decision-making process within Company 2. Moreover, certain characteristics play a crucial role in the decision-making process such as the expertise and the experience which is associated with the age of each individual. This was expressed on multiple occasions by both the owner-manager and the general manager of the company who also revealed the existing hierarchy of the strategic actors.

As the general manager of the company indicated:

> *"If he [the senior owner] doesn't say ok or yes then nothing happens"* and *"He [the senior owner] is not here all the time but if he thinks that something is wrong he will say to change it and we all have to do it."*
>
> *(Company 2: General Manager)*

Occasions like this show the superiority of the senior owners as well as the structure of the hierarchy within the company's ownership. This also reflects on the family culture of the company which can be classified as a collaborative family firm in which all the family members share information and they take decisions altogether while there are elements of patriarchal family whereby at the same time all the decisions are taken by a certain number of family members. Hence, despite all decisions being taken collaboratively by all the family members, final approval is needed from the senior owners of the family.

In addition, the age of the owners which reflects the experience of each individual is considered to be a factor affecting the strategic decision-making process. Despite the fact that the two senior owners of the company are not owner-managers, their experience in the retail industry is well respected by the younger owner-managers.

As the general manager indicated:

> *"We are younger and we have different ideas that sometimes I think we have a wrong way of thinking. Experience is everything. That's why Mr. [the senior owner]'s opinion counts the most. Experience beats courage. When you are older, you are wiser".*
>
> *(Company 2: General Manager)*

This was also presented by the owner-managing director when interviewed, who expressed the importance his parents' experience within the retail industry in periods such as the ongoing recession. The owner-managing director did not give a great emphasis to the owners' characteristics possibly in order to avoid any confession of the actual existence of the senior owners' superiority within the ownership's hierarchy. Again, it was expressed that young owner-managers are more risk-oriented compared with the senior owners who appear to be non-risk-oriented. This particular difference has affected the strategic decision-making process differently in combination with the characteristics mentioned previously.

As the owner-managing director stressed:

> *"Yes, basically we, as the younger members of the family, are taking risks more than my parents. It has something do to with the age I think. My sister and I are thinking differently compared to my parents".*
>
> *(Company 2: Owner-managing director)*

Nonetheless, an external factor that has affected the strategic process is the external auditors. Companies usually employee an external auditor in order to provide an independent and unbiased evaluation of their finances and they tend to receive informal advice in order to increase their performance indicators. In particular, external auditors hired by small-medium Cypriot companies based on their personal relationship with the ownership structure tend to give certain informal advice affecting the strategic decision-making process, particularly during the recent ongoing recession.

The importance of the advice from an external auditor was mainly expressed by the general manager which suggests that advisors do affect the decision-making process.

As the general manager indicated:

"We have had the same auditor for many years. We have built a personal relationship with him and we trust him. He checks the company and he offers us a report but he also offers us some advice which tend to be very useful. He has been in the market for many years and he knows how the market goes. He offered his advice many times and yes, we followed some of his advice that we thought were the right ones".

(Company 2: General Manager)

This also reflects the entrepreneurial culture of the owner-managing directors of Company 2. Since they have built a strong and long relationship with external auditors they consider them as trustworthy and they let them offer recommendations and engage in the decision-making of the company.

6.3.5 Summary

Company 2 presents characteristics of a small-medium firm operating only in the retail of footwear. The company was competing in the market by focusing on offering differentiated products in the market during the pre-recession period. However, the effects of the latest economic recession started appearing on the firm's turnover and profits in 2011 in which the strategic decision makers have engaged in a series of changes in order to cope with the economic crisis. The analysis shows that the high formality of the company has an impact on the strategic response time. More specifically, data indicates that the high formality of ownership and management in the company has led to a slower response in terms of time. Hence, the analysis of Company 2 indicates that the formality affects the response time. Also, the owner-managers of the company have experienced a decline in profits and turnover as well as in customer demand. This had an impact on the degree of competition and it has influenced the owner-managers. As such, retrenchment activities have taken place both in the workforce and in the advertising budget of the company. Moreover, changes have also taken place in the range of products offers to consumers which indicate that the shrinkage of products/departments is an effective change for the particular company. The particular changes appear to have been selected by the owner-managers in an attempt to reduce the costs of the company and to keep the turnover stable. Again, downsizing of the firm's outlets was another strategic change implemented by the company while relocation is a technique also used by the ownership in order to obtain a better retail location. These changes were implemented along with the extensive use of revenue generation strategies and the implementation of certain changes in the supply chain of the company, in particular the suppliers. Hence, the owner-managers of the company have attempted this way to boost their profits and increase customer demand by moving towards a more populated area. However, these decisions were taken by the strategic actors of the firm who were affected by a number of factors. Findings show that the turbulence in the business environment, caused by the economic recession and the haircut on banks' savings, have affected the owner-managers and the majority of the strategic decisions taken. In addition, the higher competition in the retail market prompted the ownership of the company to engage in a series of strategies in order to cope with it. The sales staff are considered to be a crucial factor affecting the strategies decision-making process in Company 2 since their direct relationship with consumers makes them a valuable asset for the ownership and a factor affecting the process during the recent ongoing economic crisis. Similarly, external auditors who appear to have a long-term relationship with the ownership of the company have affected certain strategic changes implemented during the economic stress. However, an internal factor that has affected all the decisions taken is the characteristics of the ownership. Expertise, age, experience and education of the owner-managing directors have affected the strategic decision-making process differently.

6.4 Case Study 3

6.4.1 Profile of the Company

Company 3 is a family-owned, small–medium firm that has operated in the retail sector for 25 years. The company is engaged in the manufacturing as well as retailing of clothing and footwear for men, women and children, bags, accessories and linens. The company employs 51 full-time and 3 part-time employees including 3 owner-managers. The company owns four stores; two of the company's stores are located in the city of Larnaca on the main high streets of the city, one store is located in the heart of Nicosia and a fourth store is in Paralimni which serves the population in the free area of Famagusta.

However, the company is completely managed by the 3 owners. Moreover, the owner-managing directors are family related and they have been managing the company since the start-up. The oldest of the owner-managing directors has the responsibilities of general manager and director of the company, the second owner-managing director is managing the store located in Paralimni and the third owner-managing director is the head of the accounts office. The company does not have any management structure and does not employ any person appointed as a member of management at any level. The organisation is considered to be paternalistic since all the decisions are taken predominately by the three siblings. Again, the family culture is based on collaboration in which all the family members/leaders share information and follow the same goals.

In addition, Company 3 operates a web page available on the internet which offers the possibility to consumers to visit this particular web page and get information about the products, offers, and the location of the stores as well as general information about the company. Again, Company 3 has a unique selling proposition by engaging in sponsoring a number of athletic teams in Cyprus. The firm is using a social media platforms channel such as Facebook in order to promote the company's products.

Finally, Company 3 operates in the lower and middle-end and its performance has not been affected dramatically by the economic recession. Company 3 was experiencing growth year by year and it managed to shift from a small retailer to a medium size retailer. Moreover, the performance of Company 3 had a stable increase up until March of 2013 in which profits and turnover remained stable for 3 months only. A continuing increase in sales and profits was followed up until today.

6.4.2 Business Environment and Strategy during the Pre-recession Period

Data collected from the particular company is scarce since the company has not experienced huge consequences from the recent and ongoing recession. Hence, it is opposed by the two interviewees that the company did not engage in a series of strategy changes except in certain parts of the operational department.

Furthermore, in terms of the strategic direction of the company during the pre-recession period, there are indications of following a particular strategy of offering customers cheap products. In addition, Company 3 was adopting a well-formulated strategy in order to serve consumers in the market with affordable products based on low cost. This coincides with the idea that the particular company does not compete at an international level but only at a regional level within Cyprus. Hence, the main target of the company was to compete with other retailers by adopting a cost focus strategy.

This particular strategy was considered to be the 'ideal' strategy for the company during the pre-recession period since other small and medium retailers tended to offer middle-end products in the market. Moreover, the owners do not consider international retail companies as competitors but instead, they were trying to compete with other small and medium retailers. This has to do mostly with the price competition in which most of other retailers appeared to focus on the middle end market by offering products with higher price tags.

As the owner-managing director mentioned:

> *"Most of the companies before the recession were offering products from 30-60 Euros. People had money and they were able to buy things but nobody offered low price products. You know. There are everywhere people that don't have so much money to spend and they wanted something cheap. So this is where we come in".*
>
> *(Company 3: Owner-managing director 1)*

This strategy was also ideal for the company because of the stable business environment during the pre-recession period. The majority of retailers tended to focus on serving the middle- and high end of the market as a result of the good economic level of consumers. Hence, a small number of retailers were pursuing the low end of the market which was considered as an advantageous market for the particular company.

6.4.3 Strategic Changes to Cope with the Recession

Several strategic changes took place by Company 3 in order to cope with the turbulence in the business environment caused by the haircut on banks' savings. Company 3 has engaged in a series of strategic changes during the first six months of 2013.

As the owner-managing director explained:

> *"We didn't take any measures before 2013 because we weren't really affected by the recession. Everything was the same for us and we still had an increasing*

performance so why we should have made any changes? However, we saw a difference in the company's performance from March of 2013 and that was the time that we said that we have to do something".

(Company 3: Owner-managing director 2)

This particular statement builds on the culture which the entrepreneurs have in Company 3 in which they do not tend to consider adopting any changes as a result of the continuing increasing number of turnover and net profits. In addition, the short period of the impact of the particular event on the company's performance appears to still prompting the strategic actors to reconsider the strategic direction of the company. Moreover, the downturn on the company's performance in March of 2013 had an effect on customer demand caused by the downturn on the business environment.

As the owner-managing director stressed:

"We didn't experience the recession like others did. We only experienced the haircut and that was it".

(Company 3: Owner-managing director 1)

Company 3 has not engaged in any cost-cutting activities or revenue generation strategies. Instead, the strategic actors of Company 3 have repeatedly mentioned that the strategic direction of the company has not changed. However, data collected presents three main changes that have taken place in the supply chain and the range of products. Despite the fact that this is considered as a cost-cutting activity, it is not considered as one by the owners of the company.

As the owner-managing director explained:

> *"The whole idea was to offer to consumers lower prices. That's why we tried to renegotiate with our suppliers to reduce their prices. Of course some of our suppliers didn't drop their prices but most of them managed to offer better prices".*
>
> *(Company 3: Owner-managing director 2)*

As a result, these two particular changes had a positive impact on the company's performance indicators. The implementation of these changes does not seem to have any impact on the turnover of the company but it has had a minimum impact on the profits of the company. Despite that profits were still increasing, it is quite interesting to mention that customer demands increased substantially as well as the number of sales.

However, Company 3 is positioned in the low- and middle-end of the market. An observation by the researcher indicated that based on the economic change of consumers, consumers tend to seek cheaper products and as a result, companies that operate in the lower end of the market are considered as privileged. This particular observation is exclusively presented by the researcher and it is an element which is not proved by the data collected.

Nonetheless, the company has also introduced the footwear department in order to offer consumers all the departments 'under a single roof'.

As the owner-managing director explained:

> *"We introduced the footwear department. It was 3 years ago if I'm not mistaken. I can't really say that it was a reaction to the crisis but it was definitely something that we were thinking for a long time so we found the opportunity to do it in the last few years".*

(Company 3: Owner-managing director 2)

Hence, the strategic actors of the company consider the latest recession also as an opportunity to expand their operations. Despite the ownership not clearly considering this as a response measure to cope with the recession, they, instead, consider it as an opportunity to expand the range of products. Company 3 did not have any effects from the recession and survival was not a target. Instead, the ownership of the company considered the latest recession as an opportunity to expand its products in order to attract a different level of consumers into the stores. Therefore, diversification strategy did not take place as a measure to cope with the recent recession but it was a decision taken in order to take advantage of the opportunity to expand its products. Therefore, the lower economic level of consumers has given the opportunity to this particular company to offer footwear at lower prices compared to other companies who tend to still operate in the middle-end market.

Finally, the company did not find it necessary to engage in several strategic changes since turnover and net profits were still increasing. Company 3 has not taken further strategic decisions except for the particular strategic changes mentioned.

6.4.4 Factors Affecting Strategic Decision-Making Process during Recession

Company 3 has been affected by the turbulence in the business environment caused by the haircut on banks' savings in March of 2013. Data collected from Company 3 points out the changes in the business environment as the main factor affecting two of the strategic changes implemented by the company. In particular, the turbulence caused in the business environment was not as a result of the recession but a result of the haircut on the banks' savings. Hence, the strategic actors of Company 3 hold the haircut on banks' savings responsible for the changes in the supply chain.

As the owner-managing director stressed:

> *"The chaos that the haircut caused in the environment was huge. Customers were afraid to buy and suppliers were terrified. If you didn't have any cash, you couldn't take out the containers with the products from the harbour. We didn't leave anyone waiting to get paid. We had cash".*
>
> *(Company 3: Owner-managing director 2)*

Another factor that had an impact in the strategic decision-making process of the company is the high competition. Competition after the event of the haircut on banks' savings was considered higher, which forced the strategic actors to react immediately. Similarly, the second owner-managing director of Company 3 considers competition as an ideal aspect of the retail market but only *healthy* competition. Moreover, price competition is considered as a wrong way of competing in the market but the necessity of adjusting in the new environment forces companies to engage in a more intense competition. Thus, it appears that recessionary times tend to shift from a healthy environment including a healthy competition to an aggressive competition in the Cypriot retail market. Again, the customer demand fell as a result of the turbulence in the business environment caused by the event of the haircut on banks' savings. Moreover, it appears that the customer demand in Company 3 fell in March of 2013 for a 6 month period. As a result, the falling customer demand, which is a result of the environmental turbulence, is strongly considered as a factor affecting the strategic decision-making process.

As the owner-managing director stressed:

> *"Everything was fine until March of 2013. When the haircut took place the customer demand fell because of that. People were afraid to buy anything because*

they didn't know if it would have been worse later. When we saw that then we decided to make some changes in the prices of products".

(Company 3: Owner-managing director 1)

Nonetheless, the decision of introducing the footwear and accessories department in the company appears to have been affected by both the falling customer demand as well as the high competition. Moreover, the departmental expansion of the company was a measure of dealing with the high competition caused by other small-medium retail companies but also a measure taken in order to increase customer demand.

In addition, as the Figure 6.3 presents, the falling customer demand and high competition appear to be the factors that have affected the strategic decision of introducing the footwear and accessories department and the negotiation of suppliers' prices.

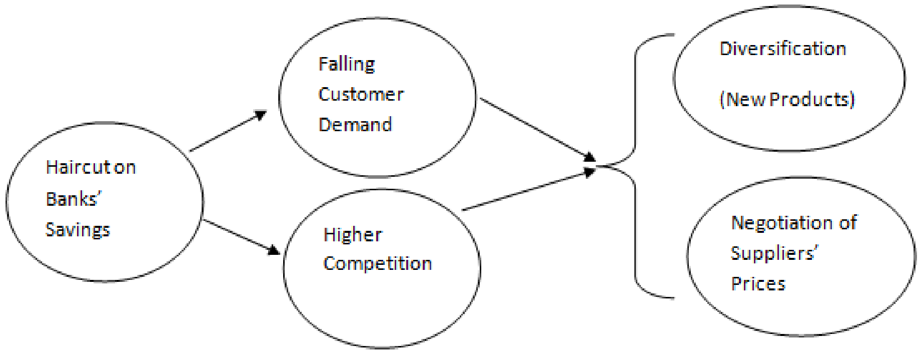

Figure 6. 3 Company 3: Owner-managers' Interpretation of Factors and Responses, Developed by the researcher

Nonetheless, Company 3 recruits an external auditor in spite of the existence of an internal accounts department. Again, the external auditor employed by Company 3 offers advice and consultation services to the ownership and he is considered as a long-term and trusted authority by the company. Hence, any advice offered by the external auditor are considered as vital and useful for the strategic direction of the firm. The element of the external auditor providing consultation reflects on the entrepreneurial culture of the firm's ownership where the long-lasting relationship with an external auditor offers trust and a friendly approach which leads to obtaining recommendations. Despite the fact that external auditors are not considered as business consultants but only as external accountants, the long relationship with the ownership of Company 3 offers suggestions from the particular individual.

However, an additional factor that appears to affect the strategic decision-making process in Company 3 is the different owner-managers' characteristics, specifically the expertise. As has been implied from other authors such as Papadakis et al (1998) and Papadakis and Barwise (2002), certain characteristics of the owner-managers affect the strategic decision-making process. Although this particular firm is classified as a family-owned company, there is a difference in the owners' characteristics which play a crucial role for the formulation and implementation of strategies during the recent recession. Mainly, the expertise and experience of each owner-managing director affect the strategic decision-making process in this particular firm. The level of expertise of each owner is first identified as a factor affecting the strategic changes.

As the owner-managing director stressed:

> *"Every owner has his/her department because they are an expert in it. For example, my brother is an expert in economics so he knows better about this side of the company and that's why we are not interfering. I have experience and expertise in the sales department and negotiating with suppliers so they don't interfere with this department. So if a decision has to be taken that will affect the economical part of the company, then [...]'s opinion will count the most".*

(Company 3: Owner-managing director 1)

6.4.5 Summary

The data collected from the two owner-managers of Company 3 reflects a small number of strategic changes that have taken place during the recent recession in order to cope with it. Firstly, the characteristics of the company have not been affected by the economic recession either in terms of the business model or in any other aspect. Since the effects of the recession upon the particular company were minimal, the company did not engage in many changes in order to survive. On the contrary, Company 3 was using a focus differentiation strategy prior to the recession and it kept using the same strategy both during and after the economic crisis. Moreover, the strategic changes that the ownership of the company were engaged in were part of the diversification strategy in which they have introduced new products and changes in the supply chain in order to find cheaper suppliers with the same quality of products. This particular set of changes appear to have been implemented as a result of the impact of the haircut on banks' savings in 2013 which has led to a low consumer demand and not the financial status of the company or the owner-managers *per se*. Moreover, these changes were selected mainly since the owner-managers see the recession as an opportunity to expand their range of products and reduce costs associated with the supply chain.

In terms of the factors affecting the strategic decision-making process, the company appears to have been affected by the turbulence in the business environment mainly caused by the event of the haircut on the island's banks' savings. In addition, the more intense competition during the recession from other local fashion retailers has affected the strategic decision-making process. Other factors that were identified as affecting the decision-making process are the external auditors in which the long and stable relationship developed between the ownership of the company and the external auditor had as a result certain advice offered by the latter to be directly considered and implemented. However, one of the most important factors identified in the findings is the characteristics of the owner-managers. The absence of any formal management structure within the company leads to the ownership being solely involved in the daily operations of the stores. Hence, each owner-manager's characteristics are affecting the strategic decision-making process differently. Specifically, the level of expertise and experience of each owner-manager is noticeable which affected the strategic decision-making process differently. Despite the absence of management structure in the company, it is still considered as having a high formality based on the three owner-managers. This, however, has led to a rapid response to the changing environment from the three family owner-managers.

6.5 Case Study 4

6.5.1 Profile of the Company

Company 4 is a small-medium firm that has operated in the retail market for 8 years. The company is owned by two individuals but only the interview participant is considered as an owner-managing director. The ownership structure of the company is based on the two owner-managers while there is not any formal management structure within the company. In addition, the company employs 13 members of staff and has 3 stores in the free area of Famagusta. The first store was established in 2007 in Avgorou village, the second store opened a year later in the town of Paralimni and the third store of the company opened its doors in 2010 in Xylophagou village. Moreover, the owner-managing director of the company has the sole proprietorship of the two stores located in the rural areas of Famagusta while the third store located in Paralimni is under the ownership of a partnership of the participant with another business person. The culture of the organisation is considered to be paternalistic in which all the decisions of the company are taken by the leader of Company 4 while there are elements of patriarchal family in which the owner-manager director of the company takes all the decisions and he is the sole leader who sets the goals of the company.

Company 4 is based on a business to consumer (B2C) model, engaging in direct sales. Moreover, the company obtains its products directly from manufacturers and resells them at a retail price within the premises of retail outlets. This particular company offers a range of products such as clothing and footwear for men and women, accessories, bags and suits for grooms. It operates in the middle end of the market and it targets consumers from 25-50 years old.

Nonetheless, the targets of the firm include expansion to other districts of Cyprus. The economic recession postponed the growth plans of the company and as a result the targets of the company shifted from growth to stability and survival. The turnover and profits of the firm have been dramatically affected by the economic crisis from 2010 as a result of the turbulence in the business environment. Again, the company has targeted stability since 2010, having a steady performance. The decline in the company's performance appeared in March of 2013 when the event on the haircut on banks' savings took place.

The extensive use of social media platforms such as Facebook and the distribution of leaflets and posters were some of the advertising channels that the company was using in order to attract customers. Again, mobile advertisements are been used for updates on discounts and sales.

Furthermore, whilst the company had 3 stores in the area of Famagusta, the sole owner-managing director of 2 of the stores was the research participant. However, the third store which was located in Paralimni town was under the ownership of the research participant and another owner-manager in the name of a different company. Moreover, the business partner was solely managing the second company owning the store located in Paralimni area without intervening in the other two stores. The partnership lasted from 2010 until the end of 2011 when the research participant took full ownership of the third store.

It is important to highlight the centralised decision-making process since the research participant is been considered as the sole proprietor of the company and as a result he is the only strategic decision-maker. However, the second owner-managing director's duties are only limited to the operations of the third store. Therefore, the owner-managing director of the third store is taking part in the decision-making process of the company but mostly as a consultant and not as a strategic actor.

6.5.2 Business Environment and Strategy during the Pre-recession Period

Company 4 was engaging in a focus differentiation strategy, particularly in product differentiation. This particular strategy has been effective for the company in terms of turnover and profits. Again, the retail location of the stores seems to have been an advantage for the company since it offered the opportunity to operate in a small business environment with the competition being lower.

As the owner-managing director mentioned:

> *"Avgorou and Xylophagou villages have a population of 5000 each and no competition whatsoever. We were trying to offer customers something different such as suits so I can prevent them from going to Larnaca or Paralimni to shop. So we invested in different kind of products to serve the local community".*

(Company 4: Owner-managing director)

Nonetheless, the free area of Famagusta is predominately supported by the tourism sector since two of the major tourist destinations (Ayia Napa and Protaras) are located within its district. The tourist season lasts for about 6 to 7 months and shops enjoy great profits from tourism. As a result, a great proportion of the performance of retail outlets is supported by the tourism wave conquering the free area of Famagusta every year. Similarly, fashion retail

SMEs located in the area are benefiting from the tourism increase every year, especially SMEs located in the surroundings of the two particular tourist destinations. The particular company owning three stores across the district has being enjoying great benefits from the tourism wave every year and a great proportion of the company's performance was supported by agritourism.

6.5.3 Strategic Changes to Cope with the Recession

Company 4 attempted to reduce specific costs such as electricity bills. Moreover, the installation of LED lights within all the stores was the first change that the ownership of Company 4 did in order to reduce costs by 30%. Again, the negotiation of rent prices is considered an attempt by companies to reduce their operational expenses. Company 4 negotiated the amount spent for renting the premises and it is considered to be an effective way of reducing a company's operational expenses.

In terms of changes in the workforce, Company 4 has sought to reduce costs by engaging in compulsory redundancies of a number of members of staff and by themselves taking over shifts as sales staff. Two members of staff received their redundancies while the ownership of the company undertook a number of working hours as sales staff. In addition, the ownership structure has also been affected by the strategic changes that have taken place.

According to the owner-managing director:

> *"Along with all these changes that we made, we also agreed that the company could not afford to have two owners. So, my partner said that he understands and that he will give all the shares to me. So basically, the loan that the other owner took was transferred to me along with his shares and I continued by myself".*

(Company 4: Owner-managing director)

Hence, the decision was taken by both of the owner-managing directors as a result of the reduction of the company's performance and it was taken as a measure to reduce ownership-management costs. Again, Company 4 has also engaged in a series of changes in the way of advertising the company's products. Advertisements are acknowledged to be essential by the owner-managing director in order to attract new customers; however, because of economic difficulties the budget had to be shrunk as well. As a result, Company 4 minimised the particular expenses by solely engaging in the distribution of flyers, posters and the extensive use of social media tools.

Despite the cost-cutting strategies, Company 4 has also engaged in revenue generation strategies. The introduction of sales is considered by the ownership to be an effective way of increasing the liquidity of the company as well as to attract new customers.

As the owner-managing director indicated:

> *"We needed to bring some money into the company. The company needed help in terms of cash flow and we brought sales more often in order to achieve this".*

(Company 4: Owner-managing director)

Another element that is considered to be important during a recession is the stock management, specifically inventory control. The sense of fear of having unsold stock seems to affect the purchasing methods of the company, particularly in the continuing changing fashion environment. Hence, a more intensive inventory control was adopted in order to avoid an excessive oversupply.

As the owner-managing director explained:

> *"We tried to be more precise in our inventory and we had fewer products in our stock room. We were purchasing fewer products in order to be able to sell them. We are talking about clothing and the thing is that if you have clothes stuck in the inventory room you won't be able to sell them later because fashion changes all the time. You can only sell them by offering discounts if you are lucky enough".*

(Company 4: Owner-managing director)

In addition, Company 4 has changed suppliers in order to reduce costs and to purchase less costly material but with the same quality. This particular decision was taken during 2011 as a result of the reduction in the company's performance indicators.

As the owner-managing director stressed out:

> *"Well we didn't make this change before because we didn't have to. Everything was ok and the sales were increasing. Why was I supposed to make any changes if sales and profits were increasing? It's like a person. If a person is doing fine, he will not take any medicine. He will only take antibiotics when he needs them".*

(Company 4: Owner-managing director)

The engagement in changing suppliers reflects the entrepreneurial culture of Company 4. Specifically, the long relationship with the suppliers of Company 4 prevents the owner-managing director from seeking new suppliers during the pre-recession period. In contrast, the effects of the recession upon the company forced the owner-managing director to reconsider the company's collaboration with suppliers in an attempt to minimise costs.

Nonetheless, another measure taken by the company was diversifying by introducing accessories, footwear and suits for men. The result of the diversification strategy was positive results in terms of sales from the suits for men.

According to the owner-managing director:

> *"Yes, it had a very positive impact on the company's turnover. Imagine that it was costing me 100 Euros to bring a suit and I was selling it for 200 Euros. I had basically 10,000 Euros to invest in order to save my company and I invested this money on suits and it proved to be a very good move. My suits were around 60-70 Euros cheaper than my closest rivals in Paralimni and Larnaca and I had many customers coming from the cities to buy a suit from here".*

(Company 4: Owner-managing director)

In addition, the attempt to improve customer service by the company, particularly in the suits department, proved to be crucial for the amelioration of the department. The customer service was improved as a result of the tailoring services offered free by the company to customers who were purchasing suits either for weddings or for their workplace. This particular service had limited costs for the company as a result of the agreement that the owner-manager had with a local tailor. Hence, the introduction of suits and the free tailoring services boosted the number of sales, having positive impact on the overall performance of the company.

As the owner-managing director indicated:

> *"For example, I had a customer that was an owner of a supermarket and he couldn't leave from his job. I went to his workplace, he tried 2-3 suits, I made a combination of colours and he bought it. After I took the suit for tailoring and I*

brought it back to him after a few hours. We had some loyal customers that they needed this extra service and it worked".

(Company 4: Owner-managing director)

Nonetheless, despite the strategic measures taken by the sole proprietor of the company in 2011 in order to cope with the recession, the event of the haircut on bank's savings in March of 2013 was the reason for the company to take a fatal strategic decision, to shut down the entire company the same year. Company 4 experienced severe reduction in both turnover and profits that led to this particular strategic decision.

As the owner-managing director stressed:

"When the haircut on banks' savings happened, I understood that there wasn't any chance of surviving. That was the reason for taking the decision of shutting down the entire company. Maybe I could have taken the decision a little bit earlier to be honest. Sometimes you are connected emotionally with some things and you can't think clearly. It would have been better to shut it down earlier I think".

(Company 4: Owner-managing director)

It is important to mention that the particular decision of shutting down the entire company occurred in March of 2013 while the company ceased operations 8 months later. During the interview process, the owner-managing director has expressed both anger and sadness while talking about this outcome. The trembling voice during the interview indicates the sad emotions that the owner experienced while a number of quotes such as *"Its all good", "That's ok"* and *"It had to happen"*, indicate sadness and comforting words probably to hide his sad emotions during the interview process.

6.5.4 Factors Affecting Strategic Decision-Making Process during Recession

The majority of the strategic decisions implemented by Company 4 have been affected by the turbulence in the retail market and by specific events taken place such as the haircut on banks' savings.

As the owner-managing director stressed:

> *"After the haircut, suppliers wanted payment in cash straight away and we couldn't proceed like that. We used to be paying the suppliers after a period of 3 months where we had the opportunity to have return on sales. If the event of the haircut wouldn't have happened I would have still continued operating in the industry".*

(Company 4: Owner-managing director)

However, the decrease in the company's turnover and profits in 2011 prompted the ownership of the company to adopt a series of measures in order to cope with the recession. It seems though that the environmental turbulence is associated not only with the event of the haircut on banks' savings in 2013 but also by the falling customer demand which started appearing in 2011.

In addition, the response time of the ownership to the recession is characterised as quick since measures were taken immediately after the sharp decline in the company's performance indicators in 2011. The quick response by the ownership is based on the centralised decision-making process which has assisted the owner-managing director in taking immediate actions to cope with the recession.

As the owner-managing director presented:

> *"We took the decisions exactly after we saw the sharp decline in our performance. I understood that it wasn't going to pass quickly and that's why we responded immediately".*

(Company 4: Owner-managing director)

Hence, it appears that the more centralised the decision-making, the more quickly the response is. This is evident by the comparison with the previous case studies where a more populated ownership structure leads to lower response time whereas more centralised decision-making leads to a higher response time. The turbulence in the business environment caused by the recession has prompted the ownership of the company to engage in a series of retrenchment activities in an attempt to stabilise the company's performance. Changes in the workforce and in the operation of the stores took place in order to reduce the costs of the company.

As the owner-managing director indicated:

> *"We had the sharp decrease in the company's performance and that's why we said that we had to make some changes to keep the performance stable and to survive. That's why we took decisions like reducing the staff and taking over some shifts, trying to reduce electricity bills, the rent of the premises and also for the company to have only one owner".*

(Company 4: Owner-managing director)

Nonetheless, another factor that has affected the strategic decision-making process in Company 4 is the degree of competition. The competition is considered by the owner-managing director of Company 4 as intense as a result of the aggressive moves of larger companies in the industry. The intense competition caused by international companies is considered to be unavoidable as well as an opportunity for international retailers to vanquish the smaller. As a result, the high competition has affected certain decisions taken by the ownership of the company. Specifically, the company has adopted three main strategies in order to deal with the high competition in the area. Firstly, the attempt to improve customer service by offering free tailoring and home delivery and services. Secondly, the introduction of sales every month which did not only offer better liquidity in the company but was also a measure to deal with the high competition. Finally, diversification strategy through the introduction of new products such as accessories, footwear and suits for men was also a response to the intense competition. Head to head competition is an undesirable choice for small retailers and as a result, other measures have taken place in order to respond to the intense competition.

As the owner-managing director presented:

> *"I know that we can't compete head to head with big companies but I tried to do things that they couldn't in order to compete, such as the home delivery services. I tried to improve the customer service by offering free tailoring and the service to customers right into their homes and jobs. This cannot be done by big companies and that is the reason I did this."*

(Company 4: Owner-managing director)

The personalised service is considered to be a unique selling point of Company 4 which helped the company not only to attract new customers but also to offer more personalised products that large retailers couldn't offer. However, this particular decision helped the company to keep their loyal customers and keep the turnover stable but the severe effects of the recession could not keep the company running. Furthermore, a factor that has affected the decision-making process is the advanced technology used by larger retailers which is also associated with the high competition. E-commerce appears to be a strategy used by large retailers in order to compete in the market within a digital world. However, smaller retailers appear not to use the internet as a way of selling their products and this makes them vulnerable to larger retailers.

As the owner-managing director explained:

> *"Companies like ASOS or Ebay are the leaders in the industry and we can't compete with them. It would not work if we had an e-shop in Cyprus. People are buying from these companies because they have the fame and the publicity. So yes, a lot of our decisions were affected precisely because of these e-shops. That's the reason I started offering my services and products direct to households".*
>
> *(Company 4: Owner-managing director)*

This serves to reinforce the notion that Company 4 considers e-retailing as the main factor for the intense competition from international retailers. Moreover, the competition relates not only to the local large retailers operating in Cyprus but also to international e-retailers. It has been implied that the international companies engaged in e-retailing makes the competition higher; making the survivability of smaller retailers more difficult as a result of the fewer resources they have available.

Nonetheless, an additional external factor that was identified to be crucial to the decision-making process is the role of professional business consultants[8]. During the latest recession, a number of professional business consultants appeared offering seminars and consultation to business owners who were having difficulties surviving the economic crisis. As a result,

[8] In this case, the term refers to business consultants specialised in SMEs survivability during recessionary periods. These individuals were employed by governmental bodies to give recommendations and suggestions through seminars to entrepreneurs regarding survivability.

owners-managers of small businesses tend to follow the advice suggested by professional business consultants either because of the absence of knowledge surrounding the economic crisis or as a result of the sharp decrease in their company's turnover and/or profits. Hence, strategic decisions taken by the owner-managing director have also been affected by the advice offered by professional business consultants.

As the owner-managing director mentioned:

> *"I attended a number of seminars regarding small businesses survivability. There were a number of business consultants and they gave us some feedback about the recession. One of the things was to reduce the costs of the company. They told me that this was the best strategy. I knew what I had to do but I needed a second opinion from experts".*

(Company 4: Owner-managing director)

Similarly, any support provided by professional business consultants has not only affected the decision of the company to engage in retrenchment activities but also to engage in diversification through the introduction of new products, particularly suits. Despite the fact that the sole proprietor of the company previously indicated that this particular strategy was adopted in order to attract new customers and to increase the liquidity of the company, the specific strategy was part of the advice offered by the professional business consultants.

Furthermore, another factor affecting the decision-making process is the family members. Company 4 is solely managed by the research participant without the interfering of any other family members. In spite of the non-family participation in the decision-making process, certain members of the family have affected the strategic decisions taken by the ownership of the company.

As the owner-managing director explained:

> *"My wife is an accountant. She basically helped me to not take any more risks. She told me that I had to cut some of the company's expenses in order to survive and she also told me to not invest anything".*
>
> *(Company 4: Owner-managing director)*

6.5.5 Summary

The profile of Company 4 has slightly changed as a result of the effects of the economic recession. Despite the business model, the location of the stores and the market position of the company remaining the same during the economic recession, other key characteristics of the company have changed such as the advertising channels, the range of products and the ownership structure. Company 4 does not present any element of a formal management structure within the company and as a result, the main strategic actor of the company is the research participant who is the sole owner-managing director. The lack of a management structure and the sole proprietorship of the company is strongly associated with the strategic response time. More specifically, the low formality of the company entails a low response time to the changing environment. This is something that differs from the other case studies and it is one of the reasons for failing to survive the recession. However, the strategic changes that Company 4 was engaged in order to cope with the economic recession were mainly retrenchment activities in the advertising budget and the workforce while elements of revenue generation strategies were also presented, such as the introduction of mid-season sales. These particular strategies appear to have been selected by the owner-manager in an attempt to reduce the costs of the company. This was also a result of the feedback received from third parties such as professional business consultants and other family members. On the other hand, revenue generation strategies were selected by the owner-manager in an attempt to cope with the unavailability of funding as well as to inject funds in the company. Again, a more in-depth inventory control was introduced and diversification strategy was implemented through the introduction of new products. However, the shutdown of the entire company is considered as the final strategy that the company adopted in on order to cope with the latest recession since the company was not considered as viable. This shows that the owner-manager was not affected directly by the haircut on banks' savings but instead, was affected by the low customer demand caused by the economic crisis and the particular event. Moreover, the unavailability of funding and the changes in the supply chain have also affected the sole proprietor which has led them to adopt these set of strategies and operational and tactical actions.

In terms of the factors affecting the strategic decision-making process in Company 4, the turbulence in the business environment, particularly the event on the haircut on banks' savings is considered the most important external factor affecting the process. In addition, the high competition from local and international retailers including e-retailers was expressed to be a factor affecting the strategic decision-making process. Finally, professional business consultants and the expertise of members of the family have affected certain decisions taken by the ownership of the company during the latest recession as presented by the findings.

6.6 Case Study 5

6.6.1 Profile of the Company

Company 5 is a small-medium business to consumer (B2C) family-owned firm that has operated in the retail of clothing for 31 years. The company was operating in the manufacture of clothing from 1989 until 1991 and it has been vertically integrated by shifting into retailing since then. The ownership of the company is separated into three family related owners which have different responsibilities. The senior owner is the mother and she is the person responsible for the start-up of the company and her responsibilities lie with the smooth operation of the manufacturing department. The factory of the company, located in an industrial area of Nicosia, is managed by the senior member of the ownership structure while the two siblings are responsible for the retail department of the company. The two younger owners are also shareholders and they are responsible for the retail stores of the company. The oldest sibling who is the research participant is the main strategic actor of the company while the second young owner is responsible for the fashion design and the supply chain. All the members of the family are involved in the strategic decision-making process of the company as well as the accounts office manager. Despite the fact that the ownership of the company is involved in the daily operations of the firm there is no evidence of the existence of a formal management structure within the company or any individual appointed as a general manager. Moreover, the decision-making of the company is separated based on the responsibilities, knowledge and experience of each strategic actor. Again, there is a more centralised strategic decision-making process in which the research participant is involved in all the activities and decisions of the company while the senior owner is involved in decisions regarding the manufacturing department and the youngest shareholder has less power in the process.

Nonetheless, the company employs 25 full time members of staff including the owner-managers and it operates in the middle-end of the retail market, targeting consumers between 27 to 55 years old. Moreover, the element of avoiding the lower end of the market is presented, which they classified as non-profitable. Company 5 offers products specifically for women. Clothes, accessories and bags for women are the main products of the company which seeks to serve only the female population of the Cypriot market.

In addition, the company has four retail stores in Nicosia, Limassol and Larnaca district and a factory in an industrial area of Nicosia. All of the stores are located on the high streets of each city, having a privileged retail location. In terms of the budget offered for advertising, it was high up until 2009 in which they were trying to attract consumers via magazines, radio, posters in bus stops, television advertisements and social media such as Facebook.

Nonetheless, the company's performance was having an increased and outstanding growth up until 2009 when it received the first hit from the economic crisis. During 2003-2004 the company experienced a massive growth of 120% in terms of turnover. Based on the number of profits that Company 5 provided, 2003 was the year that the company had net profits of 13000 Cyprus Pounds[9] and in 2004 the profits of the company rose to 870 00 Cyprus Pounds. Moreover, the performance of the company increased even further between 2004-2008 as a result of the blooming business environment and the increasing customer demand. Moreover, the company has not experienced a sharp decrease but instead, it managed to increase the company's turnover in August until December of 2013. Company 5 experienced a decrease in turnover and profits from March until July of 2013 while from August until December of 2013 they experienced an increase in turnover of 40% compared to 2012. Finally, since 2014 the company has managed to achieve stability in its performance and they are forecasting an increase of 20% in profits by the end of 2016.

6.6.2Business Environment and Strategy during the Pre-recession Period

The ownership of Company 5 targets a specific group of consumers from the middle-end, specifically consumers with at a least a middle-average income, particularly consumers working for the public sector. It is said that people working in the Cypriot public sector are offered a satisfying income per month and the difference between the public and private

[9] The Cyprus pound was one of the strongest currencies in Europe. It was abandoned on 1st of January 2008 when Cyprus adopted euro currency. The exchange rate at that time was CYP 0.585 per EUR 1.

sector is well observed in terms of income. Therefore, people working for the public sector enjoy the greatest benefits and they are more likely to be able to spend more instead of people working in the private sector.

As the owner-managing director presented:

> *"These are people who work in the Electricity Authority, in the public sector, teachers, bankers and the public telecommunications Company of Cyprus. These people have a very good income and they are always obligated to be dressed well every day. These are the kind of people we were targeting".*

(Company 5: Owner-managing director)

Nonetheless, Company 5 indicated that the booming environment was offering great benefits for companies while the increased customer demand was contributing to the rising profits and turnovers of companies.

6.6.3 Strategic Changes to Cope with the Recession

Company 5 started experiencing the effects of the recession from 2009 and as a result, changes in the strategic direction of the company occurred.

As the owner-managing director indicated:

> *"We saw the first hit on our performance in 2009. It wasn't much, 10% decreasing, but we decided to wait another year to see if it was something that would have been passed quickly. At the end of 2010 we saw a further overall decrease of 10% and we said that we had to do something. So we sat down and we decided a series of changes to be made in order to stop this. It took us a few months to decide what we should do and so we started making these changes by the end of 2011".*

(Company 5: Owner-managing director)

In terms of the strategic decisions taken by Company 5, retrenchment activities have taken place while changes also took place in the supply chain of the company in an attempt to reduce costs. Company 5 focused on reducing costs in the operational department such as the electricity bills and the reduction of the rent paid for the premises without engaging in any changes in the workforce.

As the owner-managing director explained:

> *"Many companies forced staff to sign new contracts and they were taking away the staffs' rights of a 13^{th} salary or to even resign from their jobs. This is blackmailing. Our staff work harder now because they know that we supported them and we are still offering all the benefits including the 13^{th} salary. You have to motivate your staff to work harder instead of making them afraid that they will lose their jobs".*
>
> *(Company 5: Owner-managing director)*

Furthermore, another measure taken by Company 5 was the attempt to reduce the rent of the premises. In addition, another strategic change was to change the supply chain of the company in an attempt to reduce costs of materials. The decision has been taken in order to seek cheaper products with the same quality.

As the owner-managing director presented:

> *"We were always happy with our suppliers. We had a good relationship but the point is that there is a recession going on and everybody has to make a step back and offer something better than before. We basically asked our suppliers to give us discounts and drop their prices down because of the crisis. Most of them accepted and we managed to keep the same quality products with lower prices. A few of them*

though didn't accept and we found other suppliers with similar quality of products but cheaper".

(Company 5: Owner-managing director)

The particular change mirrors the entrepreneurial culture of the owner-managing directors of Company 5 based on their long term relationship with the suppliers of the company. Moreover, the long-term relationship with their suppliers was preventing the decision makers of the company from seeking cheaper ones which shows the trustworthy relationship between the two parts without considering higher charges from the suppliers during the pre-recession period. However, this particular notion was reconsidered during the latest recession as a result of the effects of the crisis on the company and in the Cypriot retail market.

In addition, another strategic decision taken was the introduction of sales through the use of a small sales bazaar which takes place twice every year. Moreover, this was introduced in an attempt to increase revenue, to attract new customers but it was also a result of the shift of the middle level people to the lowest economic level.

As the owner-managing director explained:

"Others are putting sales in their stores; we have the bazaar which is a place specifically for sales. We wanted to offer our company's products to people that can't shop from us because of their low income. So we introduced the bazaar to attract the lower end of the market twice a year as well".

(Company 5: Owner-managing director)

Nonetheless, Company 5 has also engaged in downsizing the company's stores as part of the retrenchment activities undertaken. The particular decision of shutting down a store in 2015 was a result of the high operational expenses and low profits. This particular store was operating for 6 years in a large shopping mall in the heart of Limassol city, the second biggest city in Cyprus.

As the owner-managing director indicated:

> *"We opened that store in December of 2009 and we shut it down in January of 2015. We shut it down because the recession came, we started cutting costs and we weren't making enough profit. It wasn't logical to have a store with a rent of 5000 Euros per month and another 1500 Euros of management fees. So we didn't have space to make a satisfying profit with those high costs and that's why we shut it down".*
>
> *(Company 5: Owner-managing director)*

6.6.4 Factors Affecting Strategic Decision-Making Process during Recession

The first factor that has affected the decision-making process during the economic recession is the turbulence in the business environment and certain events occurred during the economic recession.

As the owner-managing director presented:

> *"The environment was perfect before the crisis. Everybody was buying anything they wanted without thinking about money. Everyone had jobs. They wanted a shirt of 80 Euros? They would get it. It's that simple. Now everything changed. People are thinking 10 times to buy something that costs more than 20 Euros".*
>
> *(Company 5: Owner-managing director)*

The frustration of the owner-managing director expressed during the interview was well presented regarding the previous situation in the business environment. Moreover, the owner-managing director appeared to be nostalgic about the blooming environment prior to the recession but also frustrated about the consumers' 'mania'.

However, the ownership of Company 5 focused on two particular events that took place and shook the Cypriot economy. Firstly, the haircut on banks' savings is considered as a major hit in the economy of Cyprus. The second event that has shaken the economy is the event of the introduction of Euro currency in Cyprus[10] in 2008. It appears that the ownership of the company also considers the change of currency as a cause of the deep economic recession.

As the owner-managing director explained:

> *"I was saying that the economy will change from the moment we will turn to Euros. I was selling a bag for 59 Cyprus pounds and I had to sell it for 59 Euros? Everybody was saying no because salaries will go up as well and we will sell it for more. It was a very confusing period for the consumers and I think that the change from Cyprus pounds to Euros is one of the reasons that the recession hit Cyprus and the retail market".*

(Company 5: Owner-managing director)

Evidently, the transition from Cypriot Pounds to Euro currency created confusion between the consumers and entrepreneurs. This was mainly based on the price arrangements in which consumers would expect prices to remain at the same levels whereas entrepreneurs would increase prices based on the exchange rate. Evidence of this confusion was also presented by members of the Cypriot government before the transition to Euro currency took place. First to present this issue was the Central Bank of Cyprus through its assistant manager, Mr George

[10] Cyprus became part of the European Union in 1st May 2004 but adopted the Euro currency in 1st January of 2008.

Kyriakou[11] who demonstrated in his report in 2006 that the transition to Euro currency may cause an element of confusion which may lead to unjustified price increases as happened in other European countries that adopted the currency, such as Greece.

However, another factor which is associated with the environmental turbulence and the falling customer demand is the higher competition in the retail market. The higher competition indicated by the ownership of the company is based at a local level and specific strategic decisions taken by the company have been affected by this particular factor.

As the owner-managing director presented:

> *"Other companies started aggressively making moves in the market. That was the reason we introduced the bazaar twice a year. Others are offering mid-season sales whenever they want. It is like a big chaos in the market. We tried to hit back by this measure except that this has also offered us the opportunity to attract new customers and to increase the liquidity of the company at the same time".*
>
> *(Company 5: Owner-managing director)*

Furthermore, it was also identified that the economic level of people changed, where middle class people shifted to the lower class while middle class people who remained in the middle class still consider competition as an advantage to buy as cheap a product as possible. Hence, the change in the economic level of people has made the competition even higher.

Again, education, experience, personality and risk propensity are some of the characteristics of the strategic actors that they have affected the decisions taken. In spite of the education

[11] George A.Kyriakou was an assistant manager of the Economic Research Department in the Central Bank of Cyprus and member of the Euro team dealing with European entry matters. The report was presented at the PRIO Cyprus Centre 2nd Annual Conference on "Economic Perspectives in Cyprus: The Path Towards Reunification".

and experience of each owner-managing director in their own department, there is a link between the departments that presents signs of a more centralised decision-making. That said, the research participant considers the retail department as the most important in this area and the decisions are taken mostly by her.

As the owner-managing director mentioned:

> *"Yes they [other owners] have the experience and education for their departments but the retail department is the most important. That's why my personality affects 95% of all the decisions taken. I have a dynamic personality and I take initiatives. I am not selfish but because I work on the sales floor I know what's happening better in the company and that's why my opinion counts the most".*

(Company 5: Owner-managing director)

Nonetheless, another factor that has affected certain strategic decisions taken by Company 5 is the external auditor. Certain strategic decisions taken by Company 5 have been affected by an external auditor who has being acting as an external auditor for the company for 32 years. Hence, there is a strong relationship between the auditor and the ownership of the company as well as an element of trustworthiness.

As the owner-managing director presented:

> *"He [external auditor] has been doing this for 32 years and we trust him like a partner. He knows what is going on in the market and he was able to give us some consultation during the recession. That was one of the reasons that we tried to cut costs such as the rent, the electricity bills and the store that we shut down. He helped us a lot".*

(Company 5: Owner-managing director)

6.6.5 Summary

Findings from Company 5 did not reflect many differences in terms of the key characteristics and profile of the firm. Specifically, the ownership structure and the business model of the company remained the same during the recession despite the fact that the company does not present any elements of a formal management structure. Having said that, the absence of a formal management structure and the ownership divided into the three family members of the company classifies the firm as having a medium to high formality. This is associated with and impacted on the strategic response time of the owner-managers which again is of medium formality. Hence, it appears that the medium formality level leads to a medium response time by the owner-managers to the changing environment. This is presented in a quote by the owner-managing director of the company who indicates that: *"It took us a few months to decide what we should do and so we started making these changes by the end of 2011"*. Moreover, the products also remained the same without any alternations during the recession while the locations of the stores and the market position of the company presented some differences during the recession and after the recession compared with the pre-recession period. In addition, the company has been affected by the economic recession in the short term while it tried to cope with the crisis by presenting a number of changes. Similarly, owner-managers of the company were affected by the economic recession but also by the haircut on banks' savings. More specifically, the low customer demand caused by the haircut on banks' savings as well as the confusion caused by the entrance of Cyprus in the Euro currency has affected entrepreneurs, having a negative impact. The owner-managers were also affected by the higher competition from other local retailers as a result of the generally low customer demand in the retail market. Hence, the ownership's reaction was to implement strategic changes that mostly refer to retrenchment activities, mainly in the advertising budget but not in the workforce of the company. Moreover, the market position of the company since the company was engaged in revenue generation strategies such as the introduction of a small bazaar in order to attract the low end of the market. Downsizing was also considered as a strategy implemented by the ownership of the firm by shutting down a particular store as a result of the high operational costs and the low income that the store was offering. However, the reasoning behind the strategic selections of the company show some differentiation. For instance, retrenchment activities have been implemented in order to keep the turnover of the firm stable while the introduction of the small bazaar targeted the low-end market in order to boost the profits. Similarly, downsizing was part of the retrenchment activities since the performance of the particular store was not satisfactory while the operational costs were high. This has led to the shutting down of the stores.

In terms of the factors affecting the strategic decision-making process of the company, factors identified relate to the turbulence in the business environment, particularly caused by two events, the haircut on banks' savings in Cyprus and the adoption of the Euro currency by Cyprus in 2008. As the findings revealed, the two events have triggered the turbulence in the business environment which directly affected the strategic decision-making process. Moreover, the intense competition caused by other local retailers has also affected certain strategic changes while the different characteristics of the owner-managing directors of the company such as expertise, experience and personality have also affected the process disproportionately. Finally, the role of an external auditor and the long relationship that the specific individual has with the ownership of the firm has also affected a number of strategic decisions taken during the latest recession.

6.7 Case Study 6

6.7.1 Profile of the Company

Company 6 is a small-medium firm that has operated in the retail market for 23 years. The company is a business to consumer (B2C) family-owned firm and it has 8 stores in the free area of Cyprus. Moreover, two of the company's stores are located on the high street of the capital city, Nicosia, three stores on the high street of Larnaca city, two stores on a high street in Paralimni town and one store in a village next to the capital city, Latsia. The company employs 24 full-time employees.

In terms of the ownership and management structure of the company, there are two shareholders who are married to each other. However, the main owner-managing director of the company is the research participant (the husband) who is also the founder. There is a centralised ownership of the company by the research participant while the second shareholder who is the owner's spouse has secretarial duties. Moreover, the decision-making process involves the two shareholders, the store managers and the general manager of the company who is responsible for the smooth operation of the overall enterprise. Despite the existence of a general manager the company does not have a proper management structure but only the ownership and the individual who is appointed as a general manager and who has restricted access to the strategic decision-making process.

Company 6 is mainly engaged in the retail of clothing and footwear for men and women and accessories. The second shareholder and spouse of the research participant is responsible for the womenswear department and the general manager of the company is responsible for the menswear department. However, the position of the second owner is well classified by the research participant as his 'right hand' indicating her importance to the decision-making process of the firm.

In terms of the advertising channels that the company uses, there is an extensive use of social media tools such as Facebook and a recently developed e-shop.

Company 6 was experiencing an internal growth via expansion up until 2009, which was the best year of the company. The first effects of the recession upon the company's performance appeared by the end of 2010 in which the company experienced a slight decrease in both turnover and net profits. Later on, the company managed to stabilise its performance indicators in 2011 despite some of the company's stores experiencing a slight decrease in sales.

However, the company experienced a sharp decrease as a result of the economic crisis in 2012 and the biggest downturn for the company was in March of 2013 when the haircut on bank's savings took place.

6.7.2Business Environment and Strategy during the Pre-recession Period

Company 6 has been operating as a small-medium business which was trying to differentiate in the retail market. In addition, the differentiation considered by the ownership of the company refers to the higher quality of products compared to other firms which had as a result attracted new customers from all the economic levels.

As the owner-managing director explained:

> *"We were trying to offer something different to customers through the quality of products. We were offering high quality products compared to our competitors along with middle classed prices. We weren't trying to attract rich people but consumers who could understand the difference in quality".*

(Company 6: Owner-managing director)

In addition, an extensive description of the blooming business environment was given by the owner-managing director. As a result, Company 6 appears to have changed their targets and strategies as a result of the effects of the economic recession. Company 6 was targeting growth through the use of a focus differentiation strategy in the retail market; however, the impact of the recession upon the company's performance in 2010 forced the ownership of the company to reconsider their targets.

6.7.3 Strategic Changes to Cope with the Recession

The strategic measures that Company 6 took relate to retrenchment activities, particularly in the workforce of the company. The company has managed to reduce costs by 30% from compulsory redundancies, reducing salaries and by reducing basic working hours. Company 6 implemented all the strategic changes in March of 2013. Furthermore, the rationale for the delayed formulation and implementation of strategic changes is that the ownership of the company was considering the economic crisis as a temporary event which it was going to pass through quickly. The event of the haircut on banks' savings is the main cause of the rapid engagement of the company in a series of strategic changes.

As the owner-managing director indicated:

> *"We understood that we were hit by the crisis but to be honest we thought that it was something temporary. You know, that it is something that it would pass in 1 or maximum 2 years. However, the haircut on banks' savings affected me and I was basically left with 100,000 in the company's bank account and we decided to take these measures immediately".*

(Company 6: Owner-managing director)

However, another retrenchment activity that the company was engaged in was the cutting of costs of certain personal expenses. Such personal expenses are considered as unnecessary during a period of difficulties economic conditions.

As the owner-managing director presented:

> *"We tried to reduce our costs from 65 000 Euros to 40 000 Euros per month. We tried to reduce our own staff. For example, we used to have personal cleaners who were visiting the stores and the offices here to clean, change towels in the toilets and other things. They were costing us a lot of money. So we said that each store's staff will do the cleaning".*
>
> *(Company 6: Owner-managing director)*

In addition, a similar retrenchment strategy was taken in terms of the rent paid to the owners of the premises. The owner-managing director of Company 6 also presented the positive results of reducing the rent for some of the company's stores. Despite the fact that reducing the rent of the premises is an activity taken as part of the company's retrenchment strategies, this particular strategy along with the reduction of the ownership's personal expenses present the attempt of the ownership to minimise costs which could have been avoided prior to the recession. However, the question remained unanswered by the ownership of the company that they were possibly ignoring the existence of such personal expenses as a result of the increased performance of the company. This reflects on the entrepreneurial culture of the ownership of Company 6 in which they considered the adoption of any changes unnecessary during the pre-recession period. The continuous growth and increasing turnover and net profits were preventing the ownership from engaging in any cost-cutting activities. Hence, the decrease of these performance indicators forced the ownership of the company to consider engaging in cutting personal expenses. The entrepreneurial culture of the owner-managing director is also reflected in the decision of switching to new, cheaper suppliers. Company 6 has changed a number of suppliers in an attempt to purchase lower cost materials but of the same quality. This particular measure taken by the company is entirely supported by the notion that retrenchment activities were adopted in order to stabilise the performance indicators.

As the owner-managing director presented:

> *"We changed our suppliers and we managed to find cheaper ones but still keep our quality of products the same. It was a successful move because we managed to make some space on prices in order to make more profits. We managed to increase our profits and it proved to be a wise move".*
>
> *(Company 6: Owner-managing director)*

The ownership of Company 6 presents the long-term relationship with the suppliers in which they considered any change unnecessary during the pre-recession period. Trustworthiness is considered to be an element of the entrepreneurial culture in spite of the higher costs that suppliers were charging. However, the effects of the latest recession on the company forced the ownership/management of Company 6 to seek cheaper suppliers without considering their long-lasting relationship with their current suppliers.

6.7.4 Factors Affecting Strategic Decision-Making Process during Recession

A factor that has affected the strategic decision-making process in Company 6 is the turbulence in the business environment caused by the latest economic recession. The ownership of Company 6 describes the business environment as 'good to operate in' during the pre-recession period but also supports the notion that the environmental turbulence caused by the latest recession has affected the majority of the strategic decisions taken by the company. Again, the particular event of the haircut on banks' savings was the main reason which forced the strategic actors of the company to take immediate measures in order to survive.

As the owner-managing director indicated:

> *"You have to understand that if the haircut on banks' savings didn't happen we wouldn't have made any changes. Ok, our turnover and profits were decreased but it was manageable. I had the money to deal with it. However, when they decided to make the haircut, they left me with 100,000 Euros to operate my company. So I had to do something to minimise the expenses of the company as much as possible in order to survive".*
>
> *(Company 6: Owner-managing director)*

Furthermore, the owner's emotions were observable and his frustration and sadness were well presented during the process. Therefore, data collected as well as the researcher's observations reveal that the owner-managing director was heavily affected emotionally by the haircut on banks' savings.

Similar to these findings, the falling customer demand is considered to be associated with the turbulence in the business environment caused predominately by the haircut on banks' savings. In addition, another factor presented by Company 6 is the competition. Although the ownership of Company 6 acknowledges the higher competition by several retail companies, the denial of engaging in competitive moves represents the characteristics of the main strategic actor of the company.

As the owner-managing director mentioned:

> *"Everybody is trying to compete with others and in the end, they are dropping their prices to the minimum and they don't even make any profit. This is stupid. The same goes for sales. We had sales twice a year before but now it's like chaos. Everybody can introduce sales whenever they want. That's why I didn't put sales because I think that it is wrong. I am the only one who doesn't have sales and thank god we are going really well".*
>
> *(Company 6: Owner-managing director)*

Hence, the ownership of Company 6 considers the engagement in mid-season sales as a wrong strategy. Company 6 did not consider engaging in any revenue generation strategy in order to deal with the high competition in the industry.

However, another factor that appears to affect the strategic decision-making process during the recent recession is the owners' characteristics such as personality and risk propensity. Again, the different risk propensity of the two strategic actors of Company 6 has affected certain strategic decisions.

As the owner-managing director indicated:

> *"My wife's power in the company is limited. Decisions are taken exclusively by me. However, she is my 'right hand' and I always listen to what she has to say. I can discuss with my wife things that I can't discuss with others. Therefore, she affected some of my decisions because she is not the kind of person who likes to take risks. I like to take risks though".*
>
> *(Company 6: Owner-managing director)*

Hence, the difference in the level of risk propensity between the two shareholders of the company has affected the strategic decision-making process during the latest recession in spite of the centralised decision-making process around the owner-managing director of the firm. However, the ownership structure of Company 6 is more centralised since it consists of two shareholders only. Again, the general manager of Company 6 has a restricted access to the decision-making of the company. Therefore, any differences in the experience, expertise or age of each shareholder are not applied in this case.

Nonetheless, a factor that appears to have affected all the strategic decisions taken by the ownership of Company 6 is the external professional business consultant or, as characterised by the owner-managing director of the company, an economist.

As the owner-managing director presented:

> *"I brought an economist into the company in order to tell me what to do. I followed all his advice and I believe that he guided me effectively. The only thing I didn't do is that he proposed that we had to cut costs by 40% but because there was a number of staff that were in need, I cut costs by 30% instead".*

(Company 6: Owner-managing director)

Despite other data collected indicating the effect of external auditors on the strategic decision-making of companies, the external business consultant has affected the majority of the strategic decisions taken by Company 6 during the recent recession.

6.7.5 Summary

Findings from Company 6 reveal that the profile of the company did not change as a result of the effects of the economic recession. Despite there not being any indications regarding the existence of a formal management structure in the company, the ownership structure, the range of products, the locations of the stores, the business model and the market position of the company remained the same during and after the economic crisis. Having said that, the lack of a formal management structure relates to the low formality of the company. This has an impact on the response time of the business towards the changing environment. Hence, the low formality of the firm appears to provoke a quick response by the ownership, so it seems the decision-making is more central. This was based on the impact that the economic recession had on the sole proprietor of the company. The owner-managing director was affected severely by the low customer demand caused by the crisis but also by the haircut on banks' savings. However, the latter event had a direct impact on the owner-managing director of the firm which it has led to reduced funds. Hence, the injection of funds in the cash flow of the company was affected. Hence, the ownership of the firm has engaged in a number of strategic changes in order to cope with these difficulties. Such changes refer to the engagement of the ownership in retrenchment activities particularly in the workforce and the operations of the stores. Moreover, changes in the supply chain of the company were also implemented as opposed by the ownership of the company. Based on the data collected from the company, the particular set of strategies were selected based on several reasons. More specifically, the recruitment of a professional business consultant was a result of the lack of knowledge of the owner-managers to respond to severe environmental threats. Hence, the shock that the haircut on banks' savings caused to the ownership of the firm has led to this particular decision. Similarly, all the strategic and operational changes were selected based on the recommendations of the professional consultant and they were targeting to cope with the low customer demand, to increase funds and to keep the turnover of the firm stable.

However, these particular strategies are the outcomes of the strategic decision-making process which took place within the company. Furthermore, several factors were identified as affecting the particular process during the recession such as the turbulence in the business environment caused by the recent crisis. In addition, events such as the haircut on banks' savings have personally affected the ownership of the company and they have affected directly the strategic decisions taken. In addition, the existence of a professional business consultant in the company appears to have affected the majority of the strategic decisions taken during the economic recession while certain characteristics of the owner-managing directors such as risk propensity have also affected the strategic decision-making process.

6.8 Chapter Summary

This chapter has analysed the data collected from the six case studies involved in this research. The findings are separated into themes and subthemes and several quotes are presented as per the requirements of a phenomenological research. Moreover, the analysis of the data showed that Cypriot entrepreneurs were affected mainly by the low customer demand caused by the economic recession and particularly by the haircut on banks' savings. The particular event had a direct impact on the financial status of two of the owner-managing directors while its impact on the retail market has affected the rest. Also, Cypriot fashion retail SMEs do indeed modify their strategies to cope with the recession and they adapt to the new economic situation. Moreover, strategic changes appear to be selected for different reasons while certain similarities exist amongst the reasoning of the selected strategic implementations. For instance, the low customer demand caused by the economic crisis and the haircut on banks' savings appear to be the main reasons that lead to a particular set of changes. However, other factors are also behind the selection of strategic changes such as the introduction of the Euro currency, professional business consultants and other family members.

However, owner-managers are influenced by certain factors during the economic recession. Such factors include the ownership structure and characteristics, access to funding, political decisions such as the haircut on banks' savings and the degree of competition. One of the important findings derived from the analysis of the data is the correlation between the response times of companies with the formality.

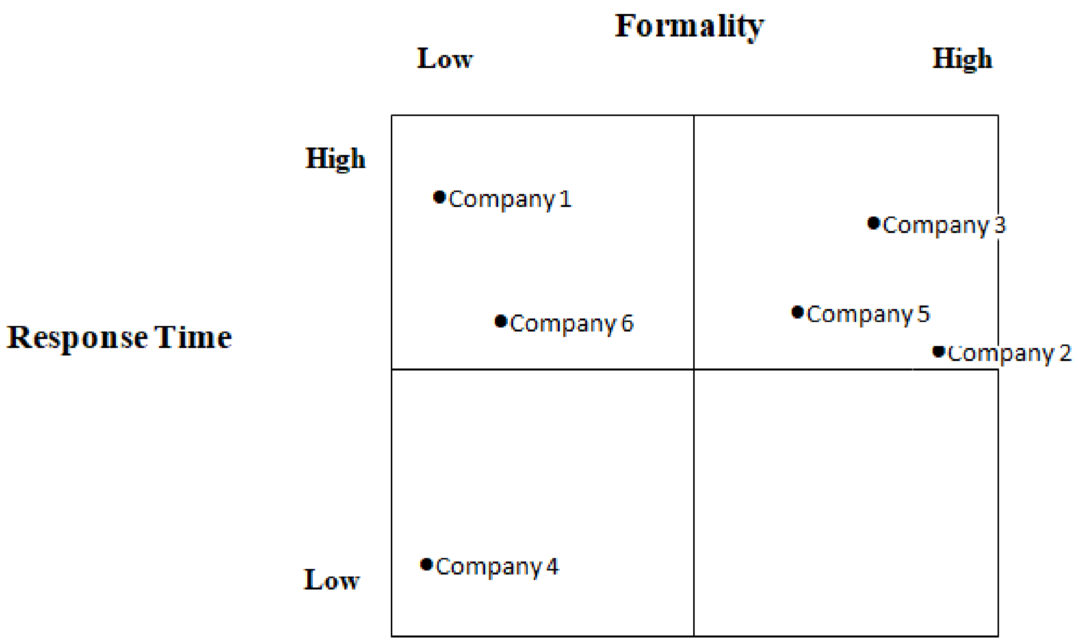

Figure 6. 4 Response versus formality, Developed by the researcher

As the figure above shows, Companies 3, 5 and 2 have a formal ownership structure and they have responded relatively quick while companies 1 and 6 have a low formality and they have also responded quickly. Company 4 has a low formality and it has responded relatively late which resulted in the company shutting down after a period of seven months. Hence, it appears that the companies' response time to the changing environment is correlated with the formality of each firm. The correlation and evaluation of the particular findings along with other findings derived from the analysis of the data is shown on the next chapter.

The following chapter presents the evaluation of the data collected from the interviews and it compares the findings with the literature review. This leads to the formation of a model of strategic decision-making process in small economies and to the presentation of key contributions of the particular research.

CHAPTER 7: EVALUATION OF FINDINGS

7.1 Introduction

The purpose of Chapter 7 is to evaluate the findings of the research presented in Chapter 6 and contrast them with the findings of the literature review presented in Chapters 2, 3 and 4. The current chapter bears in mind the aim and objectives of the research set in Chapter 1 and it focuses on the three dimensions set at the beginning. More specifically, the chapter starts with a discussion regarding the external factors followed by the internal factors affecting the strategic decision-making process in Cypriot fashion retail SMEs during the latest recession. The next section of the chapter discusses the strategic responses of Cypriot fashion retail SMEs and the strategic owner-managers' perspectives during recessionary periods. Lastly, a section is presented which explains how the aim and objectives of the research are met while a framework derived from the findings of this research is also developed.

7.2 Business Environment

Focusing mainly on the business environment, small Cypriot fashion retail companies have experienced the impact of the recession upon the retail market. More specifically, they acknowledge that the recession had an impact on the overall retail market and this has led to higher competition. Findings from this research show that all participants considered the competition as more intense compared to the pre-recession period mainly as a result of the severe revenue generation strategies that existing rivals introduced. Similarly, the more severe competitive environment is a result of the access to finance that competitors have but also to the degree of flexibility of each company. The hostility in the retail market is perceived by owner-managers to be a result of the haircut on savings in 2013 but also of the introduction of the Euro currency on 1st of January 2008. For example, the ownership of company 5 claims that the introduction of the Euro has led to a series of events in the Cypriot economy and that this was anticipated prior to the economic recession. Cypriot fashion retail SMEs were experiencing a high volume of sales and profits up until 2008. More specifically, Company 5 has indicated that the majority of retail companies had no indication whether they should keep the same prices on products or increase the prices but consumers were confused on the new Euro prices presented as well. Thisis supported by Anttila (2004) who also states that there was confusion in the consumers' perceptions on prices. These findings are particularly significant since they offer a new whole area of research investigation in the context of economic recession. It is necessary that these findings be tested in other countries that have also been affected by the economic recession and which were also introduced into the Euro currency at the same time, such as Malta or even Slovakia (in 2009).

A great emphasis has been given to the political decision on haircutting banks' savings in Cyprus which has led to a series of consequences in fashion retail SMEs. Findings from this thesis show that Cypriot fashion retail SMEs lacked the possibility of securing funds in order to either expand or invest as a result of this particular event. This has only been demonstrated after the haircut on banks' savings took place in March of 2013. More specifically, two of the companies that have dealt with the unavailability of funds during the recession are Company 1 and 6. In particular, during the pre-recession period companies had complete access to funding which offered possibilities of applying investment strategies. However, companies such as Companies 1 and 6 have adopted a series of defensive strategies as a result of the unavailability of finance which was caused by the haircut on banks' savings. Hence, findings show that Cypriot fashion retail SMEs rely on credit availability in order to cope with the recession. This is in line with the findings of Sahin et al (2011) who also suggest that SMEs mostly rely on credit obtained by banks. Similar findings were presented by Price et al (2013) who show that SMEs dealt with the same challenge in which they have been denied funding from banks during the latest economic recession since they were considered as high investment risk sector and this had an impact on small businesses survivability. The difference that the data presents in this research compared to previous studies is that Cypriot fashion retail SMEs dealt with the unavailability of funding after the haircut on banks' savings took place. Thus, it appears that the particular event which was a European political decision, was the main reason that caused the unavailability of finance

On the other hand, other companies, such as Company 4 that experienced liquidity issues as a result of the unavailability of finance, have adopted a more defensive approach. Company 4 has dealt with severe liquidity problems and although they attempted to boost the company's finance through revenue generation strategies they chose to shut down the entire company. This finding has not been presented by any other studies in the past and it is a strategy that has been adopted to avoid further losses during the latest economic recession. Again, liquidity problems have been the main challenge that Cypriot SMEs dealt with during the latest economic crisis and as a result, the majority of companies managed to flexibly adapt into the new hostile business environment or to take more drastic measures such as shutting down their companies.

Hence, the label of an unsuccessful set of strategies cannot be applied predominately by their strategic actions. In contrast, the haircut on banks' savings and the falling customer demand has forced a number of companies to take more drastic measures than others. Despite the fact that such events had an impact on all the companies either by haircutting companies' savings (Companies 1 and 6) or by experiencing a falling customer demand, none of these companies remained strategically idled. For instance, Companies 3 and 5 have experienced the effects of the recession at a lower level compared to other case studies but they have also engaged in a series of strategic measures in order to maintain their profitability and competitiveness in the market. This was presented by Company 5 who engaged in revenue generation strategies while both companies sought cheaper suppliers. However, findings suggest that in spite of all case studies being strategically adaptive during the recession, companies that were more successful such as Companies 3 and 5 have engaged in less strategic changes than companies suffering at a greater level. Hence, companies that had minimal impact from the latest recession do not remain idled but instead, they adapt and find strategies that can give them a competitive advantage. This is shown in Table 7.1 which presents the effects of recession upon companies and the strategic response level of each company.

	Level of Affection	**Strategic Responses (Ranking)**
Company 4	High	11 Strategic Responses
Company 1	High	7 Strategic Responses
Company 6	High	6 Strategic Responses
Company 2	Medium High	6 Strategic Responses
Company5	Medium	3 Strategic Responses
Company 3	Low	2 Strategic Responses

Table 7. 1 Level of Affection by the recession and strategic responses of case studies, developed by the researcher

In addition, the strategic engagement of companies that had a minimum impact from the recession presents the perception that owner-managers of such companies perceive recession as an opportunity to adopt strategies that they couldn't adopt prior to the recession. For instance, the negotiation with suppliers for lower prices took place during the recession despite company 3 not being affected by the recession. Hence, owner-managers viewed the recession as a possibility to seek lower prices using the economic crisis as a form of opportunity. However, the findings of this thesis show that small companies engage in strategic planning in order to compete in their market which agrees with Analoui and Karami

(2003), Sharma et al (2011) and Sharma (2011) who also suggest that SMEs do strategise during the pre-recession period but also during the latest recession.

Findings also suggest that the Cypriot fashion retail market is a competitive market particularly between small- and medium-sized fashion retailers. As has been mentioned by the research participants, Cypriot fashion retailers do not seek to compete with large ones but instead they try to compete with other small- and medium-sized fashion retailers. This finding agrees with previous studies such as Buzzell and Wiersema (1981) and Cooper et al (1986) who suggest that small businesses should avoid head to head competition with large companies and they should seek niche markets. Again, findings from this thesis suggest that Cypriot fashion retail SMEs tend to compete between themselves mainly based on a focused differentiation strategy. For example, Company 5 provides womenswear, accessories and bags while company 2 provides footwear only. Hence, this is in line with the findings presented by Analoui and Karami (2003) who suggest that SMEs should adopt a focused differentiation strategy to compete in their market.

7.3 Organisational and Ownership Structure

The ownership and organisation structure of Cypriot fashion retail SMEs show several differences compared with other European entrepreneurs. Findings from this thesis present that the ownership and management structure consist of the owners while managers are considered as employees of firms without important responsibilities. Moreover, findings show that a number of founder owner-managers of the case studies have complete authority and power within businesses such as in companies 1, 5 and 6 of the research sample. This contradicts the findings of Stavrou et al (2005) who found that the majority of Cypriot family firms are classified as participative businesses. More specifically, the authors presented that Cypriot family firms are of a participative nature meaning that they give authority to members of staff, prompting them to participate in the decision-making process (Stavrou et al, 2005, p199). On the other hand, the findings of this thesis suggest that the majority of Cypriot fashion retail SMEs are based on a paternalistic business culture where the owner/founder has the complete authority to make decisions. Equally, the spouses of the founders or their children are considered as owner-managers who also take part in the decision-making process; however, they don't have the authority to take sole decisions within organisations. The notion that the founders involve their spouses and children in the decision-making process and do not involve any non-familial managers indicates that this could be a case of taking into consideration the effect of trust between family members rather than appointing a chief executive or chief financial officers who are not family members. For instance, all the founder-owners of companies 1, 4 and 6 are considered as the main decision-makers while in companies 2, 3 and 5 there is a more complex ownership structure either with the participation of siblings, spouses or founder-parents. This was particularly evident in company 2 in which succession had already taken place but the founder-parents were actively involved in the decision-making process. Moreover, the findings of this thesis suggest that despite the founders having transferred the control of the company on to the younger owner-managers of the family, the founder-parents have veto rights in the decision-making process. This is in line with the findings of Stavrou et al (2005, p198) who also found that when succession takes place, founder-parents are actively involved in the business after succession.

However, findings also support the work of Stavrou et al (2005) who present that Cypriot family firms are collaborative in nature, meaning that family members share information and they reach decisions together. Company 3 is considered to be collaborative where all owner-managers share information and reach decisions together. Hence, the thesis suggests that Cypriot SMEs where founders-parents are still involved in the decision-making process perform better compared with companies with sole ownership. Again, collaborative companies appear to cope with recession much better compared to patriarchal families where a sole owner takes the decisions (See Figure 7.1).

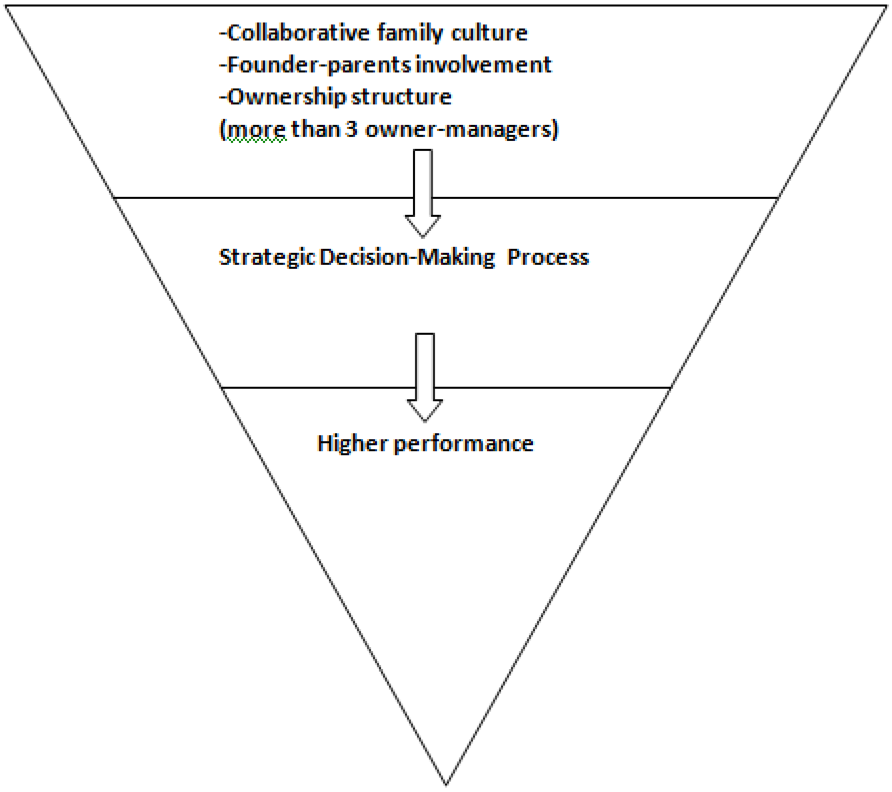

Figure 7. 1 Ownership structure leading to better performance, developed by the researcher

Data presented in Chapter 6 shows that the organisational structures of the case studies have different characteristics. Firstly, certain case studies of this research are mostly separated into departments which are run by other family members. For instance, Company 3 is separated into three departments where each department is managed by a family member. Thus, the entire firm is operated by family members without any opportunity to involve anyone external to the family in the daily operation of the firm. This shows that family owner-managers desire to have a definite control of the entire business rather than giving authority to individuals who are not part of the family structure. The engagement of all the family members in the management structure emphasises some aspects of the Cypriot entrepreneurial culture in which Cypriot owners desire the direct involvement of family members. This is partly in line with the findings of Poutziouris (2003) who highlights that small firms are mostly family-owned. Furthermore, it is evident that small Cypriot enterprises avoid any engagement with professional managers such as CEO, CFO or non-executive directors (NED) since they perceive that the employment of these individuals can affect their powers and authority within the business. This is in line with the findings of Cromie et al (1995) who also found that family firms are less likely to employ NEDs. Again, the findings of this thesis agree with the findings of Poutziouris (2003) and Birley et al (1999) who mention that small business owners desire autonomy and don't wish for the separation of ownership and management at any point. Again, White and White (2012) present that the growth and expansion aspirations of small business owners may lead to surrendering the decision-making process to a non-family senior management team. Evidence from this thesis suggests that owner-managers consider the engagement of external CEO or CFO as a threat. They believe that they will not have access to all the aspects of their businesses and they fear losing control of their firms.

Another finding that has been presented from the analysis of the data is the correlation between the response time of firms during the recession and their formality. The matrix (see Figure 6.4) derived from the analysis of the data shows that companies are located in three different quadrants either having low formality and high response time or higher formality and high response time. More specifically, the matrix suggests that companies with higher formality need more time to formulate and implement strategic responses compared to companies with a single decision-maker. For example, Company 2 has four owner-managers and a general manager, and as a result they responded slower compared to Company 3 which is managed by three owners. This is also evident in the case of Company 5 which is also located in the "high formality-high response time" quadrant. On the other hand, Company 1 is owner-managed by a single decision-maker and it has responded almost immediately to the recession. Similarly, Company 6 is owner-managed by a sole decision-maker; however, the employment of a professional business consultant had as a result the response period being lower compared to Company 1. Finally, Company 4 is the only company located in the third quadrant which relates to the "low formality-low response time". Company 4 has been owner-managed by two decision-makers up until the start of the recession. Thereafter, the decision of cutting costs has led to the takeover of the company by one of the decision-makers. As a result, the company needed more time to strategically respond to the recession which led to the decision of shutting down the entire organisation. Hence, the findings suggest that companies with low formality tend to respond quicker compared to firms with higher formality.

The economic recession does not change the perception that small Cypriot business owners desire to have complete control over their business in spite of the severe effects of the recession on their companies. Thus, this raises the issue of autonomy and control over their business since findings show that Cypriot small entrepreneurs want to have independence, autonomy and control over their business. The autonomist nature of Cypriot small business owners supports previous findings such as Lumpkin and Dess (1996) who suggest that autonomy, along with a number of other dimensions, plays a crucial role in the strategic decision-making process of small firms. Similarly, Poutziouris (2003) states that small lifestyle control-oriented businesses are less enthusiastic for growth since a potential growth will lead to passing control over to a management team. This is also supported by the findings of this research where Cypriot small business owners desire to have control over their business.

Another finding of this thesis relates to the growth aspirations of small firms. Findings of this thesis show that Cypriot owner-managers constantly seek growth and they formulate strategies with a target to expand either locally or internationally. More specifically, all case studies involved in this research were family-controlled, with all the members of the family having different positions in the company and they persistently expressed their growth-oriented attitudes. On the contrary, previous studies suggest that non-growth-oriented firms are mostly family-controlled which desire autonomy (Holmes and Zimmer, 1994). Similarly, White and White (2012) suggest that small business owners are more willing to keep the current size of their business and they don't desire to grow. Hence, Mediterranean entrepreneurs present several differences compared to European business owners. For instance, Cypriot SMEs' owners tend to target expansion particularly at a national level since they perceive growth and expansion at an international level as risky which will potentially lead to losing control of their business. This correlates with the 5 stages growth model (see Figure 3.6) in Chapter 3 by Churchill and Lewis (1983) and later presented by Poutziouris et al (1998). Despite the fact that Poutziouris et al (1998) indicate that Cypriot manufacturing SMEs owners aspire to growth in order to move either from survival to success or to the take-off stage, findings from this thesis suggest that Cypriot fashion retail SME owners target continuity. Findings show that business owners were aspiring to growth up until the pre-recession period moving from the survival to the success or the take-off stage. However, the impact of the recession upon their companies led them to target continuity rather than to pursue growth, adopting in this way a more defensive approach. Thus, they aim to stabilise their main performance indicators such as turnover and net profits. This was revealed in all case studies except for Company 3 which was experiencing sustainable growth even during the economic crisis.

7.4 Ownership Characteristics

The findings of this research emphasise a number of characteristics of owner-managers that affect the strategic decision-making process such as experience, expertise and educational level. Findings suggest that the age of owner-managers as well as the hierarchy within the family affects the strategic decision-making process differently. For instance, Company 2 is a family-owned firm which is managed by five family shareholders. However, the two founders and senior shareholders are considered to be more experienced which is also linked with their age. The findings are in line with previous studies which have also emphasised several characteristics of the ownership and management which affect the strategic decision-making process (Papadakis et al, 1998; Papadakis and Barwise, 2002; Ghobadian and O'Regan, 2006). Previous studies such as Westhead et al (2001) indicate that founders of family firms seek to ensure independence in ownership and the transfer of their business to junior family members. This particular notion of succession in family firms was previously emphasised by several research studies which indicate that in spite of the retirement of the founder and the transfer of the business to his/her children, founders tend to still be involved in the decision-making process of the companies (Harvey and Evans, 1995; Stavrou et al, 2005). Thus, the results of this thesis suggest that in spite of founders passing control of the business to their children they still tend to be involved in the decision-making process.

Findings of this thesis also suggest that in spite of the retirement of the senior owner-managers and founders of company 2, junior owner-managers seek the founders' approval of any change either operational or strategic. More specifically, in the case of company 2 findings present that strategic decisions were taken by the successors of the firm after the final approval of the founders (parents). Hence, strategy is developed by the junior owner-managers of the firm while the implementation of strategies was dependent on the parents' approval. On the other hand, company 3 presents completely different results. The founders of the family business have retired and all the decisions were taken by the successors. Again, founders are not involved in the decision-making process. Results indicate that the involvement of founders in the decision-making process can be a result of the age and experience of the founders which leads to their systematic involvement in the strategic decision-making process during the post-succession period. This is in line with the study of Stavrou et al (2005) who also found that Cypriot family businesses are mostly described as hierarchical based firms where in 8% of companies, parents were taking decisions alone and in 28% of Cypriot family companies, parents were jointly taking decisions with the successors. Findings of this research partially agree with the findings of Stavrou et al (2005).

Another aspect is the degree to which companies have coped with the latest recession. Findings suggest that companies which have a number of different owner-managers showed a more successful implementation of strategies rather than companies which had a single owner-managing director. More specifically, Companies 1, 4 and 6 were owner-managed by a single owner who was the sole decision-maker. On the other hand, Companies 2, 3 and 5 were managed by all the family members with different backgrounds, educational level, experience and expertise. As a result, the former set of companies has experienced the recession more and they reacted with severe measures. In contrast, the latter companies have experienced the recession at a lower level leading to higher performance (see Figure 7.1).

Findings suggest that the lack of experience of the owner-managers regarding recession has led either to seek support from professional business consultants or to seek feedback from external auditors. More specifically, Companies 2, 3, 4 and 5 sought to be advised by external auditors who are perceived to have a more holistic image of the business environment. Therefore, the lack of owner-managers' experience and knowledge of recessionary strategic responses force them to seek support from professional advisers. Findings suggest that professionalisation and the use of professional business advisers leads to higher performance during an economic crisis. This finding is in line with previous studies such as Berry et al (2006) who also mention that external accountants are the main source of advice that owner-managers seek to acquire support from. On the other hand, companies 4 and 6 received suggestions from professional business consultants. This is in line with the findings of Thong and Yap (1995) who suggests that business consultants affect strategic planning and information systems in SMEs. Similarly, Robinson (1982) mentions that business advisers and consultants affect strategy formulation in SMEs whilst Berry and Sweeting (2006) also found that the majority of SMEs use advice offered from external consultants.

In the case of company 4, professional business consultants specialised in small and medium enterprises were employed by governmental bodies in order to assist business owners to survive mainly through giving recommendations. However, in the case of Company 6, the owner-manager has employed an independent professional business consultant, giving him full access to the company in order to apply a series of survival strategies. The receipt of recommendation either from external auditors or by professional bodies present elements of inexperience of the owner-managers in coping with economic recessions. Again, in spite of the owner-managers' knowledge and experience in the industry, particularly their experiences during past recessions, they still seek advice from third parties. However, findings of this thesis suggest that owner-managers did not seek advice from third parties but only sought assistance during the latest recession. Hence, the latest recession has forced owner-managers to seek advice from external accountants or consultants which is something that didn't take place during the pre-recession period.

Equally, risk propensity and adversity appear to be affecting the strategic decision-making process in Cypriot fashion retail SME as well. Findings of the thesis suggest that experienced owner-managers do not appear to be high-risk oriented particularly during an economic recession. Hence, they tend to avoid taking risks since they are afraid of potential negative performance indicators. This was mostly presented in the case of senior owners who show elements of risk avoidance compared to young entrepreneurs who are more willing to take risks. Hence, findings of this thesis partially agree with previous findings such as Stewart et al (1998) who state that small business owners are classified as having higher propensity on taking risks.

.

7.5Retail Location and High Streets

Findings from this thesis show that the element of retail location has played a crucial role in the strategic decision-making process of Cypriot fashion retailers during the latest recession. More specifically, findings suggest that the transformation of Cypriot high streets during the recession has affected the formulation and implementation of several strategic responses. As indicated by the majority of the participants, high streets have been affected by the economic recession and as such, several companies have either shut down or relocated a number of stores. In addition, the development of shopping malls in central locations of the major cities in Cyprus has led to the decision of relocating their shops to either different retail locations or shopping malls. The element of retail location has been associated with the concept of high streets by the majority of participants and it appears that one element has an impact on the other.

Nonetheless, companies operating either on high streets or in rural areas show effects of the recent recession. Again, companies operating on high streets in specific cities have been affected more than other companies operating on high streets of other cities. For instance, company 1, 5 and 6 operate on the main high streets of the capital city of Nicosia and they have experienced severe consequences from the recession while again company 1 operating on the main high street of Limassol city has not been affected to the same level. This indicates that the particular recession had an impact on the high street of the capital city at a higher level compared to the high streets of other cities such as Paphos, Larnaca or Limassol. Similarly, the decision of relocating a number of stores from the high street of Nicosia presents that indeed, not all high streets have been affected by the latest recession. Similarly, company 2 has also engaged in relocating a specific store as a result of the cost-cutting strategies that they have engaged in. More specifically, the decision of relocating the specific store was not a result of the downturn on high streets but instead it was adopted because the company sought a better retail location. As such, the variable of retail location is considered to be very important for companies during an economic recession and findings suggest that firms tend to seek a better retail location. This is also perceived as an opportunity by small Cypriot retailers whereby they perceive recession as an opportunity to engage in plans formulated prior to the crisis.

7.6 Size and Age

Findings from this thesis show that size and age also have an impact on the survivability of Cypriot fashion retail SMEs. Whilst the literature surrounding the two factors during recession is still underdeveloped, findings from the current research suggest that the size and the age of SMEs have a direct impact on the survivability of SMEs and their ability to react to the latest recession. Moreover, findings suggest that smaller companies with limited resources are having more difficulties in surviving the recession compared to medium-sized companies which are more recession resistant. For instance, Companies 1, 2 and 4 were having more difficulties in surviving the recession while Companies 3, 5 and 6 which are considered more as medium-sized companies with more resources have experienced the recession at a lower level. The findings are in line with the findings of Van Wanrooy et al (2013) who show that small companies with a maximum of 50 employees were weakened more by the recession compared to medium-sized companies with a maximum of 249 employees. Again, findings are also in line with Fort et al (2013) and Burger et al (2014) who suggest that age plays a crucial role in the survival of small businesses and that small old firms react more swiftly to cyclical shocks. Similarly, findings of this thesis show that newly established firms such as company 4 have experienced more severe consequences from the recession which led to a complete bankruptcy. This indicates that medium-sized companies and fashion retail firms that operate for a number of years in the market are more resilient than small ones which have operated for fewer years. Medium-sized firms operating for many years have a well-established relationship with banks and their positive track record leads to better treatment from the banks during recessionary periods. Hence, they are treated less harshly by the banks and they have the ability to access funds more easily compared to others. Similarly, Burger et al (2014) also emphasised the importance of size as a determinant of survival since they highlighted that the age of a firm plays a crucial role but also the size of a firm has an impact on the ability of a firm to survive.

7.7 Staff

The findings of this thesis have presented a number of other variables that have affected certain strategic decisions during the latest recession. In spite of staff members not being involved in the decision-making process in any of the case studies, they have affected certain strategic decisions. For example, the ownership of Company 2 considers staff members as part of the company and as such, they take into account several suggestions offered by them. Hence, the management of the company considers this as an advantage that other companies do not possess. This also has something to do with the size and the structure of the company which allows this interaction with the staff. The ownership of Company 2 considers the staff members as the link of communication between them and the customers and as a result, they receive feedback from the customers through the sales staff. This particular finding supports the findings presented by Theodoridis and Bennison (2009) who also suggest that the management team of retail SMEs promotes internal communication and seek feedback derived from the employees. As a result, employees affect the strategy formation process. This particular relationship is considered as extremely advantageous since the ownership can formulate and implement strategies based on the feedback received. As a result, the decisions of relocating a business unit and the reduction of the range of products were affected by the feedback provided by the sales staff. Hence, the relationship of the sales staff with the customers and the ownership with the sales staff is perceived as an important element to the decision-making process of Company 2. This particular element was not considered by other case studies since owner-managers keep the strategic decision-making process surrounded by only their own perceptions, knowledge and understanding.

7.8 Entrepreneurial, Firm and Family Culture

The element of culture is a variable that the findings of this study have revealed in regards to entrepreneurs, the firm and the family structure. Studies suggest that the firm and family culture are important elements to family-owned businesses (Dyer, 1986; Stavrou et al, 2005). The findings of this thesis present that the majority of firms are classified as paternalistic since the founders and shareholders of companies are the sole strategic actors who are involved in the decision-making process of their firms. Moreover, ownerships of the case studies do not pass any of their responsibilities and roles to employees of the company since they seek to keep the decision-making process more centralised. This has something to do with the unwillingness of owner-managers to formulate a formal management structure, particularly in businesses where the size of the firms demands it. In spite of the existence of medium-sized firms that have higher turnover/profits than smaller ones such as Companies 3, 5 and 6, the ownership structure remains the same and there is an absence of a formal management structure. This is probably because owner-managers wish to keep their companies under control rather than passing control to a CEO or senior managers. Hence, the findings of this thesis are in line with the findings of Chua et al (2009) and Gedajlovic et al (2004) who also suggest that family firms do not desire the engagement of professional managers in their firm since they desire to keep control. Evidence of this particular notion is also presented in Companies 1 and 2 in which findings show that general managers have limited participation and effect on the decision-making process. Hence, owner-managers do not consult general managers of the companies during the strategic decision-making process since they desire to keep the process more centralised. This shows characteristics of the family firms where family solidarity prevents any influence from managers who are not family members. Again, the Mediterranean entrepreneurial culture presents other elements. For instance, Mediterranean entrepreneurs are open to suggestions and recommendations and they tend to develop long-term relationships with other individuals who affect the strategic decision-making process such as external accountants. Again, the long-term relationship with suppliers presented by the majority of case studies prevents entrepreneurs from seeking cheaper products during the pre-recession period. Again, the long-term relationship with external auditors has built a trustworthy relationship which affects the strategic decision-making process during the latest recession.

Findings of this thesis suggest that there are grounds of comparison between Cypriot SMEs in regards to family culture. For example, Companies 1, 4 and 6 are considered as patriarchal family firms since a single-family member is taking all the decisions and sets the targets of the company. There is a more centralised decision-making process around a single entrepreneur without taking into consideration any other family members such as spouses, as in these case studies. This is something that has been emphasised in previous studies such as

Tagiuri and Davis (1996) and Lindow et al (2010) who also demonstrate that centralisation in the decision-making process affects different aspects in family firms' posture. In contrast, Companies 2, 3 and 5 are considered collaborative family culture firms since all the shareholders are taking part in the decision-making process and they all set the goals of their companies by sharing information. The findings of this thesis suggest that collaborative families are more successful than patriarchal families as a result of the different characteristics that owner-managers have such as educational level, experience and expertise. For example, the owner-managers of Company 3 have different expertise and knowledge in their departments and they blend their information in order to formulate the best strategies. On the other hand, in patriarchal families such as Companies 1, 4 and 6 decisions are based on the experience, expertise and educational level of a single person and strategic decisions are taken mostly based on their personality and limited knowledge. All these affect the strategic decision-making process and strategy formulation of Cypriot fashion retail SMEs whose findings are in line with previous studies such as Harris et al (1994) who state that strategy formulation is directly affected by the family influence. Again, findings of this thesis partly agree with Christman et al (2005) and Dyer (2003) who mention that family and family dynamics affect strategic choices and decisions. Our findings show that family dynamics influence the decision-making process in the cases of Companies 2, 3 and 5 where all the family members are involved in the decision-making process and the dynamics of each owner-manager affects the decision-making process differently.

7.9 Owner-managers' Perspectives and Response Time

The latest recession is considered to have several differences from previous ones based on a number of effects and strategic responses of SMEs. Despite the fact that the literature suggests that recessions do not last longer than 2 years (Piercy et al, 2010; Amadeo, 2011), the particular recession began in the last quarter of 2008 and has being going on for half a decade, presenting different implications. Hence, the specific recession is different in terms of length but also in terms of depth.

Similarly, findings of this thesis show that owner-managers consider the latest recession to be a threat and therefore they adopt a more defensive approach. The majority of the owner-managing directors involved have approached the hostile environment in a way in which they attempted to defend their firms by stabilising their performance indicators. As such, cost-cutting activities took place in both the advertising channels and workforce of each company. In contrast, a number of owner-managing directors have perceived recession as an opportunity to implement previous or existing plans. This was as a result of more resources being available to opportunistic companies and the easier access to funding compared to defensive companies which do not have access to funds nor do they have the resources. Ownership structure and the experience and expertise of the owner-managers have also led to different approaches by the companies. For example, the owner-managers of Companies 3 and 5 have engaged in revenue generation strategies during the latest recession with plans that were formulated to be implemented in the future. Similar findings were presented by Srinivasan et al (2005) who suggest that some companies consider recession as an opportunity and they tend to develop different strategies. In addition, findings are in line with the findings of Latham (2009) who emphasise that a firm’s strategic response depends completely on whether an owner-manager perceives recession as an opportunity or as a threat. Whilst other companies have adopted a set of revenue generation strategies in order to defend their firms from the liquidity issues they were dealing with, Companies 3 and 5 have engaged in revenue generation strategies in order to attract new customers, but they also found the opportunity to expand their range of products. The expansion of SMEs in other markets during recession is a finding also presented by Kitching et al (2009) and Smallbone et al (2012) who indicate that market and product diversification was an investment strategy adopted by SMEs. This was also stated by the owner-managing director of Company 1 who has introduced mid-season sales in order to deal with liquidity problems but has also introduced new products through diversification, which was a strategy previously considered during the pre-recession period. Hence, recession has triggered the implementation of previously developed plans by owner-managers and it also gave the opportunity to owner-managers who considered recession as an opportunity to expand their range of products. However, the particular set of revenue generation activities was implemented by other case studies involved in this thesis but the expectation of owner-managers was mainly to revive the main performance indicators such as sales and net profits.

Hence, Cypriot SMEs adopting a defensive strategic direction are the companies that had no access to funding and companies in which the strategic decision-making process is based on a single founder-owner-manager (See Table 7.2). This was evident in the case of Company 1, 4 and 6 where the strategic decision-making process was based on a single strategic actor and the companies did not have access to funding. On the other hand, Cypriot SMEs that adopted a more offensive approach are the companies that had access to funding and the ownership structure was different.

Offensive approach	**Defensive approach**
Case studies 2,3 and 5	*Case studies 1,4 and 6*
Access to funding	Limited Access to funding
Companies with 3 or more decision-makers	Companies with a sole decision-maker
Experience and expertise of owner-managers	Experience and expertise of the sole decision-maker

Table 7. 2 Factors leading to offensive versus defensive strategic approach, Developed by the researcher

Nonetheless, recession had an impact on the main high streets which caused falling customer demand. As a result, companies operating their stores on the main streets have dealt with the falling customer demand by relocating a number of their business units. This particular finding is in line with the findings of Kitching et al (2009) who also suggest that relocation was a decision that SMEs took in order to seek cheaper premises. Similarly, findings of this thesis partially agree with the findings presented by Theodoridis and Bennison (2009) who mention that retail SMEs do expand into a new market or relocate; however, the reason of these changes differs substantially. In our case, the technique of relocation was implemented in an attempt to find cheaper and more affordable premises but also to find a better retail location for their stores. This was adopted by Companies 1 and 2 who both experienced the downturn on the high street as a result of the effects of the recession. Hence, the decision of relocating their stores differs from the findings of Theodoridis and Benisson (2009) and they partially agree with the findings of Kitching et al (2009). For instance, Company 1 has relocated a store from the main high street of the capital city to a shopping mall in another city of Cyprus in order to deal with the downturn on the high street and falling customer demand. In contrast, Company 2 relocated one of its stores from a village to a nearby town in an attempt to find a better retail location and cheaper premises. Hence, the particular decision was taken based on different strategic reasons that the owner-managers presented. In the case of Company 2 the particular decision was part of the existing plans of the company since they were considering the relocation of the store in the near future. However, when the opportunity of cheaper premises with a better retail location arose they immediately relocated one of their stores.

Similarly, owner-managers considered the latest recession an opportunity to downsize their business units. This particular strategy has been implemented by Companies 2 and 5 for different reasons. More specifically, Company 5 has shut down a store located in a shopping mall in Limassol as a result of falling customer demand and high operational costs. Therefore, the non-profitability of the particular store caused the company to shut it down during the latest recession. On the other hand, Company 2 has also shut down a business unit as a result of the bad retail location. Moreover, the retail location of the particular store was not offering great benefits to the company which offered the ownership the opportunity to shut it down. Hence, it can be interpreted that this particular decision was part of the company's existing plans from the pre-recession period as a result of the limited profits that the business unit was offering, while in contrast, shutting down a store was a result of falling customer demand and the non-profitability for Company 5. Despite the extensive use of cost-cutting activities and revenue generation strategies, smaller companies find it more difficult to survive the recession. This was presented by Company 4 in which the firm has ceased operations mainly as a result of the unavailability of funding. Although the company attempted to deal with the liquidity issues by engaging in revenue generation strategies, changes in the way of purchasing from suppliers forced the owner-manager to shut down the entire business. Hence, changes in the purchasing methods with the suppliers and unavailability of funding are two of the main factors that cause the company to cease operations. A similar situation was also caused in the purchasing methods of Company 2 but the ownership of the company has dealt with this issue differently. More specifically, findings of this thesis reinforce the findings of Bourletidis and Triantafyllopoulos (2014) who suggest that stock procurement is a tactic that Greek SMEs used during the latest economic crisis. As such, the ownership of Company 2 has engaged in stock procurement in order to increase inventory control. Perhaps this particular activity was implemented only by Company 2 as a result of the longer relationship that the ownership has had with the suppliers compared to other companies.

Hence, the findings of this thesis suggest that certain factors can lead to the selection of the best strategic responses for SMEs during an economic recession. Reflecting on the factors affecting the strategic decision-making process in SMEs, certain factors have been identified that lead to the selection of strategies that can offer a positive performance of SMEs (See Table 7.3).

Factors affecting the SDMP	**Response Time and Recovery**
Ownership structure and characteristics	**Rapid Response- Rapid Recovery of Performance Indicators (Turnover and Profits)**
Access to funding	
Family and firm culture	
High street and Retail location	
Sales staff	
External consultants and auditors	

Table 7. 3 Combination of the best factors affecting the strategic decision-making process that lead to rapid response and recovery, Developed by the researcher

Similarly, the data analysis presents some aspects of the particular element of response. Data shows that the response time of a firm is associated with the formality of each business. Based on the data presented in Figure 6.4, there is a distinction between the formality in each company and the time needed to respond to the changing environment. This is an area that is still underdeveloped and findings of this thesis have focused on it.

7.10 Strategic Responses

Previous studies indicate that recessions tend to force companies to react by engaging either in cost-cutting activities, revenue generation strategies or both (Kitching et al, 2009; Chow and Dunkelberg, 2011; Smallbone et al, 2012; Price et al,2013). The findings of this thesis confirm these findings since all the case studies have used a combination of cost-cutting and revenue generation activities at the same time.

Similarly, findings partly agree with the work of Van Wanrooy et al (2013), Price et al (2013) and Whyman and Petrescu (2011). These studies emphasise that SMEs tend to engage in redundancies and the freezing of salaries during the latest recession. In contrast, findings of the thesis suggest that the priority of Cypriot owner-managers is, indeed to reduce the number of staff but also to reduce the employees' basic working hours instead of freezing or cutting wages. Despite the fact that findings from other studies such as Price et al (2013), Van Wanrooy et al (2013) and Whyman and Petrescu (2011) indicate that owner-managers tend to freeze salaries and tend to engage in compulsory redundancies, the findings of this thesis show that the latter is something that has been practised at a minimum level. This is a result of the long-lasting relationship that owner-managers have with their employees who attempt to maintain their staff by reducing their working hours instead of releasing them. Again, the entrepreneurial culture has a significant effect on the decision-making process since Cypriot owner-managers present the element that all employees are part of the family. The long, developed relationship with the staff prevents owner-managers from taking more drastic measures in the workforce.

In addition, findings show that the latest economic recession has altered business owners' perception of investing in marketing since marketing investments were shrunk as a result of the cost-cutting expenses. The findings are in line with findings presented in previous studies which suggest that companies tend to cut costs, particularly in marketing, during an economic recession (Grossberg, 2009; Kotler and Caslione, 2009). On the other hand, other studies have emphasised the importance of investing in marketing during an economic recession and as a result firms enjoyed superior performance (Srinivasan et al, 2005; Hunt, 2009; Mattsson,

2009) which the findings of this thesis cannot support. More specifically, the findings of this thesis contradict the findings presented by Anderson et al (2010) who state that small firms improve and invest in marketing during an economic recession. Hence, Cypriot small business owners appear to conceive the economic recession differently and they follow a different route compared with other international small business owners.

Additionally, previous studies emphasise the importance of revenue generation and diversification strategies during recessionary periods (Kitching et al, 2009; Chow and Dunkelberg, 2011; Smallbone et al, 2012; Price et al, 2013). Such studies indicate that SMEs tend to engage in revenue generation strategies in an attempt to attract new customers. In contrast, findings of this thesis present that SMEs engage in revenue generation strategies such as mid-season sales and diversification in order to deal with liquidity issues. Specifically, Companies 1, 2 and 4 have engaged in mid-season sales in an attempt to deal with liquidity issues that the recession caused but also to deal with the high competition. Similarly, Companies 1 and 4 have also engaged in diversification through the introduction of new products in order to increase sales and achieve stability in their performance indicators. This demonstrates the factor of the unavailability of funding which has prompted the strategic actors into engaging in this particular set of strategies in an attempt to cope with the limited liquidity.

In addition, the technique of relocation has been revealed in the findings of this thesis as having a very important impact on fashion retail SMEs in Cyprus. More specifically, a number of companies have relocated their stores in order to seek cheaper premises to rent or to attract more customers. However, this is made evident in the cases of companies 1 and 2. This is in line with the findings of Kitching et al (2009) who show that SMEs tend to relocate certain outlets in order to seek cheaper premises. This particular decision though was taken predominately by the owner-manager of company 1 in an attempt to increase customer visits, particularly in the premises of a shopping mall. In particular, shopping malls are considered to be a very important aspect in the retail market since a large number of people are visiting them every day. Thus, the particular decision was predominately taken as a result of the recession on the high street and low customer demand but also as a result of the higher value that shopping malls offer. Again, the decision of relocating a particular store for company 2 was mainly because of the opportunity of renting new premises closer to an urban area. The fallen customer demand and the high-priced premises have led to the decision of relocation.

A particular strategy that was also identified in the findings of this thesis is the shutdown of stores or an entire firm as a result of the impact of the economic recession. The particular decision of closing down a number of stores was taken by companies 2, 4 and 5 during the latest economic recession since the profitability of the particular stores was not satisfactory. This finding is in line with the study of Hofer (1980) who first emphasised the importance of turnaround strategies, but the findings also support the study of Latham (2009) who suggests that asset reduction is something that small firms adopted during the latest recession. Similarly, findings of this thesis agree with the findings of Robbins and Pearce (1993) who mention that small firms react to recessions by cost and asset reduction strategies. In addition, shutting down the entire company is something that none of the other case studies adopted. This was presented in the case of Company 4 and the decision was taken solely by the founder and owner-manager of the company as a result of the negative main performance indicators that the firm was experiencing during the recession.

However, Company 4 has presented another finding that has not been presented in any other case study. More specifically, the two owner-managers of the company are not family related and as such, both the owner-managers agreed that the ownership should be transferred to the founder in order to minimise costs. However, this particular decision shows several aspects regarding the factors that led to the selected strategy. Firstly, the decision was taken as a result of cost-cutting measures that the ownership has implemented. In an attempt to reduce costs, the founder indicated that the particular decision will minimise ownership salaries and other ownership expenses. Secondly, the particular decision would help the ownership to simplify the decision-making process in order to formulate and implement strategies which are formed by a single owner-manager rather than following a time-consuming decision-making process prior to implementation. Finally, the particular decision is regarded by the researcher to have been taken by the founder in an attempt to achieve complete control over the company. It was perceived that sole ownership of the company was one of the targets that the founder of the company targeted even prior to the recession and as such, he seized the opportunity of the recession in order to achieve it. As has been mentioned above, the non-familial relationship between the two owner-managers provided the opportunity to the founder to take the particular decision. This is not evident in any other case study in this research since all the owner-managers are family related. Hence, this shows that family related owners and managers are considered as part of the firm and it is very difficult to be removed compared to owners or managers that are not family related.

However, based on the several strategic responses of Cypriot SMEs during the latest recession, certain strategic responses appear to have a positive impact on the companies' performance. Findings show that companies adopting expansionary strategies such as revenue generation and diversification have performed better compared to companies that engaged in cost-cutting activities and downsizing. More specifically, companies 2, 3 and 5 have engaged in revenue generation and diversification and they have presented a more rapid recovery compared to the rest of the case studies. On the other hand, companies that have relocated a number of their outlets have shown positive results compared to other case studies.

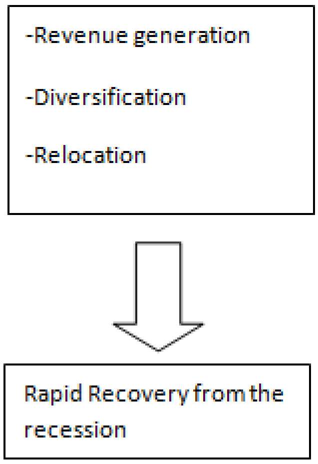

Figure 7. 2 Combination of strategic responses leading to better performance, developed by the researcher

7.11Meeting the Research Objectives

Based on the data analysis and the evaluation of findings, this particular thesis has answered the research objectives set at the beginning of the thesis. More specifically, the first research objective relates to *the profile of the Cypriot fashion retail SMEs*. Thus, the findings of this thesis have revealed that Cypriot fashion retail SMEs operate by family-owned structure either by a sole proprietor or by a number of family members. Moreover, fashion retail SMEs tend to engage in a series of advertising campaigns in order to attract new customers and to deal with the competition. Interestingly, the business model of companies presents similar characteristics while the retail location is considered to be an important element for their success. Finally, small Cypriot fashion retailers are considered to be growth-oriented and they strategise in an attempt to expand at a national level rather than internationally since they believe that a potential expansion at an international level might present issues with the overall control of their companies.

The second objective of the research was *to identify the factors affecting the strategic decision-making process during the latest recession*. Findings from the literature review have identified a number of internal and external factors affecting the strategic decision-making process in SMEs and are presented in the conceptual framework developed at the beginning of the chapter. Furthermore, the thesis has also identified several factors affecting the strategic decision-making process in Cypriot fashion retailers. It confirms a number of variables but has also revealed a set of other factors which form the contribution of this particular thesis. More specifically, the environmental hostility caused by the recession and the business environment appear to be factors also affecting the strategic decision-making process in Cypriot SMEs. Similarly, the characteristics of the ownership have also been identified in this thesis but the characteristics of the management are a factor that is not applicable to the case studies used. International SMEs appear to recruit external managers who are not family related and the review of the literature suggests that managers also affect the strategic decision-making process. In our case, only two of the case studies employ general managers, in which the general manager of Company 1 does not have a direct impact on the strategic decision-making process while the general manager of Company 2 is a family member. Thus, the variable of management characteristics does not apply in the case of Cypriot fashion retail SMEs.

In addition, certain characteristics of the ownership appear to have more value and impact on the strategic decision-making process during a recession. Characteristics such as expertise, education, experience and age are considered to be crucial factors during decision-making. This relates to the correlation of age and experience of owners which are considered to be linked. On the other hand, owners with specific expertise in any subject have more influence in the decision-making process rather than other owners.

Furthermore, an additional variable that this particular thesis has identified is the factor of the sales staff. This has not been identified in any other research study previously conducted and it appears that sales staff have a tremendous influence in the strategic decision-making process. This was identified specifically in the case of Company 2 in which the ownership receives feedback from the sales staff and as a result, several strategic decisions were affected by the feedback received from the company's employees.

In terms of the external factors, this particular thesis has confirmed that the high competition and the business environment are factors affecting the strategic decision-making process in Cypriot fashion retail SMEs. These two factors were identified in the review of the literature and it appears that there are applicable in our case. However, additional factors relating to the business environment expand the literature in this manner. For instance, the haircut on banks' savings in 2013 and the introduction of the Euro currency in 2008 are some other factors that have affected the strategic decision-making process. These factors have not been identified in any other research study in the past and it is something that should probably be revealed in other countries that entered the Euro zone during the same period or in the next two years. In particular, the haircut on banks' savings has affected all the case studies that participated in this research but also the majority of Cypriot enterprises and consumers. Despite the fact that the business environment and competition were the first two factors identified in this thesis and confirmed previous studies, a series of other factors contribute to the expansion of the literature surrounding strategic decision-making process and SMEs during recession. The external auditors and professional business consultants are two factors that have not been identified in the review of the literature. These two factors have been considered to be very important for Cypriot fashion retail SMEs during the recession and it has been reported by the majority of the case studies that they have influenced the strategic decision-making process. Similarly, the entrepreneurial and family culture are some additional features that have indeed been revealed in other research studies but this particular thesis has identified that these have influenced the strategic decision-making process during the latest recession.

Finally, the thesis has identified several variables referring to the last research objective set at the beginning of this thesis. The *outcomes of the strategic decision-making process during the latest recession* confirm findings from previous studies but they also exhibit new strategies adopted by the Cypriot fashion retail SMEs. More specifically, cost-cutting and revenue generation strategies are also used by Cypriot fashion retail SMEs but they present several differences compared to the literature. For instance, cost-cutting activities took place in marketing and human resource departments but a number of different strategies were adopted. This relates to the reduction of personal expenses, the change in ownership and the introduction of mid-season sales. These features have not been identified in previous studies and they expand the existing literature. In addition, the stock procurement, relocation of specific stores, shutting down of a company and downsizing of retail stores are additional strategic responses that the findings of this thesis reveal and contribute to the literature of strategic decision-making process and retail SMEs during recessionary times.

7.12 A Conceptual Model of Strategic Decision-making Process during an Economic Recession

This section of the chapter will present a conceptual model derived from the findings of this thesis. This particular model is a representation of the strategic decision-making process during the latest recession but it is not a tool that can be adjusted to all cases. Rather, the model shows the most important factors that have the highest effect on the strategic decision-making process. Recessions can be perceived both as an opportunity but also as a threat. Small business owners consider recession as an opportunity to expand and try to attract new customers either from the same market or from a different market. These are usually companies that were affected less than others or not affected at all. In contrast, companies that consider recession as a threat are mostly affected by different factors and they tend to deal with liquidity problems. As a result, they adopt strategies that are predominantly defensive in order to deal mostly with the unavailability of funding. The majority of these strategies are based on cost-cutting activities in order reduce the costs but also revenue generation strategies in order to deal with the high competition and unavailability of funding.

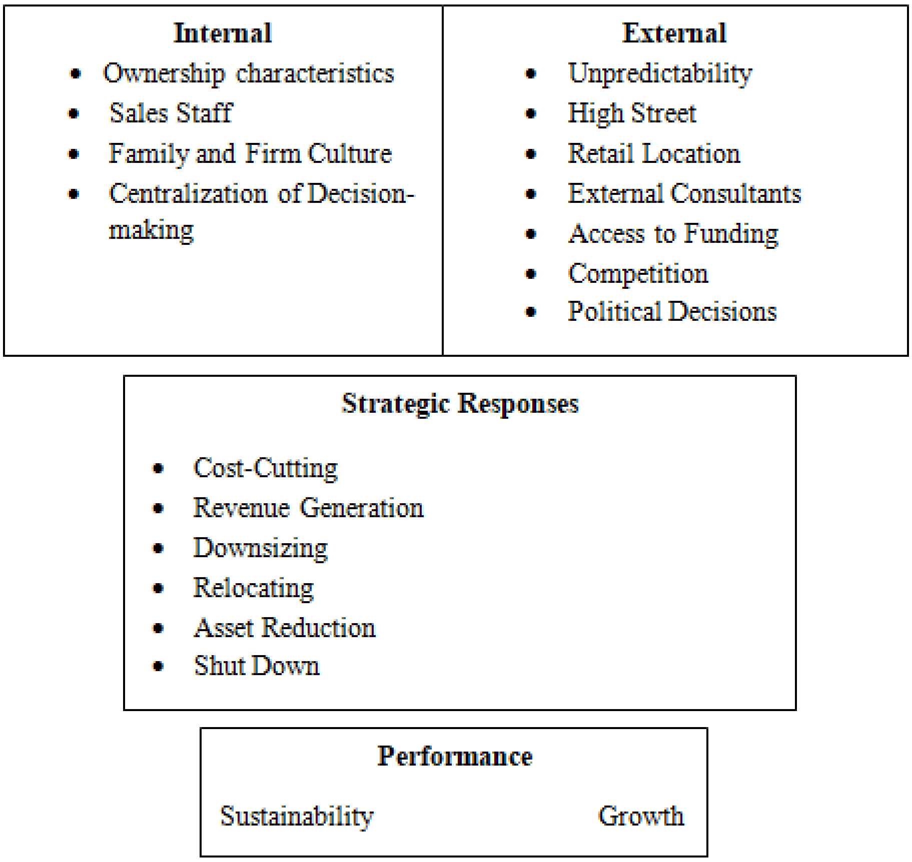

Figure 7. 3 Strategic decision-making process in SMEs model, developed by the researcher

Despite a number of factors having been previously identified by other authors such as the competition, the ownership characteristics and the family and firm structure, there is no evidence regarding the particular set of factors to affect SMEs during recessionary periods. Again, the findings of this thesis are in line with previous studies such as Papadakis et al (1998) and Papadakis and Barwise (2002) regarding the factors affecting the strategic decision-making process in SMEs but this thesis extends these findings by adding a set of other factors that affect owner-managers during the latest recession. The findings from this thesis extend the literature by adding the elements of retail location, high street, sales staff and professional consultants which affect the strategic decision-making process in SMEs during a recession. Moreover, despite the literature suggesting that revenue generation strategies have been adopted by SMEs in order to attract new customers, these particular findings also suggest that owner-managers that consider recession as a threat adopt revenue generation strategies in order to deal with liquidity issues.

Additionally, the findings present that companies with a centralised decision-making process struggle more to survive as a result of the one-sided characteristics that negatively affect the strategic outcomes. In contrast, companies that have more decision makers involved proved to be more capable in reacting to the pressures caused by the economic recession and as a result they achieve recovery quicker compared to others. They blend together the different knowledge and expertise of each shareholder which gives better results. Again, from the analysis of the data it has been shown that there is a combination of factors that can provide better results for companies during recessionary periods. These factors are presented in the conceptual framework of this thesis. The analysis of the data has shown that the diversity of expertise, experience and knowledge of shareholders can offer better results for companies during an economic recession. Again, findings suggest that the engagement of the sales staff and their relations with the owner-managers affect the strategic decision-making process positively along with other external individuals such as external auditors and consultants. The owner-managers' perception of the recession as a threat and as an opportunity would appear to be crucial to the survivability of firms. Entrepreneurs that perceive the recession as an opportunity and engage in strategies in order to attract new customers through diversification have experienced higher turnover and profits than those adopting a more defensive approach. However, this is based on the correlation of other factors that owner-managers are affected by, such as the turbulence in the business environment. Again, the unavailability of funding during recessionary periods appears to be an important factor that would appear to cause entrepreneurs to engage in cost-cutting activities instead of perceiving recession as an opportunity. Similarly, the culture of the family and of each entrepreneur reflects on the factors affecting the strategic decision-making process and the strategic responses.

However, the unique nature of this thesis is based on the conduct of the research in the middle of an intense recession in Cyprus, which allowed the researcher to gain insights into the processes and thoughts of fashion retail owner-managers. Evidently, previous studies emphasise the importance of strategic responses of SMEs at an international level without focusing on the experiences of owner-managers and the process of strategy formulation during an economic recession. Again, previous studies tend to focus on large economies located mostly in the heart of Europe rather than focusing on small emerging economies such as Cyprus. Hence, the research offered insights on owner-managers of a small emerging economy such as Cyprus where the literature is still underdeveloped.

7.13 Implications

The implications of the research findings relate to both entrepreneurs and policy makers. Firstly, in order for policy makers to achieve sustainability in their economy, they might want to consider focusing on small and medium enterprises. As the literature review has shown, SMEs form the backbone of European economies as well as in the case of Cyprus. However, the support that policy makers might wish to give to SMEs relate mostly to access in funding particularly during economic recessions. Access to funding seems to affect SMEs responses and the time to recovery. Hence, if they want to achieve sustainability during recessionary periods, policy makers might want to consider giving more access to funding for SMEs struggling to survive the recession. Again, policy makers should embrace professionalism within all SMEs in order to give the right tools to owner-managers to adopt better strategies in order to recover more rapidly. Hence, policy makers should focus on all SMEs rather than placing an emphasis on SMEs aiming for growth. This can be achieved by introducing assisting finance packages to SMEs in order to increase their capabilities of adopting strategies that can lead to sustainability.

In addition, findings of this thesis suggest that in order to achieve sustainability during recessionary periods, policy makers might want to consider developing entrepreneurial knowledge across small business owners. Cyprus has passed through a period of sustainability in the business environment since 1974 without experiencing any recession. Hence, small business owners have little or no experience of economic recessions and they do not have the knowledge of how to adapt business strategy and cope with difficult economic times. If policy makers wish to achieve a stable economy during a recession, they can achieve this by giving the necessary knowledge and training to small business owners in order to cope with economic crisis. Again, the government could act more proactively in preventing economic recessions and it could introduce measures which target the mitigation of the effects of the recession upon Cypriot SMEs. This could be achieved by recruiting professional consultants or crisis management specialists in order to train small business owners to cope with future economic recessions. As the literature and the findings of this thesis have shown, small business owners operate based on the ethos and personality of the owner-managers who are in most cases not trained and do not possess the necessary knowledge regarding economic recessions. As a result, findings of this thesis suggest that policy makers could arm the backbone of the country’s economy (which are SMEs) with the necessary training and knowledge which will eventually lead to being better able to cope with future recessions.

Nonetheless, the implications also relate to small business owners. Entrepreneurs targeting sustainability during recessionary periods might wish to consider taking into account professional business consultants and crisis management experts during recessionary periods. Small business owners that have sought assistance from professional business consultants have managed to cope with the latest recession and achieve sustainability. Again, this presents a series of combinations of factors that small business owners might want to consider which can lead to survivability during recessionary periods. For instance, entrepreneurs wishing to achieve sustainability during the recessionary period might wish to consider their retail location but also the feedback provided by their sales staff. The sales staff experience the recession daily and they have a direct relationship with the consumers. Thus, they receive information that the ownership and/or management cannot obtain and they can pass this information on to the ownership for consideration. In addition, small business owners might want to take into consideration the implementation of a series of strategic measures in order to achieve sustainability. Such strategic measures relate to cost cutting activities particularly in the marketing and human resource department but also revenue generation strategies that will eventually deal with any liquidity issues. However, this correlates with an additional issue that small family firms face. For example, the strong relationship that family members have with the staff of the company prevents them from taking drastic measures in order to cope with the recession. Similarly, the knowledge of management and recession that small business owners possess is limited and as a result they struggle to take efficient decisions. Hence, small business owners might wish to consider employing professional managers, chief executive officers or/and chief financial officers that have a substantial knowledge regarding entrepreneurship in order to achieve sustainability.

7.14 Limitations

The literature surrounding strategic responses of Cypriot SMEs is underdeveloped, particularly in the specific Cypriot fashion retail sector which plays a crucial role in the country's economy. The study has offered insights to small and medium enterprises in the retail sector in the small country of Cyprus during the latest recession where the literature is still underdeveloped. Hence, the findings are drawn from a single country and the results are inevitably case-specific, which reduces the applicability and generalisation of the findings. As has been previously mentioned, the research was conducted in the internationally recognised Republic of Cyprus, dissociating the northern part occupied by Turkey. Hence, the analysis was geographically concentrated and as a result generalisability does not apply to the whole country.

The second limiting factor concerns the relatively small sample size employed in this research which limits the generalisation of the findings. Moreover, the small size employed and the small number of participants in each case study does not allow us to draw conclusions regarding the whole of fashion retail SMEs in Cyprus. As a result, a potential comparison between different industries and different countries would provide a better understanding of the phenomenon under study. Hence, readers can make their own judgments on whether the findings are applicable to their own context.

Another limitation was the lack of literature regarding Cypriot fashion retail SMEs. As such, the literature is mostly associated with international fashion retailing where there still is an absence of literature regarding small international fashion retailers. Despite there being a plethora of books and journals surrounding SMEs responses during recessionary periods, experiences of ownership and management and the strategic decision-making process, the literature is still underdeveloped regarding the status and strategic management of Cypriot fashion retail SMEs. It is noticeable that research in family firms and SMEs in

Cyprus has been developed the last decade but with no special reference to the strategic decision-making process and strategic responses during recession. Hence, the research findings cannot be compared to the literature of Cypriot fashion retail SMEs since the area is underdeveloped. The tremendous gap in the literature regarding Cypriot fashion retail SMEs has led the researcher to compare and contrast the findings with international results deriving from different business backgrounds, business cultures and business contexts which may impose several differences. Therefore, the lack of literature surrounding the chosen subject has been perceived as a huge gap that this particular thesis has tried to fill and it can be considered both as an advantage and disadvantage at the same time. Consequently, given the underdeveloped literature it is necessary to highlight that any conclusions and models derived from the particular study were of a developmental nature and they will need additional future investigations.

Another limitation of this particular research is the case studies participating in the research in terms of their age. The research focused on companies with less than 250 employees and companies that have been active for more than 5 years in order to examine the strategic decision-making process. However, entrepreneurship is well spread across Cyprus and findings could even derive from large companies despite large companies being able to manipulate the business environment. This would provide a better understanding of the differences on strategic decision-making process between large and small Cypriot fashion retailers. Again, the thesis has recruited companies that have been active for more than 5 years in the fashion retail sector and as such, findings were drawn only by older firms. Thus, a comparison between young, new established firms and mature firms would be beneficial since it would distinguish the different characteristics and strategising patterns between them.

An additional limitation relates to the methodological aspects of the thesis. Firstly, the methodology of phenomenology has provided an in-depth understanding of the latest recession. However, the particular methodology cannot provide generalisable conclusions because of the specific case studies employed. Similarly, limitations also relate to the data collection techniques that the researcher has employed. For instance, semi-structured interviews have provided in depth experiences from the owners and managers of the case studies. However, other data collection techniques such as participant observation or non-participant observation would have been also useful in drawing valuable conclusions. However, that particular data collection technique was not employed since owner-managers were unwilling to provide such access to the researcher. In addition, secondary data such as annual reports and financial statements were unobtainable as a result of the unwillingness of the research participants. Such secondary data could provide insights on when exactly companies started experiencing losses because of the latest recession and which financial variables were mostly affected. Again, it would show clearly the cost-cutting activities that companies have engaged during the latest recession.

Another aspect that imposes considerable challenges is the cross-sectional nature of the particular research study. As a result of time and resource constraints, this particular research was conducted in a specific period of the latest recession and as a result, findings cannot be place in the broader context. On the other hand, a longitudinal research design would have provided a better and richer understanding of the different periods of the latest recession across the cycle of the economic crisis in Cyprus. Again, conclusions would probably be different in the case of a longitudinal research design and other factors would have been identified. Hence, the study is a snapshot of a particular period during the latest recession and findings are restricted to this particular period only. In order to overcome this issue, a replicated study is suggested and it is discussed in the following section.

7. 15 Future Research

Future research relates to the number of case studies employed. Firstly, a larger scale study is necessary and a larger number of case studies employed will be beneficial in order to gain a better understanding and richer information regarding small fashion retailers' responses during recession. However, conclusions and models derived from this thesis can be tested in other industries or a comparison between industries can also be conducted. The retail fashion industry is considered as one of the largest industries in all European countries and as such it can be compared with other large industries such as construction, finance and tourism or even other retail sectors such as retail of groceries. Future research studies can also be of international comparative data which utilise a longitudinal study in order for trends to be clearer.

In terms of the methodological aspects of the particular thesis, future research could employ a variety of data collection techniques such as participant and non-participant observation in order to better investigate the effects of recessions, the characteristics of ownership and management and the strategic decision-making process in action. Phenomenology is adopted in order to investigate specific phenomena and as a result, any other methodology is considered inappropriate. Thus, recommendations for future research studies mostly relate to the data collection techniques employed rather than the methodology. Similarly, the investigation of a particular phenomenon such as recession should be examined in different periods during an economic crisis. This particular thesis has focused on a specific period of time during the latest recession and conclusions are derived based on this specific period of time. Thus, a longitudinal research design is necessary to be employed in future research studies in order to examine recession and different variables of strategic decision-making process over different periods of time during an economic recession. This will provide better insights and understanding of the whole cycle of recession and the way that companies deal with difficult economic crises.

In addition, future research studies should give emphasis to startup businesses in order to distinguish the different characteristics that ownership presents compared with companies operating in industries for more years. This will provide a better understanding of different factors that affect newly established firms during recessionary periods, taking into account factors such as the better support that government provides to new firms and the higher difficulty in accessing funding.

7.16 Conclusion

To conclude, the participants have provided significant insights from their experiences of the latest recession. Several variables have been identified as affecting the strategic decision-making process in Cypriot fashion retail SMEs. Again, a plethora of strategic actions, tactics and techniques have been adopted by strategic actors in order to survive and/or expand their operations.

The phenomenon of recession has been experienced differently by owner-managers. The majority of owner-managers have perceived recession as an external threat and they attempted to deal with the crisis by adopting a series of defensive strategic changes. This was mainly a result of the limited access to funding, the conservatism of the ownership structure as well as the family and firm culture. On the other hand, a number of owner-managers have perceived recession as an opportunity to expand their range of products and enter new markets in order to attract new customers. These companies have adopted an offensive strategic approach as a result of the higher number of owner-managers involved in the decision-making process and the access to funding during the recession. Despite the fact that they acknowledge the effects of the recession in the business environment they engage in more offensive strategies instead. Moreover, opportunistic entrepreneurs tended to remain active during the recent recession in spite of the minimal impact of the recession on their firm's performance.

Another set of factors that affect the strategic decision-making process are the ownership characteristics. Findings are in line with the studies of Papadakis et al (1998) and Papadakis and Barwise (2002) who distinguish the different characteristics of CEOs and managers in SMEs. Certain characteristics affect the strategic decision-making process such as experience, expertise and education level, but this thesis expands on the owner-managers concept by adding that apart from these variables, the age of owner-managers is associated with experience and it has a greater effect on the strategic decision-making process.

The findings also reveal that external individuals affect the strategic decision-making process. Such individuals tend to have long-term relationships with the ownership of small firms and they provide recommendations to owner-managers during recessionary periods. External auditors and professional business consultants are perceived as experts and owner-managers seek suggestions from them rather than employing an official management team or CEO who would have an adequate knowledge and education level. Findings of this thesis show that this is associated with the culture of entrepreneurs who prefer to maintain full control of their firm rather than passing authority to third parties and they tend to easily develop long-term relationships with external individuals over a number of years, in which the notion of trust directs them to seek them out for suggestions.

REFERENCES

Abdullah, H. and Chatwin, C. (1994) "Distributed C3 environment for SMEs", *Integrated Manufacturing Systems*, Vol. 5(3), pp.20–28.

Accenture (2003) "When Good Management Shows: Creating Value in an Uncertain Economy", Available online at: http://www.accenture.com/Global/Research_and_Insights/By_Subject/Finance_and_Performance_Mgmt/Enterprise_Performance_Mgmt/WhenEconomy.htm [Accessed 12 October 2014]

Acharya,V.V. and Richardson, M.(2009) "Causes of the Financial Crisis", *Critical Review,* Vol 21(2-3), pp. 195-210.

Ackelsberg, R. and Arlow, P. (1985) "Small businesses do plan and it pays off", *Long Range Planning,* Vol 18(5),pp. 61–67.

Acs, Z. and Audretsch, D. (1993) "Analysing innovation output indicators: the US experience". In: Kleinknecht, A., Bain, D. Eds, *New Concepts in Innovation Output Measurement*. Chap. 2, New York: St. Martin's Press.

Acs, Z.J. and Audretsch, D.B. (1990) "*Small firms in the 1990s*", in Acs, Z.J. and Audretsch, D.B. (Eds), "The Economics of Small Firms: A European Challenge", Kluwer, Dordrecht, pp. 1-22.

Agarwal, R., Audretsch, D. and Sarker, M.B. (2007) "The process of creative construction: Knowledge spillovers, entrepreneurship and economic growth", *Strategic Entrepreneurship Journal*, Vol 1(3–4), pp.263–286.

Aldrich, H.E. (1979) *"Organisations and environments*". New York, NY: Prentice-Hall.

Allison, G. (1971) "*Essence of decision*", Boston: Little, Brown.

Alshawi, S., Farouk, M. and Irani, Z. (2011) "Organisational, technical and data quality factors in CRM adoption-SME perspective", *Industrial Marketing Management*, Vol. 40(3), pp. 376-383.

Alstete, J.W. (2014) "Strategy Choices of Potential Entrepreneurs", *Journal of Education for Business* , Vol 89(2),pp. 77-83.

Amadeo, K. (2011) "The History of Recessions in the United States". Available online at: http://useconomy.about.com/od/grossdomesticproduct/a/recession_histo.htm [Accessed 5 September 2015]

Amatori, F., Bugamelli, M. ans Colli, A. (2011) *"Italian Firms in History: Size, Technology and Entrepreneurship",* Bank of Italy Economic History Working Papers, pp.1–53.

Analoui, F. and Karami, A. (2003) "*Strategic Management in Small and Medium Enterprises*", London: Thompson.

Anderson, A. and Russell. E. (2009) *"Small business in economic adversity: Impact, affect and responses"*. Paper presented at Institute for Small Business and Entrepreneurship Conference November, Liverpool.

Anderson, A.R., Ossiechuk, E. and Illingworth, L. (2010) "Rural small businesses in turbulent times: impacts of the economic downturn", *The International Journal of Entrepreneurship and Innovation,* Vol 11(1), pp. 45-56.

Anderson, J.L., Jolly, L.D. and Fairhurst, A.E. (2007) "Customer relationship management in retailing: a content analysis of retail trade journals", *Journal of Retailing and Consumer Services,* Vol 14 (6), pp. 394-399.

Anderson, S., Nobbs, K.,Wigley, S.M. and Larsen, E. (2010) "Collaborative space: an exploration of the form and function of fashion designer and architect partnerships", *SCAN Journal of Media Arts Culture,* Vol 7(2), pp. 1-8.

Andrews, K.R. (1987) "*The Concept of Corporate Strategy*", Homewood: Richard D. Irwin.

Andriuscenka, J. (2003) "Strategic Entrepreneurship: Conceptual Attitude in Management Paradigm", *Management of Organizations: Systematic Research,* Vol 26, pp. 7-23.

Ansoff, I. (1965) *"Corporate Strategy"*, New York: McGraw-Hill.

Anttila, M. (2004) "Consumer price perceptions after translation to Euro currency", *Journal of Product & Brand Management,* Vol. 13(1), pp. 47-55.

Aragon-Sanchez, A. and Sanchez-Marin, G. (2005) "Strategic Orientation, Management Characteristics, and Performance: A Study of Spanish SMEs", *Journal of Small Business Management,* Vol 43, pp. 287–308.

Aram, D. J. and Cowen, S.S. (1990) "Strategic Planning for Increased Profit in the Small Business", *Long Range Planning,* Vol 23(6), pp.63-70.

Arrow, K. (1971) "*Essays in the Theory of risk bearing*". Chicago: Markham.

Arvaniti, C. (2010) "The Evolution of E-Business Environment in Fashion Sector", *International Conference on Intelligent Systems, Modelling and Simulation,* pp. 443-449.

Ates, A. and Bititci, U. (2011) "Change process: a key enabler for building resilient SMEs", *International Journal of Production Research* , Vol 49,pp. 5601–5618.

Athanasiou,P. (2006) "Financial supervision in the Republic of Cyprus: the case for reform", *Journal of Financial Regulation and Compliance,* Vol 14(1), pp.57 – 69.

Athey, G. (2009) "Economic Development in the UK: Challenges During and After the Recession", *Local Economy,* Vol 24 (6–7), pp. 604–611.

Bakker, R.M., Curseu, P. L. and Vermeulen, P. (2007) "Cognitive factors in entrepreneurial strategic decision making", *Cognition, Brain, Behavior,* Vol 11(9), pp.195-219.

Bamberger, I. (1983) “Value systems, strategies and performance of small and medium-sized firms”, *International Small Business Journal,* Vol 1(4), pp. 25-39.

Barber M.D. (2004) “Occupational science and phenomenology: Human action, narrative and ethical responsibility”, *Journal of Occupational Science,* Vol 11 (3), pp. 105-114.

Barker, V. L. and Duhaime, I.M. (1997) “Strategic change in the turnaround process: Theory and empirical evidence”, *Strategic Management Journal,* Vol 18,pp. 13–38.

Barker,V. L. and Mone, M.A. (1994) “Retrenchment: Cause of turnaround or consequence of decline?”, *Strategic Management Journal,* Vol 15, pp.395–405.

Barnes, L. and Lea-Greenwood, G. (2006) “Fast fashioning the supply chain: shaping the research agenda”, *Journal of Fashion Marketing and Management,* Vol 10 (3), pp. 259–271.

Barnes, L. and Lea-Greenwood, G.(2010) “Fast Fashion in the Retail Store Environment”, *International Journal of Retail & Distribution Management,* Vol 38(10), pp. 760-772.

Barney, J.B. (1991) “Firm resources and sustained competitive advantage”, *Journal of Management,* Vol 17, pp. 99-120.

Baron, S., Harris, K., Leaver, D. and Oldfield, B.M. (2001) “Beyond convenience: the future for independent food and grocery retailers in the UK”, *International Review of Retail, Distribution and Consumer Research,* Vol 11 (4), pp.395–414.

Baron,R.A. and Markman,G.D. (2000) “Beyond Social Capital: How Social Skills can Enhance Entrepreneurs’ Success”, *Academy of Management Executive,* Vol 14 (1), pp. 106-115.

Baron,R.A. and Markman,G.D. (2003) “Beyond Social Capital: The Role of Entrepreneurs’ Social Competence in Their Financial Success”, *Journal of Business Venturing,* Vol 18 (1), pp. 41-60.

Barwise, P. and Styler, A. (2002) “*Marketing expenditure trends*”, London: London Business School/Havas Marketing Report.

Battisti, M., Deakins, D. and Perry, M. (2013) “The sustainability of small businesses in recessionary times: Evidence from the strategies of urban and rural small businesses in New Zealand”, *International Journal of Entrepreneurial Behaviour and Research,* Vol 19(1), pp. 72-96.

Baum, J.R. and Wally, S. (2003) “Strategic decision speed and firm performance”, *Strategic Management Journal,* Vol 24, pp. 1107-1129.

Bearse, P.J. (1982) “A study of entrepreneurship by region and SMSA size”. In K. Vesper, ed., “Frontiers of Entrepreneurship Research”. Wellesley, MA: Babson College, pp. 78–112.

Beaudoin, P., Moore, M.A. and Goldsmith, R.E. (1998) “’Young fashion leaders’ and followers’ attitudes toward American and imported apparel”, *Journal of Product & Brand Management,* Vol 7 (3), pp. 193-207.

Beaver, G. and Ross, C. (2000) “Enterprise in Recession: The Role and Context of Strategy,” *International Journal of Entrepreneurship and Innovation*, Vol 1(1), pp. 23–31.

Begley, T.M. and Boyd, D.P. (1987) “Psychological characteristics associated with performance in entrepreneurial firms and smaller businesses”, *Journal of Business Venturing*, Vol 2, pp. 79-93.

Berends, Hans., Jelinek, M., Reymen, I. and Stultiëns, R. (2014) “Product innovation processes in small firms: Combining entrepreneurial effectuation and managerial causation”, *Journal of Product Innovation Management* , Vol 31(3), pp. 616-635.

Berger, P. L. and Luckmann, T. (1967) “*The Social Construction of Reality*”, New York: Random House, Vintage Books.

Bergin, A., Kelly, E. and McGuinness, S. (2012) “Explaining changes in earnings and labour costs during the recession”, *Renewal Series*, Paper 9. Dublin: ESRI.

Berglund, H. (2005) “Researching Entrepreneurship as a lived experience”. *Handbook of qualitative research methods in entrepreneurship*, Vol 3, pp. 75-94.

Berglund, Henrik. (2015) “Between cognition and discourse: phenomenology and the study of entrepreneurship”, *International Journal of Entrepreneurial Behaviour & Research*, Vol 21(3), pp. 472-488.

Berman, B. and Evans, J. (1989) “*Retail Management: A Strategic Approach*”. New York: Macmillan.

Berry, A.J., Sweeting, R. and Goto, J. (2006) “The effect of business advisers on the performance of SMEs”, *Journal of Small Business and Enterprise Development*, Vol 13, pp. 33–47.

Bhardwaj, V. and Fairhurst, A. (2010) “Fast fashion: response to changes in the fashion industry”, *The International Review of Retail, Distribution and Consumer Research*, Vol 20(1), pp. 165-173.

Bibeault, D.G. (1982) “*Corporate Turnaround: How Managers Turn Losers Into Winners*”. New York: McGraw-Hill.

Bigelow, R. and Chan, P. (1992) “Managing in Difficult Times: Lessons from the Most Recent Recession”, *Management Decision*, Vol 30(8), pp. 34-41.

Birley, S. and Norhurn,D. (1985) “Small vs. Large Companies: The Entrepreneurial Conundrum”, *The Journal of Business Strategy*, pp. 81-88.

Birley, S., Ng, D. and Godfrey, A. (1999) “The family and the business”, *Long Range Planning*,Vol 32(6),pp. 598- 608.

Birtwistle, G., Clarke, I. and Freathy, P. (1998) "Customer decision making in fashion retailing: a segmentation analysis", *International Journal of Retail & Distribution Management*, Vol 26(4), pp. 147-154.

BIS (2010) BIS Economics Paper No. 5, 'Internationalisation of innovative and high growth SMEs', Department for Business, Innovation and Skills, London.

Blackburn, R. A., Hart, M. and Wainwright, T. (2013) "Small business performance: business, Strategy and owner-manager characteristics", *Journal of Small Business and Enterprise Development*, Vol 20(1), pp.8-27.

Blau,R. and Schoenherr,R. (1971) "*The Structure of Organizations*". New York: Basie Books.

Blomqvist, K., Hurmelinna,P. and Seppänen, R. (2005) "Playing the Collaboration Game Right-Balancing Trust and Contracting", *Technovation*, Vol 25, pp. 497–504.

Bloom, M. and Milkovich, G. T. (1998) "Relationships among risk, incentive pay, and organizational performance", *Academy of Management Journal*, Vol 41, pp. 283–297.

Bloom, P. N., and Kotler,P.(1975) "Strategies for high market share companies", *Harvard Business Review*, pp.63-72.

Blundell, R., Crawford, C. and Wenchao, J. (2013) "What can wages and employment tell us about the UK's productivity puzzle", Working Paper No. 13/11. Institute for Fiscal Studies.

Bocconcelli,R., Cioppi,M., Fortezza,F., Francioni,B., Pagano,A., Savelli,E. and Splendiani,S. (2016) "SMEs and Marketing: A Systematic Literature Review", *International Journal of Management Reviews*,Vol 00, pp. 1-28.

Bolton, J. (1971) *"Small Firms Report of the Committee of Inquiry on Small Firms"*. London: HMSO.

Bonet, L. and Villarroya, A. (2008) "The performing arts sector and its interaction with government policies in Spain, in: C. Smithuijsen (ed.) *State on Stage. The Impact of Public Policies on the Performing Arts in Europe*, pp. 171–184 (Amsterdam: Boekman Foundation).

Boswell, J. (1972) "*The Rise and Decline of Small Firms*", London: Allen and Unwin.

Bourletidis, K. (2013) "The Strategic management of market information to SMEs during economic crisis". *Procedia-Social and Behavioral Sciences*, Vol 73,pp. 598-606.

Bourletidis, K. and Triantafyllopoulos,Y. (2014) "SMEs Survival in time of Crisis: Strategies, Tactics and Commercial Success Stories", *Procedia- Social and Behavioral Sciences*, Vol 148,pp. 639-644.

Bracker, J. S. and Pearson,J.N. (1986) "Planning and Financial Performance of Small, Mature Firms," *Strategic Management Journal*, Vol 7, pp. 503-522.

Bracker, J.S., Keats, B.W. and Pearson, J.N. (1988) “Planning and financial performance among small firms in a growth industry”, *Strategic Management Journal,* Vol 9(6), pp. 591-603.

Bredvold, R. and Skalen, P. (2016) “Lifestyle entrepreneurs and their identity construction: A study of the tourism industry”, *Tourism Management,* Vol 56,pp. 96–105.

Brennan, D.P. and Lundsten, L. (2000) “Impact of large discount stores on small US town: reasons for shopping and retailer strategies”, *International Journal of Retail and Distribution,* Vol 28(4/5), pp. 155-161.

Bridge, S., O’Neill, K. and Cromie, S. (2003) “*Understanding Enterprise, Entrepreneurship and Small Business”.* 2nd ed. New York: Palgrave Macmillan, Basingstoke.

Brïdson, K. and Evans, J. (2004) “The secret to a fashion advantage is brand orientation”, Vol 32(8),pp. 403-411.

Brouthers, K.D., Andriessen, F. and Nicolaes, I. (1998) “Driving blind: strategic decision-making in small companies”, *Long Range Planning,* Vol 31(1), pp. 130-138.

Browne, S., and Harms, R. (2003) “Convergence: Why Strategic Management is a Subset of Entrepreneurship, Not the Other Way Around!” *United States Association for Small Business and Entrepreneurship,* Conference Proceedings, Hilton Head Island, SC.

Bruni, A., Gherardi,S. and Poggio, B (2004) "Entrepreneur-mentality, gender and the study of women entrepreneurs", *Journal of Organizational Change Management,* Vol 17(3), pp.256-268.

Bull, M. (2008) "Challenging tensions: critical, theoretical and empirical perspectives on social enterprise", *International Journal of Entrepreneurial Behavior & Research,* Vol 14(5), pp.268-275.

Burger,A., Damijan,J., Kostevc,C. and Rojec,M. (2014) “ Determinants of Firm Performance and Growth during Economic Recession: The Case of Central and Eastern European Countries”, Discussion Paper, in Growth-Innovation-Competitiveness: Fostering Cohesion in Central and Eastern Europe, pp. 1-38.

Burnard, P and Morrison, P. (1994) “*Nursing Research in Action*”**.** 2nd edition. MacMillian Press, Basingstoke.

Burns, P., and Harrison, J. (1996) “Growth”, in Burns, P., and Dewurst, J., *Small Business and Entrepreneurship,* 2nd edition, Macmillan Press Ltd., 1-19.

Burt, R.S. (1997) “The contingent value of social capital”, *Administrative Science Quarterly,* Vol 42, pp. 339-365.

Busenitz, L. W. (1999) “Entrepreneurial risk and strategic decision making: It's a matter of perspective”, *The Journal of Applied Behavioral Science,* Vol 35(3), pp.325-340.

Busenitz, L. W. and Barney, J. B. (1997) “Differences between entrepreneurs and managers in large organizations: Biases and heuristics in strategic decision-making”, *Journal of Business Venturing,* Vol 12, pp. 9-30.

Buttner, E. H. and Moore, D. P. (1997) “Women’s organizational exodus to entrepreneurship: Self-reported motivations and correlates with success”, *Journal of Small Business Management,* Vol 35(1), pp. 34-46.

Buttner, H. and Gryskiewicz,N. (1993) “Entrepreneurs’ Problem Solving Styles: An Empirical Study Using the Kirton Adaptation/Innovation Theory”, *Journal of Small Business Management,* Vol 31(1), pp. 22–31.

Buzzell, R.D. and Wiersema, F.D. (1981) “Successful share building strategies”, *Harvard Business Review,* Vol. 59(1), pp. 135-144.

Cable, V. (2009) “*The Storm: The World Economic Crisis & What it Means*”, London: Atlantic Books.

Carland, J. W., Hoy, F., Boulton, W. R. and Carland, J. C. (1984) “Differentiating small business owners from entrepreneurs”, *Academy of Management Review,* Vol 9, pp.354-359.

Carland,J.A. and Carland, J.W.(1991) “An empirical investigation into the distinctions between male and female entrepreneurs and managers”, *International Small Business Journal,* Vol 9, pp. 62-72.

Carlsen, J., Morrison, A. and Weber, P. (2008) “Lifestyle oriented small tourism firms”. *Tourism Recreation Research,* Vol 33(3),pp. 255-263.

Carraher, S., Parnell, J., Spillan, A. and John E.(2009) “Customer service-orientation of small retail business owners in Austria, The Czech Republic, Hungary, Latvia, Slovakia, and Slovenia”, *Baltic Journal of Management,* Vol 4(3),pp. 251-268.

Carraher, S., Buckley, M., Scott, C., Parnell, J. and Carraher, C. (2002) “Customer service selection in a global entrepreneurial information services organization”, *Journal of Applied Management and Entrepreneurship,* Vol 7(2), pp. 45-55.

Carraher, S.M., Mendoza, J., Buckley, M.R., Schoenfeldt, L. and Carraher, C. (1998) “Validation of an instrument to measure service-orientation”, *Journal of Quality Management,* Vol 3(2), pp. 211-224.

Carroll, G. R. (1984) “The specialist strategy”, *California Management Review,*Vol 26(3), pp. 126-137.

Carson, D., Gilmore, A., Perry, C. and Gronhaug, K. (2001) “*Qualitative marketing research”*. London: SAGE.

Carter, S. and Jones-Evans, D. (2012) “*Enterprise and Small Business: Principles, Practice and Policy*”, 3rd edition. Harlow: Pearson.

Cassar, G. (2007) “Money, money, money? A longitudinal investigation of entrepreneur career reasons, growth preferences and achieved growth”, *Entrepreneurship and Regional Development*, Vol 19(1),pp. 89–107.

Casson, M. (1982) “*The Entrepreneur*”. Barnes & Noble, Towota, NJ.

Cater, J.J and Schwab, A. (2008) “*Turnaround Strategies in Established Small Family Firms*”, *Family Business Review,* Vol 21(1), pp. 31-50.

Cavusgil, T., Ghauri, P. and Agarwal, M. (2002) “*Doing business in emerging markets: Entry and negotiation strategies*”. Thousand Oaks: Sage.

Central Bank of Cyprus (2016) *GDP Per Capita*. Available from: https://www.centralbank.cy/en/statistics/economic-indicators [Accessed 14th February 2017]

Central Intelligence Agency (2017) *The World Factbook: Cyprus*. Available from: https://www.cia.gov/library/publications/the-world-factbook/geos/cy.html[Accessed 12 May 2017]

Cerbone, R.D. (2006) “*Understanding Phenomenology*”. Durham: Accumen Publishing Limited.

Chaganti, R., Chaganti,R. and Machajan,V. (1989) “Profitable small business strategies under different types of competition”, *Entrepreneurship Theory and Practice,* Vol 13(3),pp.21-36.

Chandler A.D. (1962) “*Strategy and Structure: Chapters in the History of the American Enterprise*”. MIT Press: Cambridge, MA.

Chang, H. and Wang, H. (2013) “A case study on the model of strategic entrepreneurship”, *International Journal of Organizational Innovation*, Vol 5(4),pp. 30-45.

Chaston, I. (2010) “*Entrepreneurial management in small firms*”. London: Sage Publications.

Chaston, I. (2012) “Entrepreneurship and knowledge management in small service-sector firms”, *The Service Industries Journal,* Vol 32(6),pp. 845-860.

Chell, E. (2001) “Entrepreneurship: globalisation, innovation and development”, *European Management Journal*, Vol 21(1), pp. 129-131.

Chell, E. (2007) “Social enterprise and entrepreneurship: Towards a convergent theory of the entrepreneurial process”, *International Small Business Journal,* Vol *25*(1), pp. 3–19.

Chen, M. and Hambrick, D.C. (1995) ‘Speed, stealth and selective attack: How small firms differ from large firms in competitive behavior’, *Academy of Management Journal*, Vol 38(2), pp. 453–482.

Chen, S. (2013) “Devising appropriate service strategies for customers of different value: an integrated assessment model for the banking industry”, *The International Journal of Human Resource Management,* Vol 24(21), pp. 3939-3956.

Chen, S.H., Yang, C.C., Lin, W.T. and Yeh, T.M. (2007) 'Service Quality Attributes Determine Improvement Priority', *The TQM Magazine,* Vol 19(2), pp. 162–175.

Chow, M.J. and Dunkelberg, W.C. (2011) "The Small Business Sector in Recent Recoveries", *Business Economics,* Vol 46(4), pp.214-228.

Chrisman, J. J., Chua, J. H., De Massis, A., Frattini, F. and Wright, M. (2015) "The ability and willingness paradox in family firm innovation", *Journal of Product Innovation Management*, Vol 32(3),pp. 310–318.

Chrisman, J.J., Chua, J.H. and Sharma, P. (2005) "Trends and directions in the development of a strategic management theory of the family firm", *Entrepreneurship Theory and Practice*, Vol 29(5), pp. 555-576.

Christofides, C. (2008) '*Entrepreneurship: The situation in Cyprus'*, paper presented to the European Conference on Promoting Entrepreneurial Culture in Adult Education, 7 March 2008, Nicosia, Cyprus.

Christopher, M., Lowson, R. and Peck, H. (2004) "Creating agile supply chains in the fashion industry", *International Journal of Retail & Distribution Management*, Vol. 32(8), pp. 367-376.

Chua, J.H., Chrisman, J.J. and Bergiel, E. (2009) "An agency theoretic analysis of the professionalized family firm", *Entrepreneurship Theory and Practice*, Vol 22, pp. 355–372.

Church, I. and Lincoln, G. (1998) "Quality management". In *The Management of Small Tourism and Hospitality Firms*, Edited by: Thomas, R. 138–55. London: Cassell.

Churchill, N.C. and Lewis, V.L. (1983) "The five stages of small business growth", *Harvard Business Review,* Vol. 61(3), pp. 30-39.

Clarke, D.W. (2012) "The sensory retail environment of small fashion boutiques", *Journal of Fashion Marketing and Management*, Vol 16(4),pp. 492-510.

Clow, K., Cole,E. and Henry S.(2004) "Small Retailers ' Road to Success : The Customer Value Concept", *Service Marketing Quarterly*, Vol 26(2),pp. 69-81.

CNN(2017) *European Debt Crisis fast facts*. Available from: http://edition.cnn.com/2013/07/27/world/europe/european-debt-crisis-fast-facts/

Coca-Stefaniak, J.A., Parker, C. and Rees, P. (2010) "Localisation as a marketing strategy for small retailers", *International Journal of Retail & Distribution Management*, Vol 38(9), pp. 677-697.

Cochrane, J.H. (2010) "Understanding policy in the great recession: some unpleasant fiscal arithmetic", *European Economic Review*, Vol 55(1), pp. 2-30.

Cogan, D.J. (1993) “*The Irish experience with literature-based innovation output indicators*”. In: Kleinknecht, A., Bain, D. Eds. , New Concepts in Innovation Output Measurement, Chap. 5. St. Martin’s Press, New York.

Cohen, M.Z. and Omery, A. (1994) “*Schools of phenomenology': implications for research*”. In Morse JM (Ed) Critical issues in Qualitative Research Methods. Sage Publications, Thousand OaksCA.

Cohen, W. M. (1995) “*Empirical Studies of Innovative Activity*,” in Handbook of the Economics of Innovation and Technological Change. Ed P. Stone- man. Oxford: Blackwell, 182–264

Cohen, W. M. and Klepper,S. (1996) “Firm Size and the Nature of Innovation Within Industries: The Case of Process and Product R&D”, *Review of Economics and Statistics* , Vol 78(2),pp. 232–243.

Colaizzi, P. (1978) “*Psychological research as the phenomenologist views it*”. In R.Valle and M. King, (eds), Existential Phenomenological Alternative for Psychology. New York: Oxford University Press, pp. 48–71.

Cole, A. (1959) “*Business enterprise in its social setting*”, Cambridge: Harvard University Press.

Collin, F. (1937) “Rapport sur les classes moyennes artisanales et commerciales’, Commission du Commerce, Brussels.

Conant, J. and White, J. (1999) “Marketing programme planning, process benefits, and store performance: an initial study among small retail firms”, *Journal of Retailing*, Vol 75(4), pp. 525-541.

Conant, J., Smart, D. and Salano-Mendez, R. (1993) “Generic retailing types, distinctive marketing competencies and competitive advantage”, *Journal of Retailing* , Vol 69(3),pp. 254–279.

Conklin, T. A. (2007) “Method or madness: Phenomenology as knowledge creator”, *Journal of Management Inquiry*, Vol 16(3),pp. 275–287.

Conklin,T.A. (2014) “Phenomenology Redux: Doing Phenomenology, Becoming Phenomenological”, *Organization Management Journal*, Vol 11(2),pp. 116-128.

Converse,M. (2012) “Philosophy of Phenomenology: How understanding aids research”, *Nurse Researcher,* Vol 20(1), pp.28-32.

Cook, T. D. and Campbell, D. T. (1979) “Quasi-Experimentation: Design & Analysis Issues for Field Settings”, Chicago: Rand McNally.

Coolidge, A. (2003) “*Private style: in-house brands make for handsome profits*”, The Cincinnati Post, online ed., 31 May.

Cooper, A., Gimeno-Gascon, F. and Woo C. (1994) “Initial human and financial capital as predictors of new venture performance”, *Journal of Business Venturing,* Vol 9,pp. 371–396.

Cooper, A., Willard,C., Woo,G.E. and Carolyn, Y. (1986) “Performing new and Small firms: A re-examination of the niche concept”, *Journal of Business Venturing,* Vol 1,pp. 247-260.

Cooper, A.C. (1981) “Strategic management: new ventures and small business”, *Long Range Planning,* Vol 14(5), pp. 39-45.

Cooper, A.C. (1982) “*The entrepreneurship-Small business interface*”. In C.A. Kent, D.L. Sexton, and K.H. Vesper, eds., Encyclopedia of Entrepreneurship. Englewood Cliffs, NJ: Prentice-Hall.

Cosh, A. and Hughes, A. (2000) “*British Enterprise in Transition: Growth, Innovation and Public Policy in the Small and Medium Sized Enterprise Sector 1994–1999*”, University of Cambridge ESRC Centre for Business Research, Cambridge.

Cosh, A., Hughes, A., Bullock, A. and Milner, I. (2009) “Small firms finance and innovation in the current economic climate”. Available from: www.cbr.cam.ac.uk/pdf/CrCr_EconCrisis.pdf [Accessed 27 March 2016].

Cotton, B. and Cachon, J.(.2007) “Resisting the Giants: Small Retail Entrepreneurs Against Mega-Retailers—An Empirical Study”, *Journal of Small Business & Entrepreneurship,*Vol 20(2), pp.135-150.

Covin, J. and Covin, T. (1990) “Competitive aggressiveness, environmental context and small firm performance”, *Entrepreneurship Theory and Practice,* Vol 15 (2),pp. 35–50.

Cowling, M., Liu, W. and Ledger, A. (2012) “Small business financing in the UK before and during the current financial crisis”, *International Small Business Journal*, Vol 30(7), pp.778-800.

Craik, J. (2007) “Re-visioning arts and cultural policy: Current impasses and future directions”, Canberra: Australian National University e- Press.

Creswell, J. (1998) “*Qualitative Inquiry and Research Design – choosing among five traditions*”. London: SAGE.

Creswell, J. W. and Plano Clark, V. L. (2011) “*Designing and conducting mixed methods research*”. 2nd edition. Thousand Oaks, CA: Sage.

Cromie, S., Stephenson,B. and Monteith,D. (1995) "The management of family firms: An empirical investigation", *International Small Business Journal* ,Vol 13(4),pp. 11- 34.

Crotty, M. (1998) *“The foundations of social research: Meaning and perspective in the research process*”,London: SAGE Publications Limited, London.

Cucculelli, M. and Bettinelli, C. (2016) “Corporate governance in family firms, learning and reaction to recession: Evidence from Italy”, *Futures* Vol 75, pp. 92-103.

Cucculelli, M. and Ermini, B. (2013) “Risk attitude, product innovation, and firm growth. Evidence from Italian manufacturing firms”, *Economics Letters*, Vol 118, pp. 275–279.

Cunningham, S. (2002) ‘From Cultural to Creative Industries: Theory, Industry, and Policy Implications’, *Culturelink,* pp. 19–32.

Curseu, P.L. (2006) “Need for cognition and rationality in decision making” , *Studia. Psychologica*, Vol 48()2, pp.141-156.

Curseu, P.L. and Louwers, D. (2010) “*Entrepreneurial experience and innovation: mediating role of cognitive complexity*” , In Vermeulen, Patrick. A. M. and Curseu, P.L. (Ed.), Entrepreneurial Strategic Decision-Making A Cognitive Perspective, Edward Elgar Publishing Limited, pp.146-160.

Curseu, P.L. Vermeulen, Patrick. A. M. and Bakker, R.M. (2010) “*The psychology of entrepreneurial strategic decision”*. In Vermeulen, Patrick. A. M. and Curseu, P.L. (Ed.), *Entrepreneurial Strategic Decision-Making A Cognitive Perspective*, Edward Elgar Publishing Limited, pp. 41-67.

Cyert, R.M. and March, J.G. (1963) *“A behavioral theory of the firm*”, Englewood Cliffs: Prentice-Hall.

Cyprus Ministry of Finance (2016) Unemployment and Debt in Cyprus.Available from: http://mof.gov.cy/en/economic-indicators/macroeconomics/main-economic-indicators [Accessed 25 February 2017].

Cyprus Statistical Service (2012) Main Economic Indicators. Available from: http://www.mof.gov.cy/mof/cystat/statistics.nsf/economy_finance_13main_en/economy_finance_13main_en?OpenForm&sub=3&sel=1[Accessed 25 February 2017].

Cyprus Statistical Service (2013) Sectors in GDP. Available from: http://www.mof.gov.cy/mof/cystat/statistics.nsf/industry_construction_61main_en/industry_construction_61main_en?OpenForm&sub=1&sel=4 [Accessed 1 March 2017].

Cyprus Statistical Service (2015) Number of Enterprises by Economic Activity (NACE) and Size Group. Pp.1-264. Available from: http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/8A220DD4941EDCA9C225803500304320/$file/ENTERPRISES_NACE2_SIZE-2015-210916.pdf. [Accessed 13th October 2016].

Cyprus Statistical Service (2015) Number of Establishments by Economic Activity (NACE) and District. Pp. 1-284. Available from: http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/8A220DD4941EDCA9C225803500304320/$file/ESTABLISMENTS_NACE2_DISTRICT-2015-210916.pdf?OpenElement [Accessed 13th October 2016].

Cyprus Statistical Service (2016) Cyprus External Trade Statistics. Available from: http://www.mof.gov.cy/mof/cystat/statistics.nsf/externaltrade_41main_en/externaltrade_41main_en?OpenForm&sub=1&sel=4[Accessed 15 January 2017].

D'Aveni, R. A. and MacMillan, I. C. (1990) "Crisis and the content of managerial communications: A study of the focus of attention of top managers in surviving and failing firms", *Administrative Science Quarterly,* Vol 35(4),pp. 634–657.

Davidsson, P. (1989a) "*Continued entrepreneurship and small firm growth*". Ph.D. Dissertation, Stockholm School of Economics.

Davidsson, P. (1989b) "Entrepreneurship—and after? A study of growth willingness in small firms", *Journal of Business Venturing,*Vol 4,pp. 211–226.

Davies, G. and Harris, K. (1990) "*Small Business: The Independent Retailer*", Basingstoke: MacMillan Education.

Dawson, J. and Kirby, D. (1979) "*Small Scale Retailing in the UK*", Farnborough: Saxon House.

Day, G. and Wensley, R. (1998) "Assessing advantage: A framework for diagnosing competitive superiority", *Journal of Marketing,* Vol 52,pp. 1-20.

Deakins, D. and Freel, M. (2003) "*Entrepreneurship and small firms*", 3rd edition,London: McGraw-Hill Education.

Dean, T., Brown, R. and Bamford, C. (1998) "Differences in large and small firm responses to environmental context: strategic implications from a comparative analysis of business formations", *Strategic Management Journal* , Vol 19(8),pp. 709–728.

DeDee, J. and Vorhies, D. (1998) "Retrenchment Activities of Small Firms During Economic Downturn: An Empirical Investigation", *Journal of Small Business Management,* Vol 36(3),pp. 46-61.

Deeks, J. (1976) "*The Small Firm Owner-Manager: Entrepreneurial Behavior and Management Practice*", London: Praeger.

Defourny, J. and Nyssens, M. (2006) "Defining social enterprise" (pp3-26). In Nyssens, M. (ed). *Social enterprise: At the crossroads of market, public policies and civil society*. Abingdon: Routledge.

Deleersnyder, B., Dekimpe, M.G., Steenkamp, J. And Leeflang, P. (2009) "The role of national culture in advertising's sensitivity to business cycles: An investigation across continents", *Journal of Marketing Research,* Vol 46,pp. 623–636.

Delmar, F. (1996) "*Entrepreneurial Behavior and Business Performance*", Stockholm School of Economics, Stockholm.

Denis, D. and Kruse, T. (2000) 'Managerial Discipline and Corporate Restructuring Following Performance Declines', *Journal of Financial Economics*, Vol 55(3),pp. 391-424.

Dess, G. and Beard, D. (1984) "Dimensions of organizational task environments", *Administrative Science Quarterly* ,Vol 29,pp. 52-73.

DeVries, M. F.R. (1985) “The dark-side of entrepreneurship”, *Harvard Business Review*, November–December, pp.161–167.

Dew, N., Read, S., Sarasvathy, S.D. and Wiltbank,R. (2009) “Effectual versus predictive logics in entrepreneurial decision-making: Differences between experts and novices”, *Journal of Business Venturing* , Vol 24 (4), pp. 287–309.

Dimitratos, P., Petrou, A., Plakoyiannaki, E. and Johnson, J. E. (2011) “Strategic Decision-Making Processes in Internalization: Does national culture of the focal firm matter?”, *Journal of World Business,* Vol 46(2),pp. 194-204.

Dobbs, M. and Hamilton, R. (2007) “Small business growth: recent evidence and new directions”, *International Journal of Entrepreneurial Behaviour & Research,* Vol. 12(5), pp. 296-322.

Doç, Y. and Bali, S. (2012) “Comparisons between the Long Depression, the Great Depression and the Global Financial Crisis”, *Journal of Management Economics and Business,* Vol 8(16), pp. 223-243.

Dodge, R. and Robbins, J. (1992) “An empirical investigation of the organizational life cycle model for small business development and survival”, *Journal of Small Business Management,* Vol. 30(1), pp. 27-37.

Donnell, L., Hutchinson, K. and Reid,V. (2012) “Fashion Retailing in the New Economy: The Case of SMEs”, *International Journal of Retail & Distribution Management,* Vol 40(12), pp. 906-919.

Dowling, M. (2007) “From Husserl to van Manen: a review of different phenomenological approaches”, *Intemational Joumal of Nursing Studies,* Vol 44(1),pp. 131-142.

Dowling, M. and Adeline,C. (2012) “Research approaches related to phenomenology: negotiating a complex landscape”, *Nurse researcher,* Vol 20(2),pp. 21-27.

Doyle, P. and Cook, D. (1980) “Marketing strategy, financial structure, and innovation in UK retailing”, *Journal of Business Research,* Vol 12,pp. 37–50.

Doyle, S.A., Moore, C.M. and Morgan, L. (2006) “Supplier management in fast moving fashion retailing”, *Journal of Fashion Marketing & Management*, Vol. 10(3), pp. 272-281.

Draucker, C.B. (1999) “The critique of Heideggerian hermeneutical nursing research”, *Journal of Advanced Nursing,* Vol 30(2),pp. 360-373.

Dwyer, F. and Oh, S. (1988) “A transaction cost perspective on vertical contractual structure and interchannel competitive strategies”, *Journal of Marketing,* Vol 52,pp. 21–34.

Dyer, G. (1986) “*Cultural Change in Family Firms”*. San Fransisco: Jossey-Bass Publishers.

Dyer, G. (1991) “*Culture and Continuity in Family Firms*,” in Family Business Sourcebook.Ed. C. A. Aronoff, and J. L. Ward. Detroit, MI: Omnigraphics, Inc., 282–293.

Dyer, W. G. (2003) “The family: The missing variable in organizational research”, *Entrepreneurship Theory and Practice,* Vol 27(4),pp. 401–416.

Easterby-Smith, M. and Thorpe,R. (2004) “*Management Research: An Introduction*”. London, Sage.

Easterby-Smith, M., Thorpe, R. and Jackson, P. (2012) “*Management Research*”. 4th edition. London: Sage.

Easterby-Smith, M., Thorpe,R., Jackson,P. and Lowe,A. (2008) “*Management research*”. 3rd edition, London: SAGE.

Ebben, J. and Johnson, A. (2005) “Efficiency, Flexibility or Both? Evidence Linking Strategy to Performance in Small Firms”, *Strategic Management Journal,* Vol 26(13),pp. 1249–1259.

Edie, J. M. (1962) “*What is phenomenology*?” Chicago: Quad- rangle Books, Inc.

Egan, V. and Tosanguan, P. (2009) “Coping strategies of entrepreneurs in economic recession: a comparative analysis of Thai and European expatriates in Pattaya, Thailand”, *Journal of Asia entrepreneurship and sustainability,*Vol 3,pp. 17-36.

Ehrich, L. C. (2005) ” Revisiting *phenomenology: its potential for management research*”', British Academy of Management Conference. Said Business School, Oxford University.

Eisenhardt, K. and Graebner, M. (2007) “Theory building from the case: opportunities and challenges”, *Academy of Management Journal*, Vol 50(1),p. 25.

Eisenhardt, K. M. (1989a) “Building theories from case study research”, *Academy of Management Review,* Vol 14(4), pp. 532–550.

Eisenhardt, K. M. (1989b) 'Making Fast Strategic Decisions in High-Velocity Environments”, *The Academy of Management Journal,* Vol 32(3), pp. 543-576.

Eisenhardt, K.M., Brown, S. L. and Neck, H.M. (2000) “*Competing on the entrepreneurial edge*”, In G.D.Meyer & K.A. Heppard (Ed.), Entrepreneurial as strategy, Thousand Oaks: Sage Publications, Inc.

Elbanna, S. and Child, I. (2007) “The influence of decision, environmental and firm characteristics on the rationality of strategic decision-making”, *Journal of Management Studies,* Vol 44(4), pp.561-591.

Ellis, B. and Kelly, S. (1992) “Competitive advantage in retailing”, *The International Review of Retail, Distribution and Consumer Research,* Vol 2(2),pp. 381-396.

Erdem, T., Zhao,Y. and Valenzuela,A. (2004) "Performance of store brands: a cross-country analysis of store brand preferences, perceptions, and risk”, Journal *of Marketing Research,* Vol 41(l),pp. 86- 100.

Erkip, F. and Ozuduru, B. H.(2015) “Retail development in Turkey: An account after two decades of shopping malls in the urban scene”, *Progress in Planning*.Vol 102,pp. 1-33.

Escriba-Esteve, A., Sanchez-Peinado, L. and Sanchez-Peinado, E. (2008) “Moderating influences on the Firm’s strategic orientation-performance relationship”, *International Small Business Journal*, Vol 26(4),pp. 463–489.

Euromonitor International (2013) “*Apparel Specialist Retailers in the United Kingdom*”, Availablefrom:https://www.portal.euromonitor.com/Portal/Pages/Search/SearchResultsList.aspx [Accessed 2 February 2014].

European Commision (2015) *2015 SBA Fact Sheet Cyprus*. Pp. 1-16. Available from: ec.europa.eu/DocsRoom/documents/16344/attachments/6/translations/en/.../native [Accessed 11th October 2016].

European Commission (2009). *Economic Crisis in Europe: Causes, Consequences and Responses.* Available from: http://ec.europa.eu/economy_finance/publications/pages/publication15887_en.pdf [Accessed 12th October 2016].

European Stability Mechanism (2017) “*How Cyprus modernised its Economy*”. Available from: https://www.esm.europa.eu/assistance/cyprus[Accessed 18 June 2017]

European Union (2017) *Cyprus*. Available from: https://europa.eu/european-union/about-eu/countries/member-countries/cyprus_en[Accessed 14 June 2017].

Eurostat (2012) *Number of Enterprises, Persons employed and gross value added and the share of SMEs.* Available from: http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Number_of_enterprises,_persons_employed_and_gross_value_added_(GVA)_and_the_share_of_SMEs,_2012.png[Accessed 15 March 2017].

Eurostat (2014) *Enterprise Size Class Analysis*. Available from: http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do [Accessed 10 March 2017].

Eurostat (2016) *Clothing Retail Turnover Rate*. Available from: http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do [Accessed 15 March 2017].

Eurostat (2017) *Business Demography: Number of deaths of enterprises*. Available at: http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do[Accessed 10 March 2017].

Eurostat (2017) *Retail trade volume annual rates of change 2005-2016*. Available from: http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Retail_trade_volume_annual_rates_of_change_2005-2016,_calendar_adjusted_new.png [Accessed 5 March 2017].

Evans, S.J. (1991) "Strategic Flexibility for High Technology Maneuvers: A Conceptual Framework," *Journal of Management Studies*, Vol 28,pp. 69-89.

Ewing Marion Kauffman Foundation. (2004) *Promoting entrepreneurship and education*, Available from: www.emkf.org [Accessed 15 October 2016].

Fagerberg, J. (2003) “Schumpeter and the revival of evolutionary economics: an appraisal of the literature”.Vol 13,pp. 125–159.

Farjoun, M. (2002) “Towards an organic perspective on strategy”, *Strategic Management Journal*, Vol 23(7), pp. 561-594.

Federation of Small Business (2009) “Small firms experiencing a tentative recovery”, FSB statistics reveal, press release, June 30, Available from: http://www.fsb.org.uk/News.aspx?loc=pressroom&rec=5406 [Accessed 27 March 2016]

Federation of Small Businesses (2011) “Late payments still hurting small firms shows FSB Research”, Available from : http://www.fsb.org.uk/news.aspx?REC=7169 FSB [Acccessed 13 July 2015]

Ferguson, N. (2007) “*Memo to market dinosaurs*”. Financial Times (December).

Ferguson, N. (2008) “*The Ascent of Money: A Financial History of the World*”. New York: Penguin.

Fernie, J. and Azuma, N. (2004) “The changing nature of Japanese fashion: can quick response improve supply chain efficiency?”, *European Journal of Marketing*,Vol 38(7), pp. 790-808.

Fernie, J., Moore, C., Lawrie, A. and Hallsworth, A. (1997) “The internationalisation of the high fashion brand: the case of Central London”, *Journal of Product & Brand Management*, Vol 6 (3), pp. 151-162.

Fiegenbaum, A. and Karnani, A. (1991) “Output flexibility: A competitive advantage for small firms”, *Strategic Management Journal*, Vol 12,pp.101-114.

Fillis, I. (2010) “Creating a typology for the arts and crafts microenterprise”. In: Munoz J (ed.) *Contemporary microenterprise: Concept and Cases*. Cheltenham: Edward Elgar.

Fiorito, S. and LaForge, R. (1986) “A marketing strategy analysis of small retailers”, *American Journal of Small Business*, Vol 10(4), pp. 7-17.

Flew, T. and Cunningham, S. D. (2010) “Creative Industries after the first decade of debate”, *The Information Society*, Vol 26(2), pp. 113–123.

Flood.A. (2010) “Understanding Phenomenology”, *Nurse Researcher*, Vol 17(2), pp. 7-15.

Foord, J. (2008) “Strategies for creative industries: An international review”, *Creative Industries Journal*, Vol 1(2), pp. 91-113.

Forbes, D. and Milliken, F. (1999) "Cognition and corporate governance: understanding boards of directors as strategic decision-making groups", *Academy of Management Review,* Vol 24,pp. 489–505.

Forsman, H. (2008) "Business development success in SMEs: a case study approach", *Journal of Small Business and Enterprise Development*, Vol 15(3), pp. 606-622.

Fort, T.C., Haltiwanger J., Jarmin R.S. and Miranda J.(2013) "*How Firms Respond to Business Cycles: The Role of Firm Age and Firm Size*", NBER Working Papers 19134.

Foss, N. (1998) "*Real options and the theory of the firm*". In R. Sanchez (Ed.), Options theory in strategic management. London: Sage.

Foster, M.J (1993) "Scenario Planning for Small Businesses", *Long Range Planning*, Vol 26(1),pp. 123-129.

Fredrickson, J. (1986) 'The strategic decision making process and organizational structure', *Academy of Management Review*, Vol 8, pp. 280-297.

Frow, P.E. and Payne, A.F. (2009) "Customer Relationship Management: A Strategic Perspective",Vol. 3(1),pp. 7-27.

Gable, M. and M.T. Topol. (1987) "Planning practices of small- scale retailers", *American Journal of Small Business*, Vol 12(2),pp.19-32.

Gatsoris, L. (2012) "Competitive Intelligence in Greek Furniture Retailing: A Qualitative Approach", *Euromed Journal of Business,* Vol 7(3), pp. 224-242.

Gedajlovic, E., Lubatkin, M. and Schulze, W.S. (2004) "Crossing the threshold from founder management to professional management: A governance perspective", *Journal of Management Studies*, Vol 41(5),pp. 899–912.

Georgiou, G. C.(2013) "Cyprus's Financial Crisis and the Threat to the Euro", *Mediterranean Quarterly,* Vol 24(3),pp. 56-73.

Ghobadian, A. and O'Regan, N. (2006) "The Impact of Ownership on Small Firm Behavior and Performance", *International Small Business Journal* , Vol 24(6),pp. 555–586.

Ghosh, A. (1994) "*Retail Management*". Forth Worth, TX: The Dryden Press.

Giannacourou,M., Kantaraki,M. and Christopoulou,V.(2015) The Perception of Crisis by Greek SMEs and Its Impact on Managerial Practices, *Procedia-Social and Behavioral Sciences,* Vol 175,pp.546-551.

Gibb, A. and Scott, M. (1985) "Strategic awareness, personal commitment and the process of strategic planning in the small business", *Journal of Management Studies*, Vol 22(6), pp. 597-632.

Gibcus, P., Vermeulen P. A. M. and Radulova, E. (2010) “The decision-making entrepreneur: a literature review” , In Vermeulen, Patrick. A. M. and Curseu, P.L. (Ed.), *Entrepreneurial Strategic Decision-Making A Cognitive Perspective,* Edward Elgar Publishing Limited, pp.11-40.

Gibcus, P., Vermeulen, P. and de Jong, J. (2004) “*Strategic decision-making in small firms: Towards a typology of entrepreneurial decision-makers*”. Retrieved from www.eim.nl/smes-and-entrepreneurship.

Gibson, S.K. and Hanes, L.A. (2003) “The contribution of phenomenology to HRD research”, *Human Resource Development Review,* Vol 2,pp. 181-205.

Giorgi A (2005) “The Phenomenological movement and research in the human sciences”, *Nursing Science Quarterly*, Vol 18(1), pp. 75-82.

Goodman, C.S. and Coughlin, B.C. (2000) “*The evolution of evo-devo biology*”, Proceedings of the National Academy of Sciences, Vol 97,pp. 4424–4425.

Gordon, D. and Walton, J. (2000) “*Convenience Retailing 2000: The Market Review*”, Letchmore Heath: IGD Business Publication.

Green, R., Lisboa,F., Yasin,J. and Mahmoud, M.(1993) “Porter's (1980) Generic Strategies in Portugal”, *European Business Review,* Vol 93(2),pp. 3-10.

Greiner, L. E.(1972) “Evolution and revolution as organizations grow”, *Harvard Business Review,* Vol 50 (4),pp. 37-46.

Grewal, R. and Tansuhaj, P. (2001) 'Building Organisational Capabilities for Managing Economic Crisis: The Role of Market Orientation and Strategic Flexibility', *Journal of Marketing*, Vol 65(2),pp. 67-80.

Grossberg, A.K. (2009) “Marketing in the great recession: An executive guide”, *Strategy & Leadership,* Vol 37(3),pp. 4–8.

Gundry, L.K. and Welsch, H.P. (2001) “The ambitious entrepreneur: High growth strategies of women-owner enterprises”, *Journal of Business Venturing,* Vol 16,pp. 453–470.

Gupta,P.D., Guha,S. and Krishnaswami,S.S. (2013) “Firm growth and its determinants”, *Journal of Innovation and Entrepreneurship*, Vol 2 (15),pp. 1-14.

Haans, H. (2011) “Evaluating retail format extensions: the role of shopping goals”, *Journal of Retailing and Consumer Services*, Vol 18(5), pp. 389-396.

Hackley, C. E. (2003*) “Doing research projects in marketing, management and consumer research”*, London: Routledge.

Hadjimanolis,A .(1997) “*The management of technological innovation in small and medium size firms in Cyprus”*, Unpublished doctoral thesis. Department of Management Studies. Brunel University.

Hakim, C. (1989) “Identifying fast growth small firms”, *Employment Gazette*, January, pp. 29-41.

Hall, C. M. and Rusher, K. (2004) “*Risky lifestyles? Entrepreneurial characteristics of the New Zealand bed and breakfast sector, in Small firms in tourism: International perspectives*”, eds, R. Thomas, Elsevier, Amsterdam, pp. 83-97.

Hallsworth, A.G. and Warnaby, G. (2003) “*The current position and future role of the small independent retailer: a review of the existing literature and selected bibliography*”, Research Report 3, Retail Enterprise Network, Manchester, unpublished.

Hambrick, D. C, MacMillan, I. C. and Day, D. L. (1982) “Strategic attributes and performance in the BGG matrix—A PIMS-based analysis of industrial product businesses”, *Academy of Management Journal*,Vol 25,pp. 510-531.

Hambrick. D.C. and Schecter, S.M. (1983) “Turnaround strategies for mature industrial product business units”, *Academy of Management Journal* , Vol 26,pp. 231-248.

Hamel, G. and Prahalad, C. K. (1994) “*Competing for the Future*”, New York: McGraw Hill.

Hang,X. and Wang,C. (2012) “Strategic Decision-Making Process in Small and Medium Enterprises: Evidence from Australia”, *International Journal of Business Studies*, Vol 20(1), pp. 91-110.

Hanks, S. H., Watson,C.J., Jansen,E. and Chandler,G.N. (1993) ‘Tightening the Life-cycle Construct: A Taxonomic Study of Growth Stage Configurations in High-technology Organizations’, *Entrepreneurship Theory and Practice* , Vol 18(2), pp. 5–29.

Hannan, M. and Freeman, J. (1977) “The population ecology of organizations”, *American Journal of Sociology*, Vol 82,pp. 929- 964.

Hansen, B. and Hamilton, R.T. (2011) “Factors distinguishing small firm growers and non-growers”, *International Small Business Journal*, Vol 29(3), pp.278–294.

Harris, D.H., Maninez, J. and Ward, J. (1994) “Is strategy different for the family-owned business?”, *Family Business Review*, Vol VII(2),pp. 159-174.

Hart, S.L. (1992) “An integrative framework for strategy-making processes”, *The Academy of Management Review*, Vol 17(2), p. 327.

Hartley, J. (2000) *'Leading and managing the uncertainty of strategic change*.' Managing Strategy Implementation.

Hartley, J. F. (1994) ‘Case Studies in Organisational Research’, in C. Cassell and G. Symon (eds) *Qualitative Methods in Organisational Research*. London: Sage.

Harvey, M. and Evans, R. (1995) “Life after succession in the family business: Is it really the end of problems?”, *Family Business Review*, Vol 8(3),p. 3-16.

Hatten, K.J. and Schendel, D.E. (1977) "Heterogeneity within an industry: firm conduct in the US brewing industry, (1952-1971)", *Journal of Industrial Economics,* Vol 26(1), pp. 97-112.

Heany, D.F. (1985) "Businesses in profit trouble", *Journal of Business Strategy,* Vol 5(4), pp.4-12.

Heidegger, M. (1962) "*Being and time*" (J. Macquarrie & E. Robinson, Trans.). New York: HarperCollins.

Helms, M., Haynes, P. and Cappel, S. (1992) "Competitive strategies and business performance within the retailing industry", *International Journal of Retail & Distribution Management,* Vol 20(5), pp. 3-15.

Henderson, J. (2002) "Building the Rural Economy With High-Growth Entrepreneurs", *Economic Review,* Vol 87(3),pp. 45-70.

Hendry, K.P., Kiel, G.C. and Nicholson, G. (2010) 'How boards strategise: A strategy as practice view', *Long Range Planning,* Vol 43, pp. 33-56.

Henricks,M.(2002) "*Not just a living: The complete guide to creating a business that gives you a life*", Cambridge: Perseus.

Herbert, T.T. and Brazeal, D.V. (1998) "*The Future of the Corporation: Corporate Entrepreneurship on the Fly*", Paper presented at the Annual Meeting of the United States Association for Small Business and Entrepreneurship, Clearwater, Florida, January 1998.

Herrero, L. C., Sanz, J. A. and Devesa, M. (2011) "Measuring the economic value and social viability of a cultural festival as a tourism prototype", *Tourism Economics,* Vol 17(3), pp. 639–653.

Hessels, J., Gelderen, M. and Thurik, R. (2008) "Entrepreneurial motivations, aspirations and their drivers", *Small Business Economics* , Vol 31 (3),pp. 323-339.

Hewitt-Dundas, N. (2006). "Resource and Capability Constraints to Innovation in Small and Large Plants", *Small Business Economics* , Vol 26,pp. 257–277.

Hewitt-Dundas, N.(2001) "Strategic complexity and success–small firms' strategies in a mature market", *Journal of Small Business and Enterprise*, Vol 8(3),pp. 46-48.

Hindle, K. and Moroz, P. (2010) "Indigenous entrepreneurship as a research field: developing a definitional framework from the emerging canon", *International Entrepreneurship and Management Journal*, Vol 6(4), pp. 357–385.

Hitt, M., A., Ireland, R. D Sirmon, D., Trahms,G. and Cheryl, A.(2011) "Strategic Entrepreneurship : Creating Value for Individuals, Organizations and Society", *Academy of Management Perspectives*, Vol 25(2), pp. 57-75.

Hitt, M.A., Ireland, R.D., Camp, M.S. and Sexton, D.L. (2001) "Guest editors' introduction to the special issue: strategic entrepreneurship: entrepreneurial strategies for wealth creation", *Strategic Management Journal*, Vol 22(6-7), pp. 479-492.

Hitt, M.A., Keats, B.W. and De Marie, S.M.(1998) "Navigating in the new competitive landscape: building strategic flexibility and competitive advantage in the 21st century", *Academy of Management Executive* , Vol 12(4), pp. 22-42.

Hofer, C.W. (1980) 'Turnaround Strategies', *Journal of Business Strategy*, Vol 1(1),pp. 19–31.

Hofer, G. and Schendel, D. (1978) "*Strategy formulation: Analytical concepts*". St. Paul: West.

Holmes, S. and Zimmer, I. (1994) "The nature of the small firm: Understanding the motivations of growth and non-growth oriented owners", *Australian Journal of Management*, Vol 19(1), pp. 97-120.

Hoskisson, R., Eden, L., Lau, C., and Wright, M. (2000) "Strategy in emerging economies", *Academy of Management Journal*, Vol 43(3),pp. 249–267.

Howe, W.S. (1992) "*Retailing management*", Basingstoke: Macmillan Education.

Huang, X.(2009) "Strategic decision making in Chinese SMEs", *Chinese Management Studies*, Vol 3(2), pp. 87-101.

Hughes, K.D. and Jennings, J.E. (2012) *"Global women's entrepreneurship research: Diverse settings, questions and approaches"*. Cheltenham/Northampton: Edward Elgar.

Hull, D.L. (2001) "*Science and selection. Essays on biological evolution and the philosophy of science"*, Cambridge: Cambridge University Press.

Hung, Y.H., Huang, M.L. and Chen, K.S. (2003) 'Service Quality Evaluation by Service Quality Performance Matrix', *Total Quality Management & Business Excellence*, Vol 14(1),pp. 79–89.

Hunt, S. (2009) "Competitive advantage strategies in times of adversity", *Journal of Customer Behaviour*, Vol 8(2), pp. 137-151.

Husserl, E. (1931) "*Ideas: General Introduction to Pure Phenomenology*" (W. R. Boyce Gibson, Trans.). London, George Allen & Unwin Ltd. (Original work published 1913).

Husserl, E. (1982) "*Ideas Pertaining to a Pure Phenomenology and to a Phenomenological Philosophy"*, 1st book: General Introduction to a Pure Phenomenology, trans. by F.Kersten. The Hague: Martinus Nijhof.

Hutchinson K., Fleck E. and Lloyd-Reason L.(2009) "An investigation into the initial barriers to internationalization: Evidence from small UK retailers", *Journal of Small Business and Enterprise Development*, Vol 16(4), pp. 544-568.

Hutchinson, K., Donnell, L., Reid,V. And Gilmore,A. A. (2015) “Loyalty card adoption in SME retailers: the impact upon marketing management”, *European Journal of Marketing,* Vol 49(¾), pp. 467-490.

Hutchinson, K., Quinn, B. and Alexander, N. (2006) “SME retailer internationalisation: case study evidence from British retailers”, *International Marketing Review,* Vol 23(1), pp. 25-54.

Hutchinson, P. (1991) “*Issues in small business finance and accounting*”, Working Paper No.91–6, Department of Accounting and Financial Management, The University of New England, Armidale, New South Wales.

Huybrechts, J., Voordeckers, W. and Lybaert, N. (2013) “Entrepreneurial risk taking of private family firms: The influence of a nonfamily CEO and the moderating effect of CEO tenure”, *Family Business Review,* Vol 26(2),pp.. 161-179.

Hycner, R. H.(1985) 'Some guidelines for the phenomenological analysis of interview data', *Human Studies,* Vol 8(3), pp. 279-303.

IFF Research (2009) BIS SME Business Barometer: April 2009, URN 09/P75C. Available from: http://bis.ecgroup.net/Publications/EnterpriseBusinessSupport/EnterpriseSmallBusiness.aspx [Accessed 27 March 2016]

Ihde, D. (1977) “*Experimental phenomenology: An introduction*”. New York: Putnam's Sons.

International Monetary Fund (2009) “*Fighting the global crisis*”. Annual Report. Available from: https://www.imf.org/external/pubs/ft/ar/2009/eng/pdf/ar09_eng.pdf [Accessed 05 April 2016]

Ireland, R.D. and Webb, J.W. (2007) “Strategic Entrepreneurship: Creating Competitive Advantage Through Streams of Innovation”, *Business Horizons*, Vol 50(1),pp. 49-59.

Ireland, R.D., Hitt, M.A. and Simon, D.G. (2003) “A model of strategic entrepreneurship: the construct and its dimensions”, *Journal of Management,* Vol 29(6), pp. 963-989.

Isidore, C. (2009) “*The great recession*”, Available from: http://money.cnn.com/2009/03/25/news/economy/depression_comparisons/ [Accessed 18 June 2016]

Jaafar, M., Abdul-Aziz, A. R., Maideen, S. A. and Mohd, S. Z. (2011) “Entrepreneurship in the tourism industry: issues in developing countries”, *International journal of Hospitality Management,* Vol 30(4), pp. 827-835.

Jaouen, A. and Lasch, F. (2015) “A new typology of micro-firm owner-managers”, *International Small Business Journal* , Vol 33 (4),pp. 397-421.

Jarzabkowski, P. (2005) “*Strategy as Practice: An Activity Based Approach”.* London: Sage.

Jarzabkowski, P. and Spee, A. P. (2009) “Strategy-as-practice: A review and future directions for the field”, *International Journal of Management Reviews*, Vol 11 (1), pp. 69-95.

Jarzabkowski, P. and Whittington, R. (2008) “Hard to disagree, mostly”, Strategic *Organization,* Vol 6(1), pp. 101-106.

Jarzabkowski, P., Balogun, J. and Seidl, D. (2007) ‘Strategizing: The challenges of a practice perspective’, *Human Relations,* Vol 60(1), pp. 5-27.

Jocumsen, G. (2002) “How do small business managers make strategic marketing decisions?”, *European Journal of Marketing*, Vol 38(5/6), pp. 659-674.

Johns, B., Dunlop,W. and Sheehan, W. (1989) “*Small Business in Australia: Problems and Prospects”*,Sydney: Allen and Unwin.

Johnson, D. D.P., Price, M. E. and Van Vugt, M.(2013) “Darwin's invisible hand: Market competition, evolution and the firm”, *Journal of Economic Behavior & Organization*, Vol 90, pp.128-140.

Johnson, G. (1987) “*Strategic Change and the Management Process*”, Oxford: Basil Blackwell.

Johnson, G., A., Langley A., Melin, L. and Whittington, R. (2007) *“Strategy as Practice: Research Directions and Resources”*. Cambridge University Press.

Johnson, G., Melin, L. and Whittington, R.(2003) “Micro strategy and strategizing: Towards an activity-based view?”, *Journal of Management Studies*, Vol 40(1),pp. 3–22.

Jones, P., Packham, G. and Miller, C. (2008) “Student attitudes towards enterprise education in Poland: a positive impact”, *Education and Training* , Vol 50(7), pp. 597-614.

Jones, W. D.(1982) “ Characteristics of planning in small firms”, *Journal of Small Business Mangement*, Vol 20(3),pp. 15-19.

Judge, W.Q. and Miller, A. (1991) “Antecedents and outcomes of decision speed in different environmental contexts”, *Academy of Management Journal*, Vol, 34(2), pp. 449-463.

Juhl, H.J., Esbjerg, L., Grunert, K.G., Bech-Larsen, T. and Brunsø, K. (2006) “The fight between store brands and national brands: what’s the score?”, *Journal of Retailing and Consumer Services,* Vol 13, pp. 331-338.

Jung, D.I. Avolio, B.J. (1999) “Effects of leadership style and followers" cultural orientation on performance in group and individual task conditions”, *Academy of Management Journal,* Vol 42,pp. 208-218.

Kaiser, S.B. (1990) “*The Social Psychology of Apparel*”, 2nd edition, New York: Macmillan.

Kambil, A. (2008) “What is your recession playbook?”, *Journal of Business Strategy*, Vol 29(5), pp.50-52.

Kaya, H. and Engkuchik, E. N. (2013) “The Effect of the Business Cycle on Stock Market Analysts’ Purchase Recommendations”, *International Journal of Management,* Vol 30 (3), pp.186-200.

Kazozcu, S. (2011). “Role of strategic flexibility in the choice of turnaround strategies: A resource based approach”, *Procedia - Social and Behavioral Sciences,* Vol 24, pp.444-459.

Keeble, D. (1997) “Small firms, innovation and regional development in Britain in the 1990’s”, *Regional Studies*, Vol 31(3), pp. 281–293.

Keen,E. (1975) “*A Primer in Phenomenological Psychology*”, New York: Holt, Rinehart and Winston.

Keynote (2007) *Market Report: Own Brands,* Data monitor.

Kirkwood, J. (2009) “To grow or not? Growing small service firms”, *Journal of Small Business and Enterprise Development,* Vol 16(3), pp. 485-503.

Kirzner, I. M. (1985) “*Discovery and the Capitalist Process*”, Chicago: University of Chicago Press.

Kitching, J. and Marlow, S. (2013) “HR practices and small firm growth: Balancing informality and formality”. In Saridakis, G. and Cooper, C.L. (eds), *How Can HR Drive Growth*. Cheltenham: Edward Elgar Publishing Limited.

Kitching, J., Blackburn, R., Smallbone, D. and Dixon, D. (2009) “Business strategies and performance during difficult economic conditions” , *Business Skills and Innovation Department report,* pp. 1-68.

Kitching, J., Smallbone, D., Xheneti, M. and Kasperova, E. (2011) “*Adapting to a fragile recovery: SME responses to recession and post-recession performance*”, paper presented at the Institute for Small Business and Entrepreneurship (ISBE) 34th Annual Conference, ‘Sustainable futures: enterprising landscapes and communities’ 9–10 November 2011, Sheffield, available at http://business.kingston. ac.uk/staff/dr-john-kitching.

Klein, L. R. (1947) “*The Keynesian Revolution*”, New York: Macmillan.

Kleinknecht, A., Reijen, J. and Smits, W. (1993) “Collecting literature-based innovation output indicators: the experience in the Netherlands*”*. In: Kleinknecht, A., Bain, D. Eds. , *New Concepts in Innovation Output Measurement*, Chap. 3. St. Martin’s Press, New York.

Knight, F.H. (1921) “*Risk, Uncertainty, and Profit*”, New York: Houghton Mifflin.

Kodish, S. and Pettegrew, L S. (2008) “Enlightened communication is the key to building relationships”, *Journal of Relationship Marketing,* Vol. 7(2),pp. 151-176.

Koropp, C., Grichnik, D. and Kellermanns, F. (2013) “Financial attitudes in family firms: The moderating role of family commitment”, *Journal of Small Business Management,* Vol 51, pp. 114-137.

Kotey, B. and Meredith, G.G. (1997), “Relationship among owner/manager personal values and perceptions, business strategies, and enterprise performance”, *Journal of Small Business Management*, Vol 35(2), pp. 37-64.

Kotler, P. and Caslione, J.A. (2009) “How marketers can respond to recession and turbulence”, *Journal of Customer Behaviour,* Vol 8,pp. 187–191.

Kraiczy, N. D., Hack, A. and Kellermanns, F. W. (2015) “What Makes a Family Firm Innovative? CEO Risk-Taking Propensity and the Organizational Context of Family Firms”, *Journal of Product Innovation Management,* Vol 32(3),pp. 334–348.

Kraus, S. and Kauranen, I. (2009) “Conceptualizing a configurational approach-based model of strategic entrepreneurship”, *International Journal of Strategic Management,* Vol. 9(2), pp. 26-37.

Krugman, P. (2009) “The return of depression economics and the crisis of 2008”, New York: W.W. Norton.

Kunreuther, H., Meyer, R., Zeckhauser, R., Slovic, P., Schwartz, B.C., Schade, L. M.F., Lippman, S., Krantz, D., Kahn, B. and Hogarth, R. (2002) “High stakes decision making: normative, descriptive and prescriptive considerations” , *Marketing Letters*, Vol 13(3), pp.259-268.

Kuratko, D. F. (2009) “*Entrepreneurship: Theory, process, practice*”. 8th edition. Mason: South-Western Cengage Learning.

Kuratko, D.F., Ireland, R.D., Covin, J.G. and Hornsby, J.S. (2005) “A model of middle-level managers’ entrepreneurial behavior”, *Entrepreneurship Theory & Practice,* Vol 29(6), pp. 699-716.

Kvale S. (1996) “*Interviews: An introduction to qualitative research interviewing*”, London: Sage Publications Limited.

Kyrgidou, L. P. and Hughes, M. (2010) “Strategic entrepreneurship: Origins, core elements and research directions”, *European Business Review,* Vol 22(1),pp. 43–63.

Kyriacou,T.G. (2006) “*The Introduction of Euro in Cyprus: challenges and prospects*”. Speech at the PRIO Cyprus Centre 2nd Annual Conference on “Economic Perspectives in Cyprus: The Path Towards Reunification”. Available from: http://www.centralbank.gov.cy/media/pdf/spee_georgekyriacou_221106_.pdf [Accessed 7th July 2016]

Kyriakou,G.A. (2006) “*Economic Perspectives in Cyprus: The Path Towards Reunification*”. the PRIO Cyprus Centre 2nd Annual Conference. November.

Laforet, S. (2007) "British grocer's brand extensions in financial *services", Journal of Product and Brand Management,* Vol 16(2),pp. 82-97.

Lai, Y., Saridakis., G., Blackburn, R. and Johnstone, S. (2016) “Are the HR responses of small firms different from large firms in times of recession?”, *Journal of Business Venturing*, Vol 31(1),pp. 113-131.

Laitinen, E.K. (2000) “Long-term success of adaptation strategies: evidence from Finnish companies”, *Long Range Planning*, Vol 33, pp. 805-830.

Lamey, L., Deleersnyder, B., Dekimpe, M.G. and Steenkamp, J. (2007) “How business cycles contribute to private-label success: Evidence from the United States and Europe”, *Journal of Marketing*, Vol 71(1),pp. 1–15.

Lane, C. and Probert, J. (2005) “Domestic capabilities and global production networks in the clothing industry: a comparison of German and UK firms' strategies”, *Socio-Economic Review*,Vol 4(1),pp. 35-67.

Lang,J. R., Calantone, R.J. and Gudmondson, D. (1997) 'Small Firm Information Seeking as a Response to Environmental Threats and Opportunities”, *Journal of Small Business Management*, Vol 35(1), pp. 11-23.

LaPlaca, P. J. (2004) “Letter from the editor: Special issue on customer relationship management”, *Industrial Marketing Management*, Vol 33(6),pp. 463−464.

Latham, S. (2009) 'Contrasting Strategic Response to Economic Recession in Start-Up versus Established Software Firms', *Journal of Small Business Management*, Vol 47(2),pp. 180-201.

Lazzeretti, L., Capone, F.S., Erdem, I. (2016) “In search of a Mediterranean creativity. Cultural and creative industries in Italy, Spain and Turkey”, *European Planning Studies*, Vol 24(3),pp. 568-588.

Lechner, C. and Gudmundsson, S.V. (2014) “Entrepreneurial orientation, firm strategy and small firm performance”, *International Small Business Journal*, Vol 32, pp. 36–60.

Lee, J. J., Kim, K.P.G., Lee,S. and Seung, E. (2008) “Business Strategies of Independent Retailers: Effects of Environmental Hostility”, *Journal of Small Business & Entrepreneurship*, Vol 21(3),pp. 277-291.

Lee, N.(2014) “What holds back high-growth firms? Evidence from UK SMEs”, *Small Business Economics*, Vol 43 (1), pp. 183-195.

Leitner, H.H. and Guldenberg, S. (2010) “Generic strategies and firm performance SMEs: A longitudinal study of Austrian SMEs”, *Small Business Economics: An Entrepreneurship Journal*, Vol 35,pp. 169–189.

Lekakis,J.N. and Kousis,M.(2013) “Economic Crisis, Troika and the Environment in Greece” ,*South European Society and Politics*, Vol 18(3), pp. 305-331.

Lester,D.L., Parnell, J.A., Crandall, W.R. and Menefee, M.L. (2008) “Organizational life cycle and performance among SMEs: Generic strategies for high and low performers”, *International Journal of Commerce and Management*, Vol 18(4), pp. 313-330.

Levie, J. and Lichtenstein, B. B. (2010) “A Terminal Assessment of Stages Theory: Introducing a Dynamic States Approach to Entrepreneurship”, *Entrepreneurship Theory and Practice,* Vol 34 (2), pp. 317– 350.

Levitt, T. (1983) 'The Globalization of Markets," *Harvard Business Review*, Vol 61,pp. 92-102.

Lewin, A. Y. and Massini, S. (2003) “Knowledge Creation and Organizational Capabilities of Innovating and Imitating Firms,” in Organizations as Knowledge Systems. Eds. H. Tsoukas and N. Mylonopoulos. New York: Palgrave,pp. 209–237.

Lewis, B. and Hawksley, A. (1990) “Gaining competitive advantage in fashion retailing”, *International Journal of Retail & Distribution Management*, Vol 18(4), pp. 21-32.

Lewis, K. (2008) “Small Firm Owners in New Zealand : In it for the ‘ good life ’ or growth ?”, *Small Enterprise Research*, Vol 16(1), pp. 61-69.

Li, X., S., Roca, S.P. and Papaoikonomou, E. (2011) “SMEs’ responses to the financial and economic crisis and policy implications: an analysis of agricultural and furniture sectors in Catalonia, Spain”, *Policy Studies*, Vol 32(4), pp. 397-412.

Lindblom, C.E. (1959) “The science of muddling through”, *Public Administration Rev*iew, Vol 19(2), pp.79–80.

Lindow,C.M., Stubner, S. and Wulf,T. (2010) “Strategic Fit Within Family Firms: The Role of Family Influence and the Effect on Performance”, *Journal of Family Business Strategy*, Vol 1(3), pp. 167-178.

Ling, W.W.S., Taylor, G. and Lo, M.T. (1998) "From Designer Brand to Bridge Line: Brand Differentiation, Brand Strategies and Customer Purchasing Behaviour in Hong Kong Fashion Retail Operations", *Journal of Fashion Marketing and Management* Vol 2(4), pp. 361-369.

Litz, R.A. and Stewart, A.C. (2000)“The late show: the effects of after-hours accessibility on the performance of small retailers”, *Journal of Small Business Management,*Vol 38(1), pp. 1-26.

Litzinger, W. (1963) “Entrepreneurial prototype in bank management: A comparative study of branch bank managers”, *Academy of Management Journal,* Vol 6, pp.36–45.

Litzinger, W. (1965) “The motel entrepreneur and the motel manager”, *Academy of Management Journal,* Vol 8, pp.268–281.

Loubeau, P., Jantzen, R. and Alexander, E.(2014) “Profiles and preferences of online millennial shoppers in Bulgaria”, *Economic Review,* Vol XII(1), pp. 63-80.

Love,J.H. and Roper, S.(2015) “SME Innovation, exporting and growth: A review of existing evidence”, *International Small Business Journal*, Vol 33(1), pp.28-48.

Loveman, G. and Sengenberger,W. (1991) “The re-emergence of small-scale production: an international comparison”, *Small Business Economics,* Vol 3 (1),pp. 1–37.

Luke, B. and Verreynne, M. L. (2006) “Exploring strategic entrepreneurship in the public sector”, *Qualitative Research in Accounting & Management,* Vol 3(1),pp. 4- 26.

Lukkari, P. (2011) “Merger: institutional interplay with customer relationship management”, *Management Research Review,* Vol 34(1), pp. 17-33.

Lumpkin, G. T. and Dess, G.G. (1996) “Clarifying the Entrepreneurial Orientation Construct and Linking It to Performance”, *Academy of Management Review,* Vol 21(1),pp. 135–172.

MacMillan, I., Donald, C., Hambrick,C. and Day, D.L. (1982) "The Product Portfolio and Profitability—A PIMS- Based Analysis of Industrial Products Businesses," *Academy of Management Journal,* Vol 25,pp. 733-755.

Mador, M. (2000) ‘Strategic decision-making process research: are entrepreneur and owner managed firms different’, *Journal of Research in Marketing & Entrepreneurship,* Vol 2(3), pp.215–234.

Majumdar, S. (2007) “Market conditions and worker training: how does it affect and whom?”, *Labour Economics,* Vol 14(1),pp. 1–13.

Makkonen, H., Pohjola, M., Olkkonen, R. and Koponen, A. (2014) “Dynamic capabilities and firm performance in a financial crisis”, *Journal of Business Research,* Vol 67(1),pp. 2707–2719.

Mann, M. and Byun, S. E. (2017) “To retrench or invest? Turnaround strategies during a recessionary time”, *Journal of Business Research* ,Vol 80,pp.24-34.

Mann, M., Byun, S. E. and Li, Y. (2015) “Realignment strategies in the US retail industry during a recessionary time: Dominant themes, trends, and propositions”, *International Journal of Retail & Distribution Management,* Vol 43(8),pp. 775–792.

March, J. G. and Shapira, Z. (1987) “Managerial perspectives on risk and risk taking”, *Management Science,* Vol 33, pp. 1404–1418.

March, J.G and Simon, H.A. (1958) “*Organizations*”, New York: JohnWiley.

March, J.G. (1991) “Exploration and exploitation in organizational learning*”, Organization Science,* Vol 2(1), pp. 71-87.

Marciano, A. (2007) “Economists on Darwin's theory of social evolution and human behaviour”, *The European Journal of the History of Economic Thought,* Vol 14(4), pp. 681-700.

Marlow, S., Henry, C. and Carter, S. (2009) “Exploring the Impact of Gender upon Women's Business Ownership”, *International Small Business Journal,* Vol 27(2), pp. 139-148.

Martin, R. (2011) "Regional Economic Resilience, Hysteresis and Recessionary Shocks", Plenary Paper Presented at the Annual International Conference of the Regional Studies Association, Newcastle,pp. 17-20.

Marx, K. (1867/1973) "*Grundrisse*", England: Penguin.

Mason J. (2002) "*Qualitative Researching*", 2nd edition, London: Sage Publications Limited.

Masson, R., Iosif, L., MacKerron, G. and Fernie, J. (2007) "Managing complexity in agile global fashion industry supply chains", *International Journal of Logistics Management*, Vol 18(2), pp. 238-254.

Masters, R. and Meier, R. (1988) "Sex differences and risk taking propensity of entrepreneurs", *Journal of Small Business Management*, Vol 26(1),pp. 31-35.

Masurel, E. and Robin, J. (1998) "The Relationship between SME Cooperation and Market Concentration : Evidence from Small Retailers in The Netherlands", *Journal of Small Business Management*, Vol 36(2), pp. 68-73.

Mattsson, L.G. (2009) "Market orientation and resource adjustments during economic recession-a business network perspective", *Journal of Customer Behaviour*, Vol 8(2), pp. 153-162.

Mayer, K.B. and Goldstein, S. (1961) "*The First Two Years: Problems of Small Firm Growth and Survival*", Washington: U.S. Government Printing Office.

Mazzarol, T., Reboud, S. and Soutar, N. G. (2009) "Strategic planning in growth oriented small firms", *International Journal of Entrepreneurial Behaviour & Research*, Vol 15 (4),pp. 320-345.

McClelland, D.C. (1961) "*The Achieving Society*", Princeton: Van Nostrand.

McClelland, D.C. and Winter, D.G. (1969) "*Motivating Economic Achievement*", New York: The Free Press.

McConnell-Henry, T., Chapman, Y. and Francis, K. (2009) "Husserl and Heidegger: exploring the disparity", *International Journal of Nursing Practice*, Vol 15(1),pp. 7-15.

McDonald, M. (1992) "*Strategic Marketing Planning*" , London: Kogan Page.

McGee, J. (1987) "Retailer strategies in the UK". In: Johnson, G. (Ed.), *Business Strategy in Retailing*. Chichester: Wiley.

McGee, J. and Petersen, M. (2000) "Toward the development of measures of distinctive competencies among small independent retailers", *Journal of Small Business Management*, Vol 38(2), pp. 19-33.

McGee, J. and Rubach, M. (1996) “Responding to increased environmental hostility: a study of the competitive behaviour of small retailers”, *Journal of Applied Business Research,* Vol 13(1),pp. 83–94.

McGee, J.E. and Finney, B.J. (1997) “Competing Against Retailing Giants: A Look at the Importance of Distinctive Marketing Competencies”, *Journal of Business and Entrepreneurship,* Vol 9(1), pp. 59–70.

McGoldrick, P. (1990) “*Retail Marketing*”, London: McGraw-Hill.

McGuire J. (1963) “*Business and Society*”, New York: McGraw-Hill.

McKee, D.O., Varadarajan, P.R. and Pride, W.M. (1989) "Strategic Adaptability and Firm Performance: A Market Contingency Perspective", *Journal of Marketing*, Vol 53,pp. 21-35.

McMahon, R., Holmes,S., Hutchinson,P. and Forsaith,D. (1993) “*Small Enterprise Financial Management: Theory and Practice*”, Sydney: Harcourt Brace Jovanovich.

McMahon, R.G.P. (2001) “Deriving an empirical development taxonomy for manufacturing SMEs using data from Australia’s business longitudinal survey”, *Small Business Economics,* Vol 17, pp. 197-212.

Megicks, P. (2001) “Competitive strategy types in the UK independent retail sector”, *Journal of Strategic Marketing,* Vol 9, pp. 315-328.

Megicks, P. and Warnaby, G. (2008) “Market orientation and performance in small independent retailers in the UK”, *The International Review of Retail, Distribution and Consumer Research,* Vol 18 (1),pp. 105–119.

Megicks, Phil. (2007) “Levels of strategy and performance in UK small retail businesses”, *Management Decision*, Vol 45(3), pp. 484-502.

Mehrabi, R. and Kolabi, A. M. (2012) “Investigating Effect of Entrepreneur's Personal Attributes and Cognitive Heuristics on the Quality of Entrepreneurial Strategic Decision Making”, *Global Business and Management Research: An International Journal,* Vol 4(2), pp. 178-192.

Merleau-Ponty, M. (1962) “*Phenomenology of Perception*”, London: Routledge and Keegan-Paul.

Merrilees, B., Rundle-Thiele, S. and Lye, A. (2011) “Marketing capabilities: antecedents and implications for B2B SME performance”, *Industrial Marketing Management,* Vol 40, pp. 368–375.

Meyer, G.D. and Heppard, K.A. (2000) “Entrepreneurial strategies – the dominant logic of entrepreneurship”, in Meyer, G.D. and Heppard, K.A. (Eds), *Entrepreneurship as Strategy – Competing on the Entrepreneurial Edge,* Sage, Thousand Oaks, pp. 1-22.

Meyer, H. H., Walker, W. B. and Litwin, G. H. (1961) “Motive patterns and risk preferences associated with entrepreneurship”, *Journal of Abnormal and Social Psychology,* Vol63(3), pp. 570- 574.

Michael, S. and Robbins, D. (1998) “Retrenchment among Small Manufacturing Firms during Recession”, *Journal of Small Business Management* , Vol 36(3), pp.35-45.

Michaelides, A.(2017) “Cyprus”, in *“Bank Resolution and Bail in the EU: Selected Case Studies Pre and Post BRRD*”. Available from: http://pubdocs.worldbank.org/en/120651482806846750/FinSAC-BRRD-and-Bail-In-CaseStudies.pdf [Accessed 6 June 2017]

Miles, R.E. and Snow, C.C. (1978) “Organizational Strategy, Structure, and Process”, New York: McGraw-Hill.

Miller, D. (1981) “Towards a new contingency approach: The search for organizational gestalts”, *Journal of Management Studies,* Vol 18, pp. 1-26.

Miller, D. and Friesen. P.H.(1978) 'Archetypes of strategy formulation", *Management Science*, Vol 24, pp. 921-933.

Miller, N.J. and Kean, R.C. (1998) “Reciprocal exchange in rural communities: consumers’ inducements to in shop”, *Psychology & Marketing,* Vol 14(7), pp. 637-661.

Miller, W. L. and Crabtree, B. F. (1992) “Primary care research: A multimethod typology and qualitative road map”. In B. F. Crabtree and W. L. Miller (Eds.), Doing qualitative research. Research methods for primary care (Vol. 3). Newbury Park, CA: Sage.

Miller,D. and Freisen,P.H. (1984) “*Organizations: A Quantum View*”, Englewood Cliffs: Prentice-Hall, Inc.

Mills, D.E. and Schumann, L. (1985) “Industry structure with fluctuating demand*”, American Economic Review,* Vol 75, pp. 758–767.

Mink,M. and De Haan,J. (2013) “Contagion during the Greek sovereign debt crisis”, *Journal of International Money and Finance,* Vol 13(C), pp. 102-113.

Mintzberg, H. (1973) “*The nature of managerial work*”, New York: Harper & Row.

Mintzberg, H. (1985) "The organization as political arena", *Journal of Management Studies,* Vol 22(2), pp. 133-154.

Mintzberg, H. (1990) “The design school: reconsidering the basic premises of strategic management”, *Strategic Management Journal,* Vol 11,pp. 171–195.

Mintzberg, H. (1994) “The fall and rise of strategic planning”, *Harvard Business Review*,pp. 107–114.

Mintzberg, H. and Lampel, J. (1999) “Reflecting on the strategy process”, *Sloan Management Review,* Vol 40(3), pp. 21-30.

Mintzberg, H., Ahlstrand, B. and Lampel, J. (1998) "*The Strategy Safari: A Guided Tour through the Wilds of Strategic Management*", New York: Free Press.

Mintzberg, H., Ahsltrand, B. and Lampel, J. (2009) "*Strategy Safari: Your complete Guide through the Wilds of Strategic Management"*, 2nd edition, Essex: Pearson Education Limited.

Mintzberg, H., Raisinghani, O. and Theoret, A. (1976) "The structure of unstructured decision processes", *Administrative Science Quarterly*, Vol 21(2), pp. 246-275.

Moore, C.M. (1995) "From Rags to Riches - Creating and Benefiting From the Fashion Own-Brand", *International Journal of Retail and Distribution Management* , Vol 23(9), pp. 19-27.

Moore, M. and Fairhurst, A. (2003) "Marketing capabilities and firm performance in fashion retailing", *Journal of Fashion and Management*, Vol 7(4), pp. 386-397.

Moore, S.B. and Manring, S.L. (2009) "Strategy development in small and medium sized enterprises for sustainability and increased value creation", *Journal of Cleaner Production*, Vol 17,pp. 276–282.

Moran, D. (2000) "*Introduction to Phenomenology*", London: Routledge.

Morris, T. and Wood, S. (1991) "Testing the Survey Method: Continuity and Change in British Industrial Relations', *Work Employment and Society*, Vol 5(2), pp. 259-282.

Moustakas, C. (1992) "Firebrand: the experience of being different". In F. J. Wertz (Ed.), The humanistic movement: Recovering the person in psychology (pp. 105-128). New York: Gardner.

Moustakas, C. (1994) "*Phenomenological research methods",* London: Sage.

Mullins, L. (1996) "*Management and Organisational Behaviour*", 4th edition, London: Pitman.

Nafday, A. M. (2011) "Strategies for Professional Engineering Firms during Economic Recession", *Journal of Professional Issues in Engineering Education and Practice,* Vol 137(1), pp. 7-11.

Namiki, N. (1988) "Export Strategy for Small Business", *Journal of Small Business Management,* Vol 26,pp. 32–37.

Nason, R. S. and Patel, P. C. (2016) "Is cash king? Market performance and cash during a recession", *Journal of Business Research,* Vol 69(10),pp. 4242–4248.

National Institute of Economic and Social Research (2013) Recessions and recoveries: a historical perspective. Available from: http://www.niesr.ac.uk/blog/recessions-and-recoveries-historical-perspective-updated-april-9-2013#.WSFTZ2h97IU [Accessed 25 April 2016]

Naylor, J. and Williams, J. (1994) "The successful use of IT in SMEs on Merseyside", *European Journal of Information Systems*, Vol 3(1), pp. 48–56.

Nelson, R. and Winter, S. (1982) "*An Evolutionary Theory of Economic Change*", Cambridge: Harvard University Press.

Newman, A. J.,Yu, D.K.C. and Oulton, D.P. (2002) "New insights into retail space and format planning from customer-tracking data", *Journal of retailing and consumer services*, Vol 9, pp.253-258.

Newman, A.J. and Patel, D. (2004) "The marketing directions of two fashion retailers", *European Journal of Marketing*, Vol 38(7), pp. 770-789.

Nguyen, T.H. and Waring,T.S. (2013) "The adoption of customer relationship management (CRM) technology in SMEs: An empirical study", *Journal of Small Business and Enterprise Development*, Vol 20(4), pp.824-848.

Nieto, J. and Santamaria,L. (2010). "Technological Collaboration : Bridging the Innovation Gap between Small and Large Firms", *Journal of Small Business Management*, Vol 48(1), pp.44-69.

Nooteboom, B. (1994) 'Innovation and Diffusion in Small Firms: Theory and Evidence', *Small Business Economics*, Vol 6(5),pp. 327–347.

Normann,R. (1977) " *Managing for Growth*", New York: Wiley.

O'Farrell, P.N. and Hitchins, D.W.N. (1988) "Alternative theories of small firm growth: a critical review", *Environment and Planning*, Vol 20, pp. 1365-1382.

O'Gorman, C. and Doran, R. (1999) "Mission statements in small and medium sized businesses", *Journal of Small Business Management*, Vol 37(4), pp. 59-66.

O'Neill, H.M. (1986) "Turnaround and recovery: What strategy do you need?", *Long Range Planning*, Vol 19(1), pp.80-88.

O'Regan,N. and Ghobadian,A.(2002) "Effective Strategic Planning in Small and Medium sized Firms", *Management Decision*, Vol 40(7), pp. 663-671.

OECD (2017) "Economic Stats". Available from: http://stats.oecd.org/#[Accessed 18 May 2017]

OECD Stat (2017) "National Accounts". Available from: http://stats.oecd.org/Index.aspx?DatasetCode=SNA_TABLE1[Accessed 18 May 2017]

Office of National Statistics (2016) "Enterprise births, deaths and active by Parliamentary Constituency". Available from: https://www.ons.gov.uk/businessindustryandtrade/changestobusiness/businessbirthsdeathsandsurvivalrates/adhocs/004934enterprisebirthsdeathsandactivebyparliamentaryconstituency2016[Accessed 19 May 2017]

Office of National Statistics (2016). “GDP Deflator Year by Year”. Available from: https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/mnf3/qna. [Accessed 19 May 2017]

Omery, A. (1983) “Phenomenology: a method for nursing research”, *Advances In Nursing Science,* Vol 5(2),pp. 49-63.

Omura, G. (1986) “Developing retail strategy”, *International Journal of Retailing,* Vol 1, pp. 17–32.

Orphanides, A. (2014) ‘What happened in Cyprus? The economic consequences of the last communist government in Europe’, *MIT Sloan School Working Paper* 5089-14.

Ozcan, G. B. (2000) “The transformation of Turkish retailing: Survival strategies of small and medium-sized retailers”, *Journal of Southern Europe and the Balkans,* Vol 2(1),pp. 105–120.

Özgener, S. and Iraz, R. (2006) “Customer relationship management in small-medium sized enterprises: the case of Turkish tourism industry”, *Tourism Management,* Vol 27(6), pp. 1356-1363.

Ozkan, N. (2011) “CEO compensation and firm performance: An empirical investigation of UK panel data”, *European Financial Management,* Vol 17,pp. 260-285.

Pablo, F. and Muñoz, C. (2001) “Economía del cine y del sector audiovisual en España”, ICE – Economia de la Cultura, Vol 724, pp. 124–138.

Paddison, A. and Calderwood, E. (2007) “Rural retailing: a sector in decline”, *International Journal of Retail & Distribution Management,* Vol 35(2), pp. 136-155.

Pal, R., Torstensson, H. and Mattila, H. (2014) “Antecedents of organizational resilience in economic crises – an empirical study of Swedish textile and clothing SMEs”, *International Journal of Production Economics*, Vol 147, pp. 410-428.

Palinkas, L.A., Horwitz, S.M., Green, C.A., Wisdom, J.P., Duan, N. and Hoagwood, K.(2015) “Purposeful sampling for qualitative data collection and analysis in mixed method implementation research”, *Administration Policy in Mental Health and Mental Health* ,Vol 42(5), pp.533–544.

Palmer, T. B. and Wiseman, R. M. (1999) “Decoupling risk taking from income stream uncertainty: A holistic model of risk”, *Strategic Management Journal,* Vol 20,pp. 1037–1062.

Pantano,E. and Priporas,C.V. (2016) “The effect of mobile retailing effect on consumption experiences: a dynamic perspective”, *Computers Human Behavior,* Vol 61, pp.548-555.

Pantano,E., Passavanti,R., Priporas,C.V. and Verteramo, S. (2018) “To what extent luxury retailing can be smart?”, *Journal of Retailing and Consumer Services,* Vol 43, pp.94-100.

Papadakis, V., Lioukas, S. and Chambers, D. (1998) "Strategic decision making processes: the role of management and context", *Strategic Management Journal,* Vol 19(2), pp.115-147.

Papadakis, V.M. and Barwise, P. (2002) "How much do CEOs and top managers matter in strategic decision-making?", *British Journal of Management,* Vol 13(1), pp. 83-95.

Park, M. and Mason, J. (1990) "Toward an integrated model of the determinants of business performance", *Research in Marketing,* Vol 10,pp. 157–202.

Parker, C. and Byrom, J. (2000) "*Towards a 'Healthy High Street': Training the Independent Retailer",* Manchester: Manchester Metropolitan University.

Parnell, J. A. (2013) "Uncertainty, Generic Strategy, Strategic Clarity and Performance of Retail SMEs in Peru, Argentina and the United States", *Journal of Small Business Management,* Vol 51(2), pp. 215-234.

Parrish, E. (2010) "Retailers' use of niche marketing in product development", *Journal of Fashion Marketing and Management*, Vol 14(4), pp. 546-561.

Parsons, A.G. (2011) "Atmosphere in fashion stores: do you need to change?", *Journal of Fashion Marketing and Management*, Vol 15(4), pp. 428-445.

Parvatiyar, A. and Sheth, J. N. (2001) "Customer relationship management: Emerging practice, process, and discipline", *Journal of Economic and Social Research,* Vol 3(2),pp. 1−34.

Patton, M.Q. (1990) "*Qualitative Evaluation and Research Methods*", 2nd edition, London: Sage.

Patton, M.Q. (2002) "*Qualitative Research and Evaluation Methods*", 3rd edition, London: Sage Publications.

Paul, S. and Boden, R. (2011) "*Taking the Credit*" in Enterprise Matters, Institute for Small Business and Entrepreneurship.

Pearce II , J.A. and Robbins, D.K. (1993) "Toward improved theory and research on business turnaround", *Journal of Management,* Vol 19(3), pp. 613-636.

Pearce II, J. A. and Michael, S.C. (2006) "Strategies to prevent economic recessions from causing business failure", *Business Horizons,* Vol 49 (3), pp. 201-209.

Pearce, J.A. and Robbins, D.K. (1994) "Entrepreneurial recovery strategies of small market share manufacturers", *Journal of Business Venturing,* Vol 9 (2),p. 91.

Peltier, J.W., Schibrowsky, J.A. and Zhao, Y. (2009) "Understanding the antecedents to the adoption of CRM technology by small retailers: entrepreneurs vs owner-managers", *International Small Business Journal,* Vol 27, pp. 307–336.

Penrose, E.T. (1995) “*The Theory of the Growth of the Firm*”, 3rd edition, Oxford: Oxford University Press.

Peston, L. and Ennew, C.T. (1998) “*Neighbourhood shopping in the millennium*”, University of Nottingham Business School Discussion Paper 1998, XII.

Peteraf, M. A. (1993) “The Cornerstones of Competitive Advantage: A Resource-based View”, *Strategic Management Journal,* Vol 14(3),pp. 179–191.

Peters,M.L. and Zelewski,S. (2013) “Competitive Strategies Their Relevance for Sustainable Development in the Food Industry”, *Journal of Management and Sustainability,*Vol 3(3), pp.148-157.

Petroff,A. (2017) “These are 4 of the worlds hottest tourist destinations”, CNNMoney. Available from: http://money.cnn.com/2017/03/20/pf/tourism-mexico-iceland-destination/[Accessed 22 June 2017]

Pfeffer, J. (2005) “Understanding the role of power in decision making”, in Shafritz, J.M., Ott, J.S. and Jang, Y.S. (Eds), *Classics of Organization Theory*, London: Thomson, pp. 290-303.

Pfeffer, J. and Salancik, G.R. (1978) “*The External Control of Organizations*”, New York: Harper & Row.

Picard, R.G. (2001) “Effects of recessions on advertising expenditures: An exploratory study of economic downturns in nine developed nations”, *Journal of Media Economics,* Vol 14,pp. 1–14.

Pickering, J.F., Greene, F.J. and Cockerill, T.A.J. (1998) “*The Future of the neighbourhood Store”*, Durham University Business School Publications.

Piekkari, R., Welch, C. and Paavilainen, E.(2009) “The case study as disciplinary convention: Evidence from international business journals”*, Organizational Research Methods,* Vol 12(3),pp.567–589.

Piercy, N., Cravens, D. and Lane, N. (2010) “Marketing out of the recession: recovery is coming but things will never be the same again”, *The Marketing Review*, Vol 10(1), pp. 3-23.

Pittaway, L. (2005) “Philosophies in Entrepreneurship: A Focus on Economic Theories”, *International Journal of Entrepreneurial Behavior and Research*, Vol 3(11),pp. 201-221.

Plunkett Research (2007) “*Apparel and Textiles Industry Trends*”, Houston: Plunkett Research Ltd.

Polegato, R. and Wall, M. (1980) “Information seeking by fashion opinion leaders and followers’’, *Home Economics Research Journal*, Vol 8(5), pp. 327-338.

Polkinghorne, D. E. (1989) “Phenomenological research methods”. In R. S.Valle&S. Halling (Eds.), *Existential-phenomenological perspectives in psychology: Exploring the breadth of human experiences,* New York: Plenum Press, pp. 41-60.

Porter, M. (1990) “*The competitive advantage of nations*”, New York: The Free Press.

Porter, M. E. (1985) “*Competitive Advantage; Creating and Sustaining Superior Performance*”, New York: Free Press.

Porter, M.E.(1980) “*Competitive Strategy*”,New York: Free Press.

Poutziouris, P. (2003) “The strategic orientation of owner-managers of small ventures: Evidence from the UK small business economy*”, International Journal of Entrepreneurial Behaviour & Research,* Vol 9(5), pp.185-214.

Poutziouris, P. (2010) “*The entrepreneurial family business economy in Cyprus*”, Cyprus International Institute of Management and Cyprus Chambers of Commerce and Industry, Nicosia.

Poutziouris, P., Binks, M. and Bruce, A. (1998) “A problem-based phenomenological growth model for small manufacturing firms”, *Journal of Small Business and Enterprise Development*, Vol 6(2), pp. 139-152.

Poutziouris,P., Smyrnios,K. and Goel,S.(2013) “*Handbook of research of family business*”, 2nd edition, Edward Elgar Publishing.

Price, L., Rae, D. and Veronica,C. (2013) “SMEs Perceptions of and Responses to the Recession”, *Journal of Small Business and Enterprise Development*, Vol 20(3), pp. 1-17.

Priporas,C.V., Kamenidou,I., Kapoulas,A. and Papadopoulou,F.M. (2015) “Counterfeit purchase typologies during an economic crisis”, *European Business Review*, Vol 27(1), pp.2-16.

Priporas,C.V., Stylos,N. and Fotiades,A.K. (2017) “Generation Z consumers' expectations of interactions in smart retailing: A future agenda”, *Computers in Human Behavior*, pp.1-8.

Pugh, D. S., Hickson, D.J., Hinings, C.R. and Turner, C. (1969) "The context of organization structures" , *Administrative Science Quarterly*, Vol 14, pp. 91-114.

Quinn, J.B. (1980) “*Strategies for change: logical incrementalism*”, Homewood: Richard D Irwin, Inc.

Rajagopalan, N., Rasheed, A.M.A. and Datta, D.K. (1993) “Strategic decision processes: critical review and future directions”, *Journal of Management*, Vol 19(2), pp. 349-384.

Ramakrishnan, K. (2010) “The competitive response of small, independent retailers to organized retail: Study in an emerging economy”, *Journal of Retailing and Consumer Services*, Vol 17(4), pp. 251-258.

Ray, M.A. (1994) “The richness of phenomenology': philosophic, theoretic, and méthodologies concerns”, ln Morse JM (Ed) *Critical Issues in Qualitative Research Methods*. Sage Publications, Thousand Oaks.

Reeves, M. and Deimler, M.S.(2009) “Strategies for winning in the current and post-recession environment”, *Strategy & Leadership,* Vol 37(6), pp. 10-17.

Reid, G. (2007) “*The Foundations of Small Business Enterprise*”, London: Routledge.

Reige, A. M. (2003) "Validity and reliability tests in case study research: a literature review with "hands-on" applications for each research phase", *Qualitative Market Research,* Vol 6(2),pp. 75-86.

Reinartz, W., Krafft, M. and Hoyer, W. D. (2004) “The customer relationship management process: Its measurement and impact on performance”, *Journal of Marketing Research,* Vol XLI,pp. 293−305.

Reveley. J. and Down, S. (2009) ‘Stigmatization and self-presentation in Australian entrepreneurial identity formation’, in Hjorth, D, and Steyaert, C. (eds.) *The Politics and Aesthetics of Entrepreneurship*. Cheltenham: Edward Elgar.

Rhenman, E.(1973) “*Organization Theory for Long Range Planning*”, London: Wiley.

Rhoads, C. J. and Gupta, K. (2010) *“An Empirical Look at Past Recessions : Strategy Lessons Learned for the Business Community Proceedings Summary*”. Northeast Business & Economics Association, pp. 559-564.

Rhodes, D. and Stelter, D. (2009) “Seizing advantage in a downturn”, *Harvard Business Review,* Vol 2, pp.1–8.

Ries,A. and Trout, J. (1982) “*Positioning: The battle for your mind*”, New York:Warner.

Ritchie, J. and Lewis, J. (2003) *“Qualitative research practice: a guide for social science students and researchers”,* London: Sage.

Riva, E. (2013) “Workplace work-family interventions: Italy in times of welfare state retrenchment and recession”, *International Journal of Sociology and Social Policy,* Vol 33(9), pp. 565-578.

Robbins, D. K. and Pearce II, J. A. (1992) “Turnaround: Recovery and retrenchment”, *Strategic Management Journal*, Vol 13(4),pp. 287–309.

Robbins, K. D. and Pearce II, J. A. (1993) “Entrepreneurial retrenchment among small manufacturing firms”, *Journal of Business Venturing,* Vol 8(4),pp. 301–318.

Roberts, K.(2003) “What strategic investments should you make during a recession to gain competitive advantage in the recovery?”, *Strategy and Leadership,* Vol 31(4), pp. 31-39.

Roberts, N. and Stockplort, G. J. (2009) “Defining Strategic Flexibility”, *Global Journal of Flexible Systems Management,* Vol 10(1), pp. 27-32.

Robinson, R. B. (1982) "The importance of Outsiders in Small Firm Strategic Planning", *Academy of Management Journal*, Vol 25,pp. 80-93.

Robinson, R.B., Pearce, J.A. and Vozikis, G.S. (1984) “The relationship between stage of development and small firm planning and performance”, *Journal of Small Business Management,* Vol 22(2), pp. 45-52.

Roche, W. K. and Teague, P. (2012) “Do Recessions Transform Work and Employment? Evidence from Ireland”, *British Journal of Industrial Relations,* 0007 (1080), pp. 1-25.

Rogers, M. (2004) “Networks, Firm Size and Innovation”, *Small Business Economics,* Vol 22,pp. 141–153.

Roper, S. (2001) ‘Innovation, Networks and Plant Location; Evidence for Ireland’, *Regional Studies* , Vol 35(3),pp. 215–228.

Roper, S. and Hewitt-Dundas, N.(1998) *‘Innovation, Networks and the Diffusion of Manufacturing Best Practice’,* Report Series No.14, Belfast.

Roper, S. and Parker, C. (2006) “Evolution of branding theory and its relevance to the independent retail sector”, *The Marketing Review,* Vol 6(1), pp. 55-71.

Rosenbusch, N., Brinckmann, J. and Bausch, A. (2011) “Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs”, *Journal of Business Venturing,* Vol 26 (4), pp. 441–457.

Rosenof, T. (1997) “Economics in the long run: New deal theorists and their legacies, 1933–1993”, Chapel Hill: University of North Carolina Press.

Rothwell, R.. and Dodgson, M. (1994) “Innovation and Size of Firm*,”* in The Handbook of *Industrial Innovation*. Eds. Dodgson, M. and Rothwell, R. Aldershot Hants: Edward Elgar.

Rubach, J. and McGee, J. E. (2002) “The competitive behaviors of small retailers: examining the strategies of local merchants in rural America”, *Journal of Small Business Strategy,* Vol 12(2), pp. 65-81.

Runyan, R., Huddleston, C., Swinney, P. and Jane L. (2007) “A resource-based view of the small firm: Using a qualitative approach to uncover small firm resources”, *Qualitative Market Research: An International Journal,* Vol 10(4), pp. 390-402.

Russell, H. and McGinnity, F .(2013) “Under Pressure: The Impact of Recession on Employees in Ireland”, *British Journal of Industrial Relations,* pp. 1-22.

Sahin, A., Kitao, S., Cororaton, A. and Laiu, S. (2011) “Why Small Businesses Were Hit Harder by the Recent Recession”, *Current Issues in Economics and Finance,* Vol 17(4), pp.1-7.

Salavou, H., Baltas, G. and Lioukas, S. (2004) “Organizational innovation in SMEs: the importance of strategic orientation and competitive structure”, *European Journal of Marketing,* Vol 38, pp. 1091–1112.

Sandberg, W. R. (1992) “Strategic management’s potential contribution to a theory of entrepreneurship”, *Entrepreneurship Theory and Practice,* Vol 16(3),pp. 73-90.

Sanders, P. (1982) “Phenomenology: A new way of viewing organizational research”, *The Academy of Management Review,* Vol 7,pp. 353-360.

Sanders, W. G. and Hambrick, D. C.(2007) “Swinging for the Fences: the Effects of Ceo Stock Options on Company Risk Taking and Performance”, *Academy of Management Journal,* Vol 50(5), pp. 1055-1078.

Santarelli, E. and Piergiovanni, R. (1996) “Analyzing literature based innovation output indicators: the italian experience”, *Research Policy,* Vol 25(5), pp.689-711.

Saunders, M., Lewis,P. and Thornhill,A. (2012) “*Research Methods for Business Students”*, 7th edition, Essex: Pearson Education Limited.

Scase,R. (2003) “Entrepreneurship and Proprietorship in Transition: Policy implications for the SME sector*”*. In McIntyre, R.J. and Dallago, B. (Eds): *Small and Medium Enterprises in Transitional Economies,* New York: Palgrave Macmillan.

Schendel, D.E., Patton, R. and Riggs, J.(1976) “Corporate turnaround strategies”, *Journal of General Management ,* Vol 3, pp.3-l1.

Schindehutte, M. and Morris, M.H. (2001) “Understanding Strategic Adaptation in Small Firms” ,*International Journal of Entrepreneurial Behaviour & Research ,* Vol 7(3),pp. 84–107.

Schneider, S.C. and Meyer, A. (1991) “Interpreting and responding to strategic issues: the impact of national culture” , *Strategic Management Journal,* Vol12(4), pp. 307-320.

Schoemaker, P.J.H. (1993) “Strategic decisions in organizations: rational and behavioral views” , *Journal of Management Studies,* Vol 30(1), pp.107-129.

Schrank, H.L. and Guilmore, L. (1973) “Correlates of fashion leadership: implications for fashion process theory”, *The Sociological Quarterly,* Vol 14(4), pp. 534-543.

Schumpeter, J. (1934) “*The theory of economic development*”, Cambridge: Harvard University Press.

Schumpeter, J. A. (1942) “*Capitalism, socialism and democracy*”, London: Unwin University Books.

Schumpeter, J. A. (1950) “*Capitalism, Socialism, and Democracy*”, 3rd edition, New York: Harper & Row.

Schwenk, C.R. and Shrader, C.B. (1993) “Effects of formal strategic planning on financial performance in small firms: a meta-analysis”, *Entrepreneurship: Theory and Practice,* Vol 17 (3),pp. 53–65.

Sciascia, S., Nordquist, M., Mazzola, P. and De Massis, A. (2015) “Family Ownership and R&D Intensity in Small- and Medium-Sized Firms”, *Journal of Product Innovation Management*, Vol 32(3),pp. 349-360.

Scott, M. and Bruce, R. (1987) “The 5-stages of growth in small business”, *Long Range Planning*, Vol 20(3), pp. 45-52.

Scott, M. and Rosa, P. (1996) “Opinion: Has firm level analysis reached its limits? Time for a rethink”, *International Small Business Journal*, Vol 14(4),pp. 81–89.

Seamon,D. (2015) “Situated cognition and the phenomenology of place: lifeworld, environmental embodiment, and immersion-in-world”, *Cognitive Processing Journal*, Vol 16, pp. 389-392.

Segev, E. (1987) “Strategy, strategy making and performance – an empirical investigation”, *Strategic Management Journal*, Vol 8(6), pp. 565-577.

Selznick, P. (1957) “*Leadership in Administrative Framework*”, New York: Harper & Row.

Sexton, D. L. and Van Auken, P.M. (1985) ‘A Longitudinal Study of Small Business Strategic Planning’, *Journal of Small Business Management,* Vol 23(1), pp.7-15.

Shackle, G. (1968) “*Economics of Pleasure*”, Cambridge: Cambridge University Press.

Shama, A. (1993) ‘Marketing Strategies During Recession: A Comparison of Small and Large Firms’, *Journal of Small Business Management,* Vol 31(3),pp. 62-72.

Shane, S., Kolvereid, L. and Westhead, P.(1991) “An exploratory examination of the reasons leading to new firm formation across country and gender”, *Journal of Business Venturing*, Vol 6(4), pp. 431–446.

Sharma, D., Garg, S. K. and Sharma, C. (2011) “Strategies for SMEs after Global Recession”, *Global Business and Management Research: An International Journal*, Vol 3(1), pp. 58-66.

Sharma, G. (2011) “Do SMEs need to strategize?”, *Business Strategy Series*, Vol 12(4), pp. 186-194.

Sheinin, D.A. and Wagner, J. (2003) “Pricing store brands across categories and retailers”, *Journal of Product and Brand Management*, Vol 12(4), pp. 201-219.

Shepherd, D., Williams,A., Trenton, A. and Patzelt, H. (2015) “Thinking About Entrepreneurial Decision Making: Review and Research Agenda”, *Journal of Management* Vol 41(1), pp.11-46.

Shepherd,N.G. and Rudd,J.M.(2014) “The Influence of Context on the Strategic Decision-Making Process: A Review of the Literature”, *International Journal of Management Reviews,* Vol 16(3), pp.340-364.

Short, J. C., Moss, T. W. and Lumpkin, G. T. (2009) “Research in social entrepreneurship: Past contributions and future opportunities”, *Strategic Entrepreneurship Journal*, Vol 3(2),pp. 161–194.

Shrivastava, P. and Grant, J. (1985) “Empirically derived models of strategic decision-making processes”, *Strategic Management Journal,* Vol 6, pp. 97-113.

Shuman, J. C.(1975) “Corporate planning in small companies”, *Long Range Planning*, Vol 8(5),pp. 81-90.

Silberston, A. (1983) “Efficiency and the individual firm”. In: Shepherd D, Turk J and Silberston A (eds) *Microeconomic Efficiency and Macroeconomic Performance*, London: Philip Allen, pp.30–53.

Simon, H. A. (1947) “*Administrative Behavior: A Study of Decision-Making Process in Administrative Organization*”, Chicago: Macmillan.

Singh, J. (1990) “*Organizational Evolution*”, Beverly Hills: Sage.

Smallbone D., North D. and Kalantaridis, C. (1999) 'Adapting to Peripherality: a Study of Small Manufacturing Firms in Northern England', *Entrepreneurship and Regional Development*, Vol 11(2),pp. 109-128.

Smallbone, D., Deakins, D., Battisti, M. and Kitching, J.(2012) “Small business responses to a major economic downturn: Empirical perspectives from New Zealand and the United Kingdom”, *International Small Business Journal*, Vol 0(0), pp. 1-24.

Smallbone, D., North, D., Baldock, R. and Ekanem, I. (2002) “*Encouraging and supporting enterprise in rural areas”*, Middlesex University Business School Research Report, The Former DTI’s Small Business Service, London.

Smallbone,D., Kitching, J. and Kasperova,E. (2010) “ On the Road to Recovery: A Longitudinal Analysis of Small Firm Survival and Growth Strategies in Post Recessionary Conditions, 25th Anniversary Conference “ *Rent XXV: Research in Entrepreneurship and Small Business”*, pp. 1-45.

Smith, A. and Sparks, L. (2000) “The role and function of the independent small shop: the situation in Scotland”, *International Review of Retail, Distribution and Consumer Research,* Vol 10(2),pp. 205–226.

Smith, D.W. (2009) *“Phenomenology*”. In The Stanford encyclopedia of philosophy (summer edition). Ed. E. N. Zalta. Retrieved from http://plato.stanford. edu/archives/sum2009/entries/phenomenology [Accessed 16 October 2016]

Smith, H. (1937) “*Retail Distribution*”, London: Oxford University Press.

Smith, J. A., Flowers, P. and Larkin M. (2009) *“Interpretative Phenomenological Analysis: Theory, Method and Research”*, London: SAGE Publications.

Smith, J.A. (1998) “Strategies for start-ups”, *Long Range Planning*, Vol 31(6), pp. 857-872.

Smith, K., Gannon, M., Grimm, C. and Mitchell, T. (1988) “Decision-making behavior in smaller entrepreneurial and larger professionally managed firms”, *Journal of Business Venturing,* Vol 3, pp.223–232.

Smith, N.R. (1967) *“The Entrepreneur and His Firm: The Relationship between Type of Man and Type of Company*”, East Lansing: Michigan State University Press.

Soumeli, E. (2013) “*Cyprus: Impact of the crisis on industrial relations*”. Eurofound. Available from: https://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/cyprus/cyprus-impact-of-the-crisis-on-industrial-relations [Accessed 13 June 2017]

Spanos, Y. E., Zaralis, G. and Lioukas, S. (2004) “Strategy and industry effects on profitability: Evidence from Greece”, *Strategic Management Journal*, Vol 25(2),pp. 139–165.

Spinelli, E. (1989). *“The interpreted world: An introduction to phenomenological psychology*”, London: Sage.

Srichookiat, S. and Jindabot,T. (2017) "Small family grocers’ inherent advantages over chain stores: a review", *International Journal of Retail & Distribution Management*, Vol 45(4), pp.446-462.

Srinivasan, R. and Lilien, G.L. (2009) “R&D, advertising and firm performance in recessions”, ISBM Report 3. Available from: http://isbm.smeal.psu.edu/researcher/isbmresearch-database [Accessed 18 July 2015]

Srinivasan, R., Lilien, G.L. and Sridhar, S.(2011) “Should Firms Spend More on Research and Development and Advertising During Recessions?”, *Journal of Marketing*, Vol 75(3), pp. 49-65.

Srinivasan, R., Rangaswamy, A. and Lilien, G. (2005) “Turning adversity into advantage: Does proactive marketing during a recession pay off?”, *International Journal of Research in Marketing*, Vol 22,pp. 109–125.

Stake, R. (2000) “*Case Studies. Handbook of Qualitative Research*”, in N. K. Denzin and Y. S. Lincoln. Thousand Oaks:Sage, pp. 236-247.

Stanley, J. (2005) “*Brand versus private labels: who is winning?”,* Available from: www.johnstanley.com [Accessed 27 August 2016]

Stanworth, J. and Curran, J. (1973) “*Management Motivation in the Smaller Business*”, Epping: Gower Press.

Stanworth, J. and Curran, J. (1976) “Growth and the small firm: an alternative view”, *Journal of Management Studies*, Vol 13, pp. 95-110.

Stavrou, E. T., Kleanthous, T. and Anastasiou, T .(2005) "Leadership personality and firm culture during hereditary transitions in family firms: Model development and empirical investigation", *Journal of Small Business Management,* Vol 43(2), pp. 187-206.

Steffens, P., Davidsson, P. and Fitzsimmons, J. (2009) "Performance configurations over time: implications for growth- and profit-orientated strategies", *Entrepreneurship Theory and Practice,* Vol 33, pp. 125-149.

Steinmetz, L. (1969) "Critical stages of small business growth", *Business Horizons*, p. 29.

Stern, L.W. and El-Ansary, A.I. (1988) *"Marketing Channels*", Englewood Cliffs: Prentice Hall.

Stevick, E. (1971) "An empirical investigation of the experience of anger". In A. Giorgi, W. Fischer, & R. von Eckartsberg (Eds.), *Duquesne studies in phenomenological psychology*, Pittsburgh, PA: Duquesne University Press, pp.132-148.

Stewart, W. H., Watson, W.E., Carland, J.C. and Carland, W.J. (1998) "A Proclivity for Entrepreneurship: A Comparison of Entrepreneurs, Small Business Owners, and Corporate Managers", *Journal of Business Venturing,* Vol 14, pp. 189–214.

Stokes, D. (2004) "*Small Business Management*", 4th edition. Andover: Thomson Publishing.

Stokes,D. and Wilson, N.(2006) "*Small Business Management and Entrepreneurship*", 5th edition, London: Thomson Learning.

Stone, E. (2004) "Dynamics of Fashion", New York: Fairchild.

Stone, K. (1995) "*Competing with the Retail Giants*", New York: Wiley.

Storey, D. J. and Greene, F. (2010) "*Small Business and Entrepreneurship*", Harlow: Prentice Hall.

Storey, D. J. and Johnson,S. (1987) "Regional Variations in Entrepreneurship in the U.K", *Scottish Journal of Political Economy* , Vol 34(2),pp. 161−173.

Storey, D.J. (1994) "*Understanding the Small Business Sector*", London: Routledge.

Sullivan-Taylor, B. and Branicki, L. (2011) "Creating resilient SMEs: why one size might not fit all", *International Journal of Production Research* , Vol 49, pp. 5565–5579.

Tagiuri, R. and Davis, J. (1996) "Bivalent attributes of the family firm", *Family Business Review,* Vol 9, pp.199–208.

Tanti,H. (2016) "The Role of Relationship Marketing in Small and Medium Enterprises (SMEs)", *Jurnal Pengurusan,* Vol48,pp. 137-148.

Taylor, E. (2008) "HACCP for the hospitality industry: History in the making", *International Journal of Contemporary Hospitality Management* , Vol 20(5), pp. 480-493.

Taylor, J. and Bradley, S. (1994) “Spatial Disparities in the Impact of the 1990-1992 Recession: An Analysis of UK Counties”, *Oxford Bulletin of Economics and Statistics*, Vol 56, pp. 367–382.

Tellis, G. J. (1989) “The impact of corporate size and strategy on competitive pricing”, *Strategic Management Journal*, Vol 10, pp. 569-585.

Tether, B. S. (1998) ‘Small and Large Firms: Sources of Unequal Innovations?’, *Research Policy* , Vol 27,pp. 725–745.

Theodoridis, C. (2014) “*A Phenomenological Case Study: Strategy Development in Small and Medium Retail Enterprises in Greece during Recession*”, In SAGE Research Methods Cases, London: Sage.

Theodoridis, C. and Bennison, D. (2009) “Complexity theory and retail location strategy”, *The International Review of Retail, Distribution and Consumer Research*, Vol 19(4), pp. 389-403.

Theodoridis, C. and Priporas, C.V. (2013) “Strategic decision-making during uncertainty: The case of the Greek retail sector”, In Vrontis, D. and Thrasou, A (Eds), *Innovative Business Practices: Prevailing a Turbulent Era*, Cambridge Scholars Publishing, Newcastle upon Tyne, UK, pp. 87-111.

Theodoridis, C., Ntounis, N. and Pal, J. (2017) "How to reinvent the High Street: evidence from the HS2020", *Journal of Place Management and Development*, Vol 10(4), pp.380-391.

Thompson, A. A., Peteraf, M. A., Gamble, J. E., & Strickland, A. J., III. (2012). Crafting and executing strategy: The quest for competitive ad- vantage. New York, NY: McGraw-Hill Irwin.

Thompson, A.A. and Strickland, A.J. (1986) *“Strategy Formulation and Implementation: Task of the General Manager”*, Plano: Business Publications.

Thong, J.Y.L. and Yap, C.S. (1995) “CEO characteristics, organisational characteristics and information technology adoption in small businesses”, *Omega*, Vol 23(4), pp. 429-443.

Tinsley, D.D. (1976) “Competition, Consultants, and Completeness: Strategy in the Small Retailer’s Future”, *Journal of Small Business Management*, Vol 14(3), pp. 12-15.

Totterdill, P. (1989) “Local Economic Strategies as Industrial Policy: a critical review of British developments in the 1980s”, *Economy and Society*, Vol 18,pp. 478-526.

Tsai, W. and Ghoshal, S. (1998) “Social capital and value creation: The role of intrafirm networks”, *Academy of Management Journal*, Vol 41(4), pp. 464-476.

Tsai, W.H., Kuo, Y.C. and Hung, J.H. (2009) “Corporate diversification and CEO turnover in family businesses: self-entrenchment or risk reduction?”, *Small Business Economics*, pp.57–76.

Tungate, M. (2005) “*Fashion Brands: Branding Style from Armani to Zara*”, London: Kogan Page.

Tuohy, D., Cooney, A., Dowling, M., Murphy, K. and Sixmith, J. (2013) “An overview of interpretive phenomenology as a research methodology”, *Nurse Researcher,* Vol 20(6), pp. 17-20.

Turley, L.W. and Milliman, R.E. (2000) “Atmospheric effects on shopping behaviour: a review of the experimental evidence”, *Journal of Business Research*, Vol 49(2), pp. 193-211.

Turnbull, P.W. and Wilson, D. (1989) “Developing and protecting profitable customer relationships”, *Industrial Marketing Management,* Vol 18, pp. 233-238.

Tyler, D., Heeley, J. and Bhamra, T. (2006) “Supply chain influences on new product development”, *Journal of Fashion Marketing and Management*, Vol 10(3), pp. 316-328.

United Nations Educational, Scientific, and Cultural Organisation. (2007) “The 2009 UNESCO framework for cultural statistics (Draft)”. Montreal: UNESCO Institute for Statistics.

USA Census Bureau (2017) “*Clothing and Clothing accessories stores*”. Available from: https://www.census.gov/retail/marts/www/adv44800.txt [Accessed 24 July 2016]

Vaessen, P. and Keeble, D. (1995) “Growth-oriented SMEs in unfavourable regional environments”, *Regional Studies*, Vol 29(6), pp. 489-505.

Van de Vrande, V., de Jong, J.P.J. and Vanhaverbeke, W. (2009) “Open innovation in SMEs: Trends, motives and management challenges”, *Technovation* , Vol 29, pp. 423–437.

Van den Bergh, J.C.J.M. and Gowdy, J. (2009) “A group selection perspective on economic behavior, institutions and organizations”, *Journal of Economic Behavior and Organization,* Vol 72,pp. 1–20.

Van Gelderen, M. and Jansen, P. (2006) “Autonomy as a start-up motive”, *Journal of Small Business and Enterprise Development*, Vol 13 (1), pp. 23 – 32.

Van Hoorn, T. P. (1979) "Strategic Planning in Small and Medium-Sized Companies", *Long Range Planning*, Vol 12(2),pp. 84-91.

Van Kaam, A. (1966) “*Existential Foundations of Psychology*”, Pittsburgh: Duquesne University Press

Van Wanrooy,B., Bewley,H., Bryson,A., Forth,J., Freeth,S., Stokes,L. and Wood,S. (2013) “*Employment relations in the shadow of recession*”, Hampshire: Palgrave Macmillan.

Veblen, T.B. (1898) “Why is economics not an evolutionary science?”, *Quarterly Journal of Economics* , Vol 12 (3),pp. 373–397.

Venkataraman, S. and Sarasvathy, S.D. (2001) “Strategy and entrepreneurship: outlines of an untold story”, in Hitt, M.A., Freeman, E. and Harrison, J.S. (Eds), *Handbook of Strategic Management*, Oxford: Blackwell, pp. 650-668.

Verdu-Jover, A.J., LLorens-Montes, F.J. and Garcia-Morales, V.J. (2006) “Environment-flexibility coalignment and performance: An analysis in large versus small firms”, *Journal of Small Business Management*, Vol 44(3),pp. 334–349.

Verhees, F. and Meulenberg, M. (2004) “Market Orientation, Innovativeness, Product Innovation, and Performance in Small Firms”, *Journal of Small Business Management,* Vol 42,pp. 134–154.

Villalba, N.V. (2006) “Cost Flexibility and Firm Size: An Application to Spanish Manufacturing”, *International Journal of the Economics of Business,* Vol 13(3), pp. 429-446.

Volberda, H.W. (1996) 'Towards the Flexible Form: How to Remain Vital in Hypercompetitive Environments", *Organization Science,* Vol 1,pp. 359-374.

Von Mehren, A. (2009) 'Global: Lessons from the Great Depression'. Available from: http://mediaserver.fxstreet.com/Reports/a61c7417-1c76-4d4d-bcd5-64906de44414/13a7423f-cab0-486e-a6c6-9aa1dcbf1c48.pdf [Accessed 12 March 2017]

Von Neuman, N. J. and Morgenstern, O. (1947) *“The theory of games and economic behaviour”,* Princeton: Princeton University Press.

Voss, G.B., Parasuraman, A. and Grewal, D. (1998) “The roles of price, performance, and expectations in determining satisfaction in service exchanges”, *Journal of Marketing,* Vol 62 (4), pp. 46-61.

Vozikis, G. (1984)“A strategic disadvantage profile of the stages of development of small business: an empirical investigation”, *Review of Business & Economic Research,* Vol 20(1), pp. 96-110.

Vrontis, D. and Thrassou, A. (2003) “*Internationalisation of SMEs*”. In: Dana,L., Han.M.,Ratten,M.V., Welpe,I.ed.(2008) Handbook of Research on European Business and Entrepreneurship: Towards a Theory of Internationalisation. Glos: pp 150-170.

Vynias,D., Barmparis,D., Priniotakis,G. and Nikopoulou.K. (2016) “*Fascicle of Textiles , Leatherwork Novel Ecommerce Technologies for the Clothing Industry : Fashionphoria-a Social Fashion Platform”*, University of Oradea.Romania,pp. 225-230.

Walker, E. and Brown, A. (2004) “What success factors are important to small business owners?”, *International Small Business Journal,* Vol 22,pp. 577-593.

Walsh, J. P. and Seward, J.K. (1990)'On the efficiency of internal and external corporate control mechanisms', *Academy of Management Review,* Vol 15, pp. 421-458.

Walters, D. and Knee, D. (1989) “Competitive strategies in retailing”, *Long Range Planning,* Vol 22 (6),pp. 74–84.

Wang, C., Walker, E. A. and Redmond, J. (2007) “Explaining the lack of strategic planning in SMEs: The importance of owner motivation”, *International Journal of Organisational Behaviour,* Vol 12 (1),pp. 1-16.

Wang, Y. and Poutziouris, P. (2010) “Leadership Styles, Management Systems and Growth: Empirical Evidence from UK Owner-Managed SMEs”, *Journal of Enterprising Culture,* Vol 18(3), pp.331–354.

Wang,Y. (2016) “What are the biggest obstacles to growth of SMEs in developing countries? e An empirical evidence from an enterprise survey”, *Borsa Istanbul Review* ,Vol 16 (3),pp.167-176.

Watkin, D. (1986) “Toward a competitive advantage: a focus strategy for small retailers”, *Journal of Small Business Management,* Vol 24(1),pp. 9–15.

Watts, L.R. and Ormbsy, J.G. (1990) “The effect of operational and strategic planning on small firm performance”, *Journal of Small Business Strategy,* Vol 1(2),pp.27-35.

Weale, M. (2009) ‘Commentary: International Recession and Recovery’, *National Institute Economic Review,* No. 209, pp. 4-7.

Weber, P. and Carlsen, J. (2012) “Success in hosted accommodation: does owner age matter?”, *Tourism Analysis,* Vol 17(2), pp. 139-151.

Weber,P., Geneste,L.A. and Connell,J.(2015) “Small business growth: strategic goals and owner preparedness”, *Journal of Business Strategy,* Vol 36 (3),pp.30-36.

Weick, K.E. (1969) “The Social Psychology of Organizing”, New York: Random House.

Wernerfelt, B. (1984) “A resource-based view of the firm”, *Strategic Management Journal,* Vol 5, pp. 171-180.

Wertz,F.J. (2005) “Phenomenological Research Methods for Counseling Psychology”, *Journal of Counseling Psychology,* Vol 52(2), pp. 167-177.

Westall, A. (2007) “How can Innovation in Social Enterprise be Understood, Encouraged and Enabled? A Social Enterprise Think Piece for the Office of the Third Sector OTS, London.

Westhead, P., Cowling, M. and Howorth, C. (2001) “The development of family companies: Management and ownership imperatives”, *Family Business Review,* Vol 14(4), pp.369-385.

Wheelen, T. and Hunger, D.J. (1998) “*Strategic Management and Business Policy”,* USA: Addison-Wesley Publishing Company.

Wheelright, S. and Clark,K. (1992) “*Revolutionizing product development: Quantum leaps in speed, efficiency, and quality”,* New York: The Free Press.

White, B.D,Y. and White, P. (2012) “Why Businesses Choose to Not Grow”, *Financial Executive,* Vol 28(3),p. 67.

Whittington, R. (2007) "Strategy practice and strategy process: family differences and the sociological eye", *Organization Studies* , Vol 28, pp.1575–1586.

Whittington, R. (1996) "Strategy as practice", Long *Range Planning,* Vol 29(5), pp731–735.

Whyman, P. and Petrescu, A. (2011) *"Economic recession and workplace flexibility practices in Lancashire-based SMEs"*, Lancashire Business School, University of Central Lancashire, Preston.

Wickham, P. (2006) "*Strategic Entrepreneurship*". (4th ed.). Harlow: Pearson Education.

Wiklund, J., Davidsson, P. and Delmar, F. (2003) "What do they think and feel about growth? An expectancy-value approach to small business managers' attitudes toward growth", *Entrepreneurship Theory and Practice,* Vol 27(3), pp. 247-270.

Wilson, F.,Marlino, D. and Kickul, J. (2004) "Our entrepreneurial future: Examining the diverse attitudes and motivations of teens across gender and ethnic identity", *Journal of Developmental Entrepreneurship*, Vol 9(3),pp. 177–197.

Wiseman, R. M. and Gomez-Mejia, L.R. (1998) "A behavioral agency model of managerial risk taking", *Academy of Management Review*, Vol 23,pp 133–153.

Witt, U. (2003) "*The Evolving Economy: Essays on the Evolutionary Approach to Economics"*. Northampton: Edward Elgar.

Witt, U. (2008) "What is specific about evolutionary economics?", *Journal of Evolutionary Economics,* Vol 18(5),pp. 547–575.

Witte, E. (1972) "Field research on complex decision-making processes – The phase theory", *International Studies of Management and Organisations*, Vol 56, pp. 156-182.

Wolff, J. A., and T. L. Pett (2006). "Small- Firm Performance: Modelling the Role of Product and Process Improvements", *Journal of Small Business Management,* Vol 44(2), pp. 268–284.

Wood, J. A., Longenecker,J.G., McKinney,J.A. and Moore,C.W. (1988) 'Ethical Attitudes of Students and Business Professionals: A Study of Moral Reasoning', *Journal of Business Ethics*, Vol **7**,pp. 249–257.

Woods, A. and Joyce, P. (2003) "Owner-Managers and the Practice of Strategic Management", *International Small Business Journal,* Vol 21(2), pp. 181-195.

Woodward J. (1965) "*Industrial Organization*". London: Oxford University Press.

Wortzel, L. (1987) "Retailing strategies for today's mature marketplace", *Journal of Business Strategy*, Vol 7, pp. 45–56.

Xie, C. (2012) "Efficiency and Flexibility in Small Firms: The Impact of Industry Structure", *Journal of Management Policy and Practice*, Vol 13(2), pp.74–86.

Yates, J. and Leggett, T. (2016) “Qualitative Research: An Introduction”, *Radiologic Technology*, Vol 88(2), pp. 225-231.

Yin, R.K. (2003) “*Case Study Research: Design and Methods*”. 3rd ed. London: Sage.

Yin,R.K. (2004) “*The case study anthology*”, Thousand Oaks: Sage.

Zahra, S., Rawhouser, H., Bhawe. N., Neubaum, D. and Hayton, J. (2008) “Globalization of Social Entrepreneurship”, Strategic *Entrepreneurship Journal*. in press.

Zahra, S.A. (2005) “Entrepreneurial risk taking in family firms”, *Family Business Review*, Vol 18(1),pp. 23–40.

APPENDICES

Appendix 1: Survey Questionnaire

SME Strategic Responses to Recession: An Examination of the Cypriot Fashion Retail Sector Coping with post-'credit crunch' crisis

<u>Profile Survey</u>

<u>A: Respondent's Profile</u>

1) What is your position in the company? (*Please all that applies*)

Owner ☐Owner-Manager Manager ☐ Board Member ☐

Other (*Please Specify*): ………………………

2) What is your experience level in the industry? (*Please tick only one*)

1-4 years ☐ 5-9 years☐ 10-14 years ☐

15+ years ☐

3) What is your highest education achievement? (*Please tick as many as appropriate*)

High School ☐ College ☐Undergraduate ☐Master's☐PhD☐

Other (*Please Specify*):…………………………..

<u>B: Profile of the Business</u>

4) What products does the company sell? (*Select all that apply*)

Clothing☐ Bags ☐
Footwear ☐ Accessories ☐

Other (*Please Specify*): …………………………..

5) How do you categorize your major products? (*Please tick only one*)

General Fashion ☐ High Fashion ☐ Niche Fashion ☐

6) How would you classify your company's focus in terms of market segment? (*Please tick only one*)

Lower level ☐ Middle level ☐ High level ☐

7) How would you break down your sales turnover in the following activities? (*Please indicate all that applies*)

Retail ………………….(%) Manufacturing ……………………(%)

Wholesale……………..(%) Other (*Please Specify*):……………......(%)

8) How many years has the company being operating in the retail sector? (*Please tick only one*)

1 ☐ 2 ☐ 3-5 ☐ 6-10 ☐

11-15 ☐ 16-19 ☐ 20+ ☐

9) What is the nature of the company in terms of independence? (*Please tick only one*)

Part of a chain ☐ Part of a franchising group ☐ Stand-alone (Independent) ☐

Other(Please Specify):………………………….

10) How many full- time employees does the company employ (end of 2014)?(*Please tick only one and include owner-managers*)

1-9 ☐ 10 - 49 ☐

50-249 ☐ 250+ ☐

11) How many part-time employees does the company employ (end of 2014)? (*Please select only one*)

1-4 ☐ 5-9 ☐

10+ ☐ None ☐

12) What is the sales turnover of the company (end of 2014)? (*Please select only one that applies*)

Less than £2.8 million ☐ less than £11.2 million ☐

More than £11.2 million ☐

13) Please indicate the number of owner- managers that the business have: ……………………………

<u>C: Contact details</u>

14) Can you please give the details of the person(s) that will be involved in the interview?

Full Name: …………………………………….	Full Name:…………………………………
Position:……………………………………….	Position: …………………………………..
City/Location:………………………………..	City/ Location:……………………………..
E-mail:…………………………………………	E-mail:…………………………………….
Phone:…………………………………………	Phone:…………………………………….

D: Data Collection

15) What kind of other data collection technique do you prefer to be used ? [e.g (re)visit(s)/ observation at retail shop(s)] : ………………………

16) How much time is the researcher allowed to spend in the company? (*Please indicate hours/days/weeks/months*): ....

Please kindly return the completed questionnaire via email to Mr Fanos Tekelas at ftekelas@uclan.ac.uk

In anticipation of your kind participation, many thanks.

Yours faithfully,

Mr Fanos Tekelas

Doctoral Principal Investigator

Doctoral Researcher

Lancashire Business School

University of Central Lancashire

Cyprus

E-mail: ftekelas@uclan.ac.uk

Phone: 96484977