

2021

The role of tradition for food and wine producing firms in times of an unprecedented crisis

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This article was originally published as:

Bressan, A., Alonso, A. D., Vu, O. T., Do, L. T., & Martens, W. (2021). The role of tradition for food and wine producing firms in times of an unprecedented crisis. *British Food Journal, Early View (Online First)*.

Original article available here:

[10.1108/BFJ-04-2021-0454](https://doi.org/10.1108/BFJ-04-2021-0454)

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Bressan, A, Alonso, A.D., Vu, O.T.K., Do, L.T.H., & Martens, W. (2021) The role of tradition for food and wine producing firms in times of an unprecedented crisis. *British Food Journal, Early View (Online First)*. <https://doi.org/10.1108/BFJ-04-2021-0454>

This article was published in the *British Food Journal*, 17 August 2021.

Published version available online at: - <https://doi.org/10.1108/BFJ-04-2021-0454>



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Journal:	<i>British Food Journal</i>
Manuscript ID	BFJ-04-2021-0454
Manuscript Type:	Research Paper
Keywords:	Agricultural products, Entrepreneurs, Italy

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The role of tradition for food and wine producing firms in times of an unprecedented crisis

Abstract

Purpose – The purpose of the present study is to investigate the importance of tradition for micro and small businesses operating during the COVID-19 crisis, notably, as a valuable business proposition and strategy. The study adopts underpinnings of the resource-based view of the firm and dynamic capabilities.

Design/Methodology – The views of 107 predominantly micro and small firm owners-managers, and family-owned firms involved in the food and wine production sectors were gathered through an online survey. These participants operate in Italy, one of the most affected nations by the crisis.

Findings – From an empirical and theoretical perspective, three fundamental dimensions emerge from the findings. The first, ‘embedded advantage’, relates to firms’ more direct involvement and actions related to tradition, while the second, ‘active advantage’, highlights the already established value of tradition, for instance, through firms’ gained identity, well-established roots and firm culture. The third dimension, ‘strategic fusion’, underscores the importance upgrading the business model, where innovation strategically complements tradition.

Originality/value – The study’s revealed dimensions provide new conceptual perspectives to understand tradition in the context of micro and small firms confronting an unprecedented event. For instance, a first developed framework illustrates that, while some firms appear to mainly rely on tradition as the fundamental pillar of their overall strategy, other firms engage in actions to consolidate tradition’s strategic significance, while others embrace innovation to further strengthen their competitiveness. The second developed theoretical framework emphasises relations between these dimensions, and key attributes associated

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3 with the two adopted theoretical foundations, where the need to ‘reconfigure tradition’
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5 clearly emerges.
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7 **Keywords:** Tradition; micro and small firms; COVID-19; resource-based view;
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9 dynamic capabilities.
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11 12 13 14 **Introduction**

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16 Small businesses constitute the pillar of every economy (Eggers, 2020). In the European
17
18 Union, for instance, micro and small firms, those composed of fewer than 50 staff (European
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20 Commission, 2003), are the source of employment for more than 70 million individuals
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22 (Statista, 2020a). However, together with micro and medium-sized enterprises, this group is
23
24 one of the most affected as a result of the COVID-19 crisis (Singh et al., 2020). Indeed,
25
26 numerous restrictions stemming from this unprecedented event, such as those associated with
27
28 supply chain or staffing disruptions, have acutely affected small and medium enterprises’
29
30 (SMEs) business activities (Papadopolous, Baltas, and Baltas, 2020).
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34 The present research is concerned with ways in which businesses are surviving this
35
36 unprecedented event in Italy, a country particularly affected by COVID-19, which has
37
38 resulted in severe economic repercussions (Rossi and Mingardi, 2020). More fundamentally,
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40 the study will fulfil two key objectives. First, by drawing from a sample of micro and small
41
42 businesses operating in four well-established Italian industries, notably, food
43
44 production/manufacturing, including artisanal food production, agriculture, wine and food
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46 service/hospitality/tourism, it will examine the significance and the role that tradition plays
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48 for these firms in this unprecedented situation. Apart from well-established position, the
49
50 chosen industries are relevant for Italy’s economy, for instance, in terms of employment,
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52 revenues, or exports (e.g., Confcommercio, 2019; Fipe-Federalberghi, 2020; Garibaldi and
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3 Pozzi, 2018; INPS, 2020; ISMEA, 2019a, 2019b, 2020; Statista, 2020b; Unione Italiana Vini,
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5 2020).

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8 Recently, and among other themes linked to the COVID-19 crisis, De Massis and Rondi
9
10 (2020) made calls for research that would examine the role that tradition plays for family
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12 businesses during such event. Given that the sample of participants is mostly composed of
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14 family firms, this study will partly respond to this call. In addition, and based upon the nature
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16 of the above industries, where there is potential to maximise or benefit from the value of
17
18 tradition, the study examines the extent to which tradition can be a source of support for firms
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20 during the crisis, notably, as resource and strategy.
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24 As with other constructs, concepts, or notions, different definitions of tradition have been
25
26 presented. Shils (1981) posits that tradition can be anything handed down or transmitted
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28 “from the past to the present” (p. 12), including practices, events, institutions, material
29
30 objects, and images. Petruzzelli, Natalicchio, and Albino (2020) conceptualise tradition as the
31
32 entire set of values, culture, competences, and knowledge that embodies a territory, firm, or
33
34 age. Therefore, and linked to the context of the present study, “tradition can provide
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36 resources for continuous adjustments to contemporary challenges” (Scares, 1997, p. 13).
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40 Second, given the composition of the chosen industries, the study will advance theoretical
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42 understanding of tradition’s potential to be a valuable resource and adaptive strategy during
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44 an unprecedented event. In line with this central theme, the conceptual underpinnings of the
45
46 resource-based view (RBV) of the firm and the dynamic capabilities framework will be
47
48 considered as the study’s theoretical foundation. While the RBV stresses the importance of
49
50 key resources for firms’ overall strategy and competitiveness (Barney, 1991), the dynamic
51
52 capabilities approach (Teece, Pisano, and Shuen, 1997) extends the notions of the RBV
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54 (Rolland, Patterson, and Ward, 2009). Furthermore, by adopting an inductive paradigm, the
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56 study will contribute to the development of a theoretical framework, which highlights
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3 relationships between empirical findings associated with tradition and theoretical
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5 assumptions.
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10 **Literature Review**

11 *The RBV and Dynamic Capabilities – Conceptualisations and significance*

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14 This study first reflects upon several seminal contributions that, together, have further
15 advanced theoretical discourses concerning the RBV. In acknowledging Cave's (1980)
16 insights, Wernerfelt (1984) underscores that a firm's resources can be conceptualised as
17 intangible and tangible assets "tied semipermanently to a firm" (p. 172). Similarly, in citing
18 the work of Daft (1981), Barney (1991) identifies resources in terms of knowledge, firm
19 attributes, capabilities, assets, and organisational processes that, together, enable firms to
20 develop and execute strategies to enhance their effectiveness and efficiency.
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31 Subsequently, Teece et al. (1997) considered firm resources as "firm-specific assets that
32 are difficult if not impossible to imitate" (p. 516), especially given the associated transfer or
33 transaction costs. Teece et al. (1997) observe that firm assets can include trade secrets,
34 engineering experience, or specialised production facilities, and contain tacit knowledge.
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40 These observations suggest direct and intrinsic links between firm resources and tradition.
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43 According to Hart (1995), the resource-based view (RBV) of the firm is the result of
44 multiple scholarly contributions, and is represented by several key dimensions. A framework
45 proposed by Hart (1995) elucidates that the foundation of the RBV rests on a firm's
46 resources; these resources are related to capabilities, which in turn have relationships with the
47 firm's potential to achieve competitive advantage.
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54 Barney's (1991) research illuminates various fundamental underpinnings that the RBV
55 seeks to convey. For example, Barney (1991) conceptualises a firm's competitive advantage
56 as "a value creating strategy" (p. 102), which cannot be implemented at the same time by
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3 potential or existing competitors. Similarly, while Barney (1991) cautions that sustained
4 competitive advantage is not meant to represent time, a phase or an interlude where a firm
5 can enjoy competitive advantage, he suggests that competitive advantage can be sustained
6 only if it exists after duplicating efforts have ceased. Thus, whether competitive advantage
7 can or not be sustained is dependent upon competitive duplication (Barney, 1991).
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14 Additional pillars of the RBV theory include resource heterogeneity and mobility barriers
15 (Barney, 1991; Peteraf, 1993). Firms that are endowed with heterogeneity, for instance,
16 benefit from productive factors that have “intrinsically differential levels of ‘efficiency’”
17 (Peteraf, 1993, p. 180). Therefore, heterogeneous resources at firm level can be key
18 contributors to its competitive advantage (Barney, McWilliams, and Turk, 1989). In
19 reflecting upon the work of Williamson (1985), Peteraf (1993) identifies imperfect mobile
20 resources as those “somewhat specialized to firm-specific needs” (p. 180).
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30 Further delving on the significance of firms’ resources as drivers of sustained competitive
31 advantage, Barney (1991) postulates the following attributes associated with firm resources,
32 often referred to as VRIN, as complementing firms’ efforts towards sustained competitive
33 advantage:
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42 *Valuable*, which enable firms to develop or operationalise strategies resulting in
43 improvements in their effectiveness or efficiency (Barney, 1991).
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45 *Rare*: Similar to valuable resources, rare resources are not in possession of large numbers of
46 competitors, and therefore can help neutralise threats to firms’ environment while at the same
47 time exploit opportunities (Barney, 1991).
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52 *Imperfectly imitable*: As Barney (1991) explains, both rare and valuable organisational
53 resources are only to be considered “sources of sustained competitive advantage if firms that
54 do not possess these resources cannot obtain them” (p. 107).
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3 *Non-substitutable*: This attribute implies that, for a source to be a factor of sustained
4 competitive advantage, there should not be any “strategically equivalent valuable resources
5 that are themselves either not rare or imitable” (Barney, 1991, p. 111).
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10 As previously suggested, the dynamic capabilities approach extends notions of the RBV.
11 In their seminal contribution, Teece et al. (1997) conceptualised dynamic capabilities as
12 firms’ ability to develop, integrate, and reconfigure their external and internal competences
13 and address changing environments. Furthermore, Helfat et al. (2007) referred to dynamic
14 capabilities as the capacity of organisations “to purposefully create, extend, and modify” (p.
15 4) their resource base. The term ‘dynamic’ highlights firms’ “capacity to renew
16 competences... [and] to achieve congruence with the changing business environment” (Teece
17 et al., 1997, p. 515). Capabilities, on the other hand, underscores “the key role of strategic
18 management... adapting, integrating, and reconfiguring” (Teece et al., 1997, p. 516)
19 functional competences or external and internal skills and be able to address such changes.
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35 *The links between the RBV and tradition*

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37 According to Lockett, Thompson, and Morgenstern (2009), firm resources that are difficult to
38 measure, complex, and unobservable “are likely to be of greatest importance” (p. 25).
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40 Aligned with this premise, and by further interpreting the previously highlighted scholarly
41 discourses pertaining to the RBV and dynamic capabilities, this study contents that there are
42 implicit associations between tradition and firm resources. Supporting this inference,
43
44 Erdogan, Rondi, and De Massis (2020) recognise that for long-established family businesses
45 that feature a strong heritage, tradition represents a unique and distinct set of resources that
46 can provide an avenue for attaining competitive advantage. Also, in the realm of family
47 firms, Lattuch (2019) agrees that high-performing family businesses emphasise the role and
48 values of tradition as a relevant foundation of their day-to-day activities. Furthermore, Miller,
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3 Gomes, and Lehman (2019) observe that, among other potential benefits, traditions can
4 contribute to disseminating and continuing best practices, strengthening organisational
5 commitment, and maintaining some level of firm control.
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10 Studies have also discussed the strategic value tradition affords firms operating in
11 dissimilar industries. Indeed, SME research in the long-established wine industry (Rebelo and
12 Muhr, 2012) underscores the links between innovation and tradition, with important
13 implications for international competitiveness. Furthermore, Vrontis, Bresciani, and Giacosa
14 (2016) studied the case of one successful winery, and noticed the strong combination of
15 innovation and tradition for its processes and products. The findings led Vrontis et al. (2016)
16 to determine that tradition and innovation “are not opposites... a blend of the two has been
17 crucial in achieving and maintaining a sustainable competitive advantage” (p. 1883).
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28 While tradition is connected to the valuable, rare, imperfectly imitable, and non-
29 substitutable attributes of the RBV, to date, research examining the perceived importance of
30 tradition as a resource for micro and small firms to deal with a crisis of the magnitude of
31 COVID-19 is, to the knowledge of the authors, inexistent. A similar argument is made
32 concerning studies that consider the dynamic capabilities approach in the context of tradition
33 among micro and small businesses defying this crisis. The present study will therefore
34 address this void, both from an empirical and theoretical perspective. To this end, the
35 following research question will be investigated:
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49 How important is tradition’s role in the context of an unprecedented crisis?
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54 **Methodology**

55 Several choices were made in the process of crafting this study’s methodology. First, an
56 inductive paradigm, which is usually adopted in most qualitative research (Barczak, 2015),
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3 was chosen. This type of reasoning is data-driven, and therefore follows a bottom-up
4 approach (McAbee, Landis, and Burke, 2017), and is useful for building and advancing
5 theory (Barczak, 2015). The study also subscribes to notions brought forward by Gioia,
6 Corley, and Hamilton (2012) concerning the potential of inductive research to develop
7 qualitative rigour. Gioia et al.'s (2012) notions comprise the structuring of data, notably, in
8 first-order concepts, which are organised into second-order themes, and subsequently distilled
9 into overarching theoretical dimensions. By operationalising these notions, an initial
10 conceptual framework (Figure 1) and a consolidated framework (Figure 2) were developed.

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Second, and related to the inductive paradigm, a purposeful sampling strategy, which
“involves studying information-rich cases in depth and detail” (Patton, 1999, p. 1197) was
chosen. Moreover, as opposed to making generalisations “from a sample to a population”
(Patton, 1999, p. 1197), the emphasis of this strategy is on illuminating and understanding
significant cases. In agreement with the aspect of rigour in qualitative research (Gioia et al.,
2012), in purposeful sampling, such rigour is in the form of thoughtfully and explicitly
choosing cases (Patton, 1993). In selecting cases, not only should these be congruent with the
investigation, but also yield data on key questions (Patton, 1999).

Third, in search for ‘information-rich’ cases, in this case, from firms operating in relevant
industries in Italy, one of the most affected nations by the COVID-19 crisis, the electronic
addresses of 656 firms were gathered through various searches in business associations’
websites. Once research ethics clearance was obtained to conduct the research, these firms
were contacted by electronic mail. The message sent to the attention of firm owners-
managers in October of 2020 contained brief information regarding the study and provided a
link for those accepting the invitation to proceed and complete an online questionnaire. Users
were notified that their completion of the questionnaire would denote their consent to take

part in the study. In order to ensure that the gathered responses adhered to the principle of ‘information-rich’ cases, the study utilised the following criteria to recruit respondents:

- Data were to be gathered from firm owners-managers,
- Owners-managers had accumulated at least three years of experience in their industry/firm,
- All participating businesses must be micro (less than nine employees), or small (between 10-49 employees), following the definitions in the European Union (European Commission, 2003).
- The businesses were still operational when the study was conducted.

The questionnaire first focused on gathering data associated with participants (e.g., years of experience, role, and gender) and their businesses (industry, family/non-family owned). Subsequently, and for the purpose of the research, the following overarching, open-ended question was presented:

To what extent is tradition important to your firm, for instance, as a survival instrument in the current COVID-19 crisis?

The broadness of this question was assumed to allow participants to reflect upon tradition and the current extreme situation, as well as elaborate and provide poignant comments that would further add rigour to the collected data.

A range of scholarly contributions were considered in the development of this question, including research that examines the strategic significance of tradition (e.g., Della Corte, Del Gaudio, and Sepe, 2018; Erdogan et al., 2020; Lattuch, 2019; Miller et al., 2019; Petruzzelli

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2
3 et al., 2020). The questionnaire was translated from English to Italian language. Following
4 principles recommended by Douglas and Craig (2007), and designed to minimise issues that
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6 can emerge through back translation, various iterations of the questionnaire tool were
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8 undertaken with the assistance of other researchers. This process contributed to enhancing the
9
10 appropriateness of the questionnaire's content before its launch.
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15 The internet link to the questionnaire was live during the month of October and through
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17 the beginning of December of 2020, resulting in 115 responses being collected. Before the
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19 data analysis began, it was noticed that five questionnaires were left incomplete, while the
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21 content of three other responses identified non-compliance with the established criteria for
22
23 participation. As a result, these responses were not included in the analysis; therefore, 107
24
25 usable responses were gathered, which represents a 16.3% response rate. Clearly, this number
26
27 is modest when compared to the large number of micro and small businesses operating in
28
29 Italy. Therefore, while numerous insightful comments with practical and theoretical value
30
31 were gathered, the overall results should be interpreted cautiously.
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36 Fourth, the gathered data, consisting primarily of multiple verbatim comments, were
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38 transcribed and analysed by members of the research team, which allowed for cross-checking
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40 and consistency. Qualitative content analysis was utilised in the process of analysing the data.
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42 This method is based upon the subjective interpretation of text data through the identification
43
44 and coding of emerging patterns and themes (Hsieh and Shannon, 2005). The analysis was
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46 supported by the use of the management software NVivo version 12, which enhanced the
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48 presentation and appearance of some of the results (e.g., Figure 1). In the following sections,
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50 all verbatim comments will be abbreviated using letters and numbers; a distinction will be
51
52 made between family and non-family firms (e.g., participant 1, family firm = P1FF;
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54 participant 2, non-family firm = P2NON-FF).
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Descriptive Results – Participants and their firms

The initial results (Table 1) illustrate that participants and their firms fall under the category of ‘information-rich’ cases. For instance, the large majority of participants boast more than a decade of work experience and are owners of the firm. Furthermore, the firms are well established, most are micro enterprises, and three industry groups emerged as predominant. In addition, the gender split of participants was balanced, with males representing the majority only slightly.

Table 1 Here

Results and Discussion

The combination of adopting an inductive paradigm, a purposeful sampling, and Gioia’s Methodology (Gioia et al., 2012) enabled this study to afford various empirical and conceptual insights, resulting in the development of various frameworks. First, the analysis illustrated in Figure 1 underlines the significance of tradition as a core factor for sustaining the firms, and therefore as a key resource. This finding strongly aligns with discourses linked to the RBV’s attributes and those of dynamic capabilities. The finding is also in accord with conceptualisations of resources that underscore their value as strengths of firms (Wernerfelt, 1984), or as assets firms possess that are extremely difficult to imitate (Teece et al., 1997). Three theoretical dimensions emerged from the finding: ‘embedded advantage’, ‘active advantage’, and ‘strategic fusion’; these will be discussed in the following sections.

The embedded and active advantage dimension

While participants’ comments emphasised notions of identified ‘active advantage’ dimension more strongly, in this study, those associated with ‘embedded advantage’ take precedence in the analysis. Moreover, it is argued that embedded advantage represents firms’ decade or century-long enrichment of their business acumen through knowledge accumulation,

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3 improvements in practices, enhancement of brand, product, and image development. As
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5 P72FF acknowledged: “Tradition is the pillar of our company. We have been open since
6
7 1933 and over the years we have handed down generations, traditions, skills and knowledge.”
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10 More specifically, P1FF referred to the contribution of “passing on tastes, flavours, recipes
11
12 that we try to keep intact.” Already these two comments are strongly associated with tenets of
13
14 the RBV. Indeed, the comments suggest that, over time and among other characteristics, the
15
16 firm has maintained and reinforced heterogeneity and imperfect mobility, with the latter
17
18 emerging through the firm’s specialisation and utilisation of their existing resources. Other
19
20 selected comments further underscored the history of the firm and how tradition had been
21
22 embedded in its strategic framework:
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26 Figure 1 Here
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28 P24FF: The fact that ours is a company consolidated over time creates added
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30 value and more hope for our survival, having been rooted in the area for 150
31
32 years.
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35 P88NON-FF: Our product has existed for nine centuries and is on the table of millions
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37 of people every day.
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40 P91NON-FF: Tradition is the key word of our company as we produce a cheese
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42 whose recipe has been handed down for more than two centuries.
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46 While the above views document the long journey building firm tradition, others focused
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48 on additional valuable aspects of the business, clearly illustrating the building of competitive
49
50 advantage, with implications for safeguarding the firm from contemporary challenges. For
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52 instance, the following reflections pointed to fundamental precursors of competitive
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54 advantage that extended to the current unprecedented crisis:
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3 P87NON-FF: Tradition plays a fundamental role in the company, in maintaining
4 the production requirements of a quality product. This product, supported by a
5 very renowned brand, is a guarantee of tradition and continuity, certainly also
6 for the near future, even if the unknowns / challenges - not least that of COVID-
7 19 - seem to be greater than in the past.

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14 P97FF: The tradition of the product we sell and the production process have been
15 absolutely critical for keeping my company on the market. COVID-19, in our
16 case, has brought a new rediscovery of products linked to the Emilian [region]
17 tradition.

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24 Yet other comments emphasised the strategic importance of maintaining the firm's
25 tradition alive in the minds and hearts of consumers, thereby avoiding complacency, and
26 cementing the firm's competitiveness in the current extremely uncertain business
27 environment:

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33 P4FF: We have always believed that our roots and identity are of fundamental
34 importance... For better or worse, for us it is necessary to communicate our
35 uniqueness. Fashions come and go; only quality remains.

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40 P42FF: The roots and therefore the tradition are the basis of our company;
41 however, we are attentive and flexible to changes in society.

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45 Furthermore, the findings revealed the significance of reflecting upon tradition through the
46 'active advantage' dimension. In contrast to 'embedded advantage', where comments
47 suggested that firms' tradition is maximised with no clear indication of complementing
48 strategies to extend existing benefits, the 'active advantage' dimension illustrates more
49 involvement and more tangible ways of maximising and benefitting from it. Moreover, as
50 many respondents' views underlined, tradition was used as a springboard to maintain firms'
51 competitive position during the COVID-19 crisis. For example, P21NON-FF recognised that
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3 the firm had to rely and exploit its repertoire of business acumen, including improvisation, to
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5 counter emerging challenges:
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10 P21NON-FF: First of all, we had to change the way we sell our products, from
11 sales to regional markets to home deliveries. Tradition helped us to face this crisis
12 by returning to the old processing systems because many companies we work with
13 did not deliver the materials.
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19 The following observations stress the importance of action-based initiatives, where firms
20 seek to transform themselves, and stay competitive. Furthermore, building upon intangible
21 resources, such as information and knowledge passed on by generations, and tangible
22 resources, through products' variations, improvements, and associated technologies and
23 equipment, the potential for 'perpetuating' competitive advantage was enhanced:
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30 P64FF: Our job skills come mostly from what our grandparents and parents taught
31 us. Each of us then developed a specialization in a particular sector of the
32 company, but still managing to be interchangeable between us.
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37 P57FF: Our company is constantly evolving, so the historical aspect serves as the
38 basis for the new.
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42 P107NON-FF: Working according to our tradition means working in a
43 handcrafted manner and keeping the quality of our product high. The young
44 people who enter the company acquire the great value of craftsmanship. They
45 know the sacrifice that this process entails, but also the great satisfaction that only
46 this process can give.
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54 Overall, and consistent with the above analysis, the value of reflecting upon the embedded
55 and active dimensions as ways to maximise the potential of tradition is verbalised in the
56 following proposition:
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6 *Proposition 1: The embedded advantage, which encapsulates the benefit from tradition*
7 *through time or established brand, product, or firm image, is a precursor of active*
8 *advantage, where firms exhibit more involvement and engagement in strategies and*
9 *initiatives to further reinforce the value of tradition.*
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17 *The strategic fusion dimension*

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19 According to Teece et al. (1997), when different environmental forces, including future
20 competition, rapid technological changes, or when markets are difficult to ascertain, firms
21 need to implement innovative responses. Moreover, a firm's routines might contribute to a
22 firm's continuity until there is a shift in the business environment; in this scenario, changing
23 routines can be costly and can create increased anxiety (Teece, 2007). However, despite the
24 associated costs and stressors, in an extreme situation, changes might be warranted. In such
25 case, or when an unprecedented event occurs, the role of reconfiguring, which requires a
26 combination/recombination of assets and resources, as well as their allocation/relocation
27 (Teece, 2007), could be a fundamental ally.
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40 In the context of the present study, Erdogan et al. (2020) indicate that family businesses
41 with a long history are endowed with practices and beliefs that combined represent their
42 tradition. Nevertheless, these firms need to renew their production processes and products in
43 order to stay competitive (Erdogan et al., 2020). The 'renewing' aspect emerged through the
44 'strategic fusion' dimension, which underscores the bold move among many participants to
45 combine or complement their tradition with innovation processes and activities. Furthermore,
46 the finding is partly in agreement with earlier research focusing on SMEs in the design sector,
47 where "traditional high-quality materials are then fused with contemporary design skills"
48 (Bolton, Green, and Kothary, 2016, p. 211).
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3 The following selected comments also demonstrate that upgrading and innovating appear
4 to accentuate firms' existing valuable, rare, and potentially imperfectly imitable and non-
5 substitutable resources, thereby elevating their brand image and in turn their competitive
6 advantage:
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12 P89FF: Our motto is innovation in tradition, so there can be no innovation that does not
13 have the utmost respect for the company's production traditions.
14

15 P46FF: The knowledge and experiences of my parents are very important, even if
16 you always have to update yourself on new processing techniques.
17
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19 P91NON-FF: Over the years we have combined innovation and technology with
20 tradition to improve our production and provide an increasingly avant-garde
21 customer service.
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28 Regarding P1NON-FF's comment, the strategic significance of the service element for
29 firms offering a traditional product or solution complement points that Erdogan et al.'s (2020)
30 made recently. Overall, these last comments are in agreement with Magistretti et al.'s (2020)
31 recommendations, in that 'old knowledge' and tradition should be considered potential
32 sources of innovation. Importantly, while Magistretti et al. (2020) also underscore the key
33 role of tradition in the creation of innovation, they also recognise scarce scholarly attention
34 regarding "how family firms manage innovation through tradition" (p. 935).
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44 In addition, upgrading their business model or activities enabled firms to tackle the
45 challenges of the current unprecedented crisis, and therefore, the changing nature of the
46 market:
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51 P69FF: Our survival will depend above all on tradition translated in more modern
52 means.
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54 P105FF: My company produces a DOP (Protected Designation of Origin) product
55 according to tradition, obviously supported by new technologies especially in
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3 regard to the physical workload of the workers. For us, tradition, competence, and
4
5 professionalism are essential values. These are certainly no guarantee for survival
6
7 in a world that looks more to price than to quality; however, for the moment, the
8
9 firm lives on, and the immediate future seems better for us than for many other
10
11 firms...
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14 P105FF's observations are partly aligned with Vrontis et al.'s (2016) observations. In
15
16 investigating the case of a family business, Vrontis et al. (2016) refer to the "positive impact
17
18 between regional competitiveness and its drivers" (p. 1892), which in the above comment is
19
20 illustrated through the Protected Designation of Origin. Vrontis et al. (2016) also allude to the
21
22 importance of "customers' fidelity to regional brands" (p. 1892). This perceived image of a
23
24 brand/firm among customers can also help enhance competitive advantage and achieve
25
26 performance goals (Vrontis et al., 2016). Thus, tradition, including through adherence to a
27
28 Protected Designation of Origin, further heightens the attributes predicated by the RBV,
29
30 including valuable and rare resources that, together with the territory and all it represents, can
31
32 arguably 'perpetuate' firms' competitive advantage, and with it, extend their life.
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37 Embracing innovation also underscores firms' dynamic nature, where they attempt to
38
39 renew their competences and be more congruent with the changing nature of the business
40
41 environment (Teece et al., 1997), in this case, due to the COVID-19 crisis. Indeed, recent
42
43 research (Lee and Trimi, 2020) stresses the links between dynamic capabilities and
44
45 innovation in the currently unfolding COVID-19 dilemma. In addition, the importance of
46
47 dynamic capabilities for SMEs in recent times has also been presented, for instance,
48
49 regarding digital transformation through innovative practices (Matarazzo et al., 2020; Vrontis
50
51 et al., 2020). Overall, and following Teece's (2007) notions, the findings concerning the
52
53 strategic fusion dimension merit the consideration of 'a reconfiguration of tradition.' In this
54
55 stage, tradition is supported and reinforced through innovation-based updates and adaptive
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3 measures to enable firms to address the profound changes taking place in their business
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5 environment.
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7 The insights from respondents' perceptions, where the strategic fusion dimension is
8 revealed, underline the merit of the following proposition:
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15 *Proposition 2: The 'strategic fusion' dimension facilitates understanding of firms' tradition*
16
17 *journey, where embracing innovation and related activities constitute timely complements,*
18
19 *'reconfiguring' the firm's existing business model, with resulting improvements enabling*
20
21 *survival and/or sustained competitiveness in times of an unprecedented event.*
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24 25 26 **Conclusions**

27
28 This study set out to accomplish two fundamental objectives, with the first being the
29 examination of the significance of tradition for micro and small-sized firms involved in food-
30 wine production in times of an unprecedented crisis. As previously indicated, small firms
31 represent a key contributor to the world's economies (Eggers, 2020); however, the COVID-
32 19 event has severely this group of firms (Papadopoulos et al., 2020; Singh et al., 2020).
33
34 Given that responses were predominantly collected from family businesses, the study partly
35 addresses a recent call for investigating the role played by tradition in this group of
36 businesses (De Massis and Rondi, 2020). Furthermore, the study partly addresses another
37 research gap, namely, how innovation is managed through tradition in the context of family
38 firms (Magistretti et al., 2020). The study considered the tenets of the RBV and dynamic
39 capabilities as a theoretical foundation to enable a more in-depth appreciation of the
40 importance of tradition.
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55 A second objective consisted in advancing the conceptual knowledge of research focusing
56 on tradition among micro and small firms, in this case, in food and wine production and
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3 marketing. Indeed, using the above theoretical underpinnings as a departure point, the chosen
4
5 inductive paradigm, together with the adoption of Gioia's Methodology contributed to a
6
7 rigorous conceptual development, which resulted in the proposal of two theoretical
8
9 frameworks.

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12 The numerous observations of the participating firm owners-managers clearly revealed the
13
14 strategic importance of tradition, including in the currently unfolding unprecedented event.
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16 The three emerging dimensions not only illustrate how tradition is perceived, but also their
17
18 assemblage (embedded-active) and its further extension and enhancement by innovative
19
20 means (strategic fusion). Overall, the findings also suggested clear relations, notably, within
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22 the three dimensions, as well as between these, the RBV and dynamic capabilities.
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28 *Implications*

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30 Considering the notions of the RBV and dynamic capabilities, together with the inductive
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32 analysis undertaken from participants' responses, in particular, the revealed dimensions, and
33
34 the emphasis of Gioia's Methodology to seek rigour from qualitative research (Gioia et al.,
35
36 2012) resulted in a second and final theoretical framework (Figure 2). At the outset, the
37
38 framework suggests the impact that the unprecedented crisis had on micro and small-sized
39
40 firms. Subsequently, relations between the chosen industries in this study and tradition are
41
42 acknowledged. Arguably, the chosen industries (e.g., agriculture, food
43
44 production/manufacturing, wine) lend themselves to the development and long-term
45
46 existence of traditions; this suggestion is supported by various verbatim comments (e.g.,
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48 P10FF, P91NON-FF, P97FF, P107NON-FF).
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54 The findings presented in Figure 1 had underscored the key role that tradition plays for
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56 firms, and three distinctive dimensions that help explain its relevance. The incorporated
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58 embedded dimension (Figure 2) further underlines the advantages of a well-established
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3 brand, product, or firm image, and aspect which is associated with some of the attributes of
4 the RBV. Furthermore, as illustrated, the embedded advantage overlaps into the active
5 advantage dimension, where, through more active efforts and initiatives, firms seek to
6 maintain their momentum and competitiveness in light of the changing business environment.
7
8 Again, associations with the RBV's notions are also identified in this part of the framework.
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14
15 Figure 2 Here
16

17 The overlapping embedded and active dimensions give way to the amalgamation of
18 tradition and innovation, represented by the strategic fusion dimension. This dimension has
19 clear links with the dynamic capabilities approach, for instance, through the awareness and
20 avoidance of path dependencies and routines through embracing innovation to modernise or
21 maintain competitiveness in response to current extreme challenges. According to Teece
22 (2007), success causes firms to evolve in path-dependent ways. In this situation, a firm's
23 legacy or past history is believed to lead to future growth, which can also become a constraint
24 (Teece, 2014), as there could be resistance to evolve and innovate. Reconfiguring can
25 however enhance firms' evolutionary fitness while steering away from path dependencies
26 (Teece, 2007).
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40 P45FF's comment is useful in further understanding these points, for instance, in
41 maintaining dialogue or contact with end consumers/users: "*Tradition is everything. In the*
42 *long run, it always pays off. The bond that can be established between a craftsman who is*
43 *passionate about his work and customers goes beyond any business model.*"
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49 Arguably, in the currently extreme and for the most part unpredictable conditions, no
50 strategy is infallible. However, in cases where tradition already plays a key role in the well-
51 being of firms, its support through hands-on activities and involvement (e.g., food production
52 and marketing initiatives, diversification of food products, more interaction with end
53 consumers), and constant upgrading through innovation could help increase the odds for
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3 survival and competitiveness. In turn, and as illustrated, competitive advantage, and with it,
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5 the life of the food-wine producing firm, could be extended.
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10 *Limitations and Future Research*

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12 The study presents several limitations. First, while efforts were made to contact numerous
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14 micro and small firms and gather data during an extreme and unprecedented situation, the
15
16 response rate was still modest. One plausible reason is the timing of the research, with firms
17
18 struggling with the initial months of the crisis and their associated impacts. Nevertheless,
19
20 future research could consider other industries where tradition also plays a key role, or firms
21
22 of other sizes (medium or large companies) and seek to address this study's limitation. The
23
24 study also predominantly gathered data from family businesses and in one single country.
25
26 Future studies could therefore widen their scope to include a more balanced participation of
27
28 family and non-family firms, and countries, respectively. Furthermore, the study was
29
30 conducted a one point in time; thus, studies focusing on similar themes could consider a
31
32 longitudinal approach, which could provide useful insights stemming from comparative
33
34 analysis based upon time. The theoretical development of research focusing on tradition also
35
36 merits future attention; for instance, adopting the conceptual tenets of the RBV and dynamic
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38 capabilities, future research could seek to further develop the theoretical depth and
39
40 understanding of tradition in times of an unprecedented crisis.
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50 **Compliance with ethical standards**

51 Disclosure of potential conflict of interest: There is no conflict of interest in relation to this
52
53 article.
54

55
56 The research involves human participants: Ethical approval was obtained.
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3 Informed consent: All participants were provided information regarding consent to partake in
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5 the research.
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British Food Journal

Table 1: Demographic characteristics of the respondents and their firms

Years of experience	n=107	%*
3-5 years	12	11.2
6-10 years	14	13.1
11-20 years	32	29.9
21+ years	49	45.8
Size of the firm (in full-time employees)		
0	25	23.4
1-9	64	59.8
10-49	18	16.8
Role of the participant		
Owner	84	78.5
Manager / Director	23	21.5
Age of the firm		
3-5 years	11	10.3
6-10 years	12	11.2
11-20 years	14	13.1
21+ years	70	65.4
Gender of the participant		
Male	57	53.3
Female	50	46.7
Type of business		
Family firm	84	78.5
Non-family firm	23	21.5
Industry participants are involved in		
Food production/manufacturing (artisanal/industrial) (abbreviation: FPR)	35	32.7
Agriculture (abbreviation: AGR)	31	29.0
Food service, hospitality and tourism (abbreviation: FHT)	27	25.2
Wine production (abbreviation: WP)	14	13.1

* Where applicable, percentages were rounded off.

Figure 1: Importance of tradition for firms during the COVID-19 crisis
Source: Gioia et al. (2012)

First-order codes	Second-order themes	Theoretical dimensions	
Tradition encapsulates the firm's identity	Indirect significance for firms' business model	Embedded advantage	
It represents the firm's roots			
It is part of the firm's and the territory's culture			
Tradition encapsulates the firm's identity	Direct significance for firms' business model	Active advantage	
Source of revenue			
A key part of the firm's brand image			
Key operational implications for quality, competencies	Complementing current strength	Strategic fusion	
Enhancing the survival of the firm through innovation			
First-order themes		n	%
Tradition plays a fundamental role		91	85.0
Source of revenue		52	48.6
It encapsulates the firm's identity		35	32.7
A key part of the firm's brand image		32	29.9
Combining tradition and innovation		31	29.0
Key operational implications for quality, competencies		22	20.6
It represents the firm's roots		22	20.6
Enhancing the survival of the firm		18	16.8
It is part of the firm's and the territory's culture		18	16.8

77 (72%) participants provided more than one illustration as to how tradition was important.

Figure 2: Tradition in the context of micro and small firms confronting an unprecedented crisis
 Sources: Barney (1991); Teece et al. (1997); Teece (2007)

