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ABSTRACT

This research study aimed to assess the effects of the Covid-19 pandemic in selected restaurants in Gapan City, Nueva Ecija, Philippines. Through this study, the researchers would be able to compare the impact of the pandemic in their restaurants before and during the pandemic. The researchers utilized the descriptive method of research through a survey questionnaire administered to three restaurateurs using purposive sampling. The findings from this study led the researcher to draw a number of conclusions pertaining to the effects of the pandemic. Based on the findings, the researchers recommend that emphasizing private dining rooms or private tables could be a quick solution for the decrease in restaurant customers because of the pandemic. Implementing various recovery strategies for the negative effect of the pandemic on the sale of restaurants service can be helpful such as using delivery services and utilizing online platforms.

KEYWORDS: Covid-19, financing, global shock, lockdown, marketing, operations, pandemic, supply chain

INTRODUCTION

Covid-19 has been shown to have an impact on the entire food supply chain, from the field to the consumer, which is one of the most vital areas of the economy. Food production, processing, delivery, and demand are all sources of concern in light of recent issues in the food sector. Workers' mobility limitations, changes in consumer demand, the closure of food production facilities, restricted food trade laws, and financial pressures in the food supply chain all resulted from Covid-19. The broadening and severity of the impact currently being felt by restaurants as a result of the Covid-19 pandemic and, more specifically, the rapidly expanding social distancing requirements and travel restrictions, as well as the growing number of governmental stay home orders, has been unprecedented. Many restaurants have closed; some permanently, while others are waiting for the end of the road to arrive. Restaurants, on the other hand, are fighting back hard. To survive the current pervasive, it is vital to keep all workers healthy and safe in the food producing plant and supply chain. Considering that restaurant customers are anxious about and concerned with safety issues throughout the process of food consumption, they may call for various types of contactless restaurant services that are necessary to prevent the spread of infections. Linking to this, Gapan City – a 4th class city in the province of Nueva Ecija, Philippines – the city's economic growth is inevitable after the recent conversion into a component city, making the major business activities abundant with the emergence of new investors, including restaurant owners. With this in mind, the researcher decided to conduct a study regarding the viewpoint of restaurants in Gapan City before and during the coronavirus outbreak. This research study aims to assess the effects of the Covid-19 pandemic in selected restaurants in Gapan City, Nueva Ecija, Philippines.

Specifically, it aims to answer the following:

How may the profile of the respondents be described in terms of positions, age and length of service and How did the COVID-19 pandemic affect the restaurants in Gapan City in terms of operations, employees, facilities, supply chain, marketing, financing?

What will these restaurants have to do in the future to maintain the business?

METHOD

The researcher used purposive sampling to focus on particular characteristics of a population that are of interest. Choosing purposive sampling for this study is fundamental to the quality of data gathered. Hence, the reliability and competence of the participant must be ensured (Tongco, 2007). The respondents of this study are three restaurateurs in Gapan City. The researchers utilized the descriptive method of research through an online survey questionnaire. It should be noted the respondents were willing to participate in the research.

The collected data was analyzed and conducted. The results of the survey were then processed by computing the frequency, percentages, averages and weighted mean.

RESULT

Table 1 Positions

Position	Frequency	Percentage
Restaurant Owner	1	33.3%
Manager	1	33.3%
Secretary	1	33.3%
Total	3	100%

Table 1 presents the three respondents of the study. The respondents were a restaurant owner, a manager, and a secretary. All plays a vital role in the operations and management of the establishment.

Table 2 Age

Age	Frequency	Percentage	
26 – 30 years old	0	0	
31- 35 years old	1	33.3%	
36 – 40 years old	1	33.3%	
41 – 45 years old	0	33.3%	
46 and above	1	0	
Total	3	100%	

Table 2 presents the age range of the respondents which are between 31-45 years old.

Table 3 Length of Service

Length of Service	Frequency	Percentage	
1 year below	0	0	
1 - 3 years	0	0	
4 – 6 years	1	33.3%	
7 - 10 years	1	33.3%	
Total	3	100%	

Table 3 indicates the length of service of the respondents in their working place. 33.3% of the respondents have 4-6 years working experience, the other respondent has 7-10 years working experience, and the last respondent already had 10 years above length of service.

Impacts of Covid-19 pandemic in terms of operations

Table 4 Years of existence

Years of existence	Frequency	Percentage	
1-5 years	0	0	
6-10 years	1	33.3%	
11-15 years	1	33.3%	
16 years and above	1	33.3%	
Total	3	100%	

Table 4 presents the establishments' years of existence in operation. In the table above, it shows that the respondents are operating between 6 to 16 years above showing the importance of survival strategy for the restaurant sector (Mendes et al., 2020).

Table 5 Numbers of months closed because of nationwide lockdown

Numbers of months closed	Frequency	Percentage
1-2 months	1	33%
3-4 months	0	0
4 months and above	2	67%
Total	3	100%

Table 5 shows that one of the restaurants closed for 1-2 months, and the 67% or 2 of the restaurants closed for 4 months and above because of the nationwide lockdown. In one of the articles by Restaurant Business Staff (2020), it was stated that since its discovery in early January, coronavirus has had an impact on every facet of daily life, including restaurants.

Table 6 Re-opening month

Re-opening month	Frequency	Percentage	
April 2020	0	0	
May 2020	1	33.3%	
June 2020	1	33.3%	
July 2020	1	33.3%	
Total	3	100%	

Table 6 illustrates the re-opening month of the restaurants where in 33.3% opened on May 2020, another 33.3% opened last June, and 33.3% opened in July in the midst of the pandemic. Those restaurants that can meet government safety protocols were allowed to reopen at 30% of their seating capacity, with strict hygiene and social distancing measures a must. (Martin, 2020)

Table 7 Kinds of services offered

	Fre	equency	
Kinds of Services Offered	Yes	No	Percentage
Dine-in	2	1	29%
For Pick up/Take-out	3	0	43%
Delivery	1	2	14%
Food Delivery App	1	2	14%

Table 7 presents the kinds of services offered by the restaurant. It shows that pick-up/takeout with the percentage of 43% is the service that is usually done by the employees. It is the main service offered by the three restaurants. While dine-in got 29%, delivery service got 14%, same as the food delivery app. In the study of Auman-Bauer (2020), it states that as social distance guidelines took effect in cities and states, dining in restaurants almost came to a halt.

Table 8 Average customers per day before the pandemic

Average Customer	Frequency	Percentage	
less than 25 customers	1	33%	
26-50 customers	0	0	
51-75 customers	0	00	
76 customers and above	2	67%	
Total	3	100%	

Table 8 presents the average customer per day before the pandemic started. There are less than 25 customers from one respondent in their restaurant. On the other hand, 67% of the respondents indicated that they had 76 customers and above before the pandemic.

Table 9 Average customers per day amidst the pandemic

Average Customer	Frequency	Percentage
less than 25 customers	2	67%
26-50 customers	0	0
51-75 customers	1	33%
76 customers and above	0	0
Total	3	100%

Table 9 states the average customer per day amidst the pandemic. 67% of the respondents indicated that they receive less than 25 customers in their restaurant. On the other hand, 33% of the respondents stated that they receive 51-75 customers per day after the pandemic.

Table 10 Impacts of Covid-19 pandemic in terms of employees Employees

STATEMENT	WEIGHTED MEAN	VERBAL INTERPRETATION
The pandemic caused the establishment to:		
 Lay-off / terminate staff/crew due to reduced need for staffing. 	3	Moderate
2. Place employees on an unpaid furlough (absence without pay) due to lack of financial resources.	4	Major
3. Hire specialist employees to help get the establishment through (such as business continuity analyst, IT Specialist etc.)	2.33	Minor
4. Hire employees with newer job description such as Food App Account Manager/Executive, etc.	1.67	Insignificant
5. Hire more needed crew such as delivery personnel 6. Have all employees to undergo various series of	1.67	Insignificant
webinars related to new policies, health, safety and pandemic awareness and prevention	3	Moderate
7. Have some employees to work in an alternative working mode (such a work from home, etc)	2.33	Minor
8. Reduce the salaries and wages of the personnel (but not below the minimum wage).	4	Major
Average Weighted mean	2.75	Moderate

Table 10 shows that the respondents are in major crisis regarding on placing the employees on an unpaid furlough (absence without pay) due to lack of financial resources and in reducing the salaries and wages of the personnel (but not below the minimum wage) is one of the major concerns of employees in this time of pandemic. Most of the respondents are dealing with these two more often over the other instances. Overall, the respondent thinks that the issues in human resources are moderate with an average weighted mean of 2.75.

Table 11 Impacts of Covid-19 pandemic in terms of facilities Facilities

STATEMENT	WEIGHTED MEAN	VERBAL INTERPRETATION
Reduce space of the establishment	3.67	Major
Rent the other unneeded space to others.	1	Insignificant
Invest on more equipment, supplies and materials as required by the IATF (such as protective barriers, PPE's for all the employees, alcohol, sanitizers etc.)	2	Minor
Had to re-arrange the premise to accommodate customers to assure health and safety	3.67	Major
Build additional space such as isolation room, clinic and others as per requirement of the IATF.	2.33	Minor
Have to purchase vehicles for delivery services.	2.33	Minor
Have to relocate due to less customer traffic	1.33	Insignificant
Have to dispose unusable or unnecessary tools and equipment.	1	Insignificant
Average Weighted mean	2.16	Minor

Table 11 presents the facilities of the restaurants and what they had to do because of the pandemic. The respondents agreed with a verbal interpretation of major and a weighted mean of 3.67 in reducing the space of the establishment, and re-arranging the premise to accommodate customers to assure their health and safety. The respondents are prioritizing these two responses to better manage the facilities during this pandemic. The average weighted mean in terms of the restaurant's facilities concern is 2.16 with a verbal interpretation of minor.

Table 12 Impacts of COVID-19 Pandemic in terms of Supply Chain Supply Chain

STATEMENT	WEIGHTED	VERBAL
	MEAN	INTERPRETATION
1. Wait additional time/days for the supplies/ingredients to be delivered in the establishment.	3.33	Moderate
2. Had to purchase ingredients elsewhere due to unavailability or closure of the regular vendors/supplier	3	Moderate
3. Had to pay additional charges to the suppliers/vendors due to the pandemic.	3.67	Major
4. 1. Wait additional time/days for the supplies/ingredients to be delivered in the establishment.	3	Moderate
5. Build additional space such as isolation room, clinic and others as per requirement of the IATF.	2	Minor
6. Had to pick up the orders instead of being delivered to the establishment.7. Had to re-sell some of the ingredients/supplies to other establishments /	2.67	Moderate
customers to avoid spoilage and damage (such as marinated chicken, straws, cups,	1.67	Insignificant
pasta etc.)		
Average Weighted mean	2.76	Moderate

Table 14 shows that the respondents are dealing with paying additional charges to the suppliers/vendors due to the pandemic indicated as a major concern with a weighted mean of 3.67. Overall, the cause of the pandemic in terms of supply chain management is moderate with an average weighted mean of 2.76.

Table 13 Impacts of COVID-19 Pandemic in terms of Marketing

STATEMENT	WEIGHTED MEAN	VERBAL INTERPRETATION
The pandemic caused the establishment to:		
1. Offer promotional tactics that have been not used before the pandemic.	2.33	Minor
2. Had to advertise more in printed media.	3.67	Major
3. Had to utilize online platforms to advertise such as social media (Facebook, twitter, Instagram etc.)	3	Moderate
4. Had to provide more incentives to prospective customers to lure into the establishment	2	Minor
5. Had to re-brand the establishment due to the change in perception of the customers	1.67	Insignificant
6. Had to re-calibrate the services to better accommodate the customers due to changes brought upon by the pandemic.	3.33	Major
7. Had to focus on newer marketing tactics in retaining patrons and luring newer customers.	3.67	Major
Average Weighted mean	2.81	Moderate

In table 13 the respondents answered with a weighted mean of 3.67 that they are advertising more in printed media, and focusing on newer marketing tactics in retaining patrons and luring newer customers. The respondents are also re-calibrating the services to better accommodate the customers due to changes brought upon by the pandemic with a weighted mean of 3.33 with a verbal interpretation of major.

Table 14 Impacts of COVID-19 Pandemic in terms of Financial/Costs/Expenses

Restaurant	Monthly income before the Pandemic	Monthly income amidst the Pandemic
Restaurant A	P 200, 000	P 40, 000
Restaurant B	P 30, 000	P 5, 000 to P 10, 000
Restaurant C	P 1, 000, 000	P 100, 000 to P 150, 000

Table 14 shows the sales of the restaurants before and amidst the pandemic, the average monthly sales per restaurant indicates decreased in sales amid the COVID-19 pandemic. According to the National Restaurant Association (2020) in their restaurant industry financial statistics, the restaurant industries lose up to \$240 billion last 2020.

Table 15 Financing

STATEMENT	WEIGHTED MEAN	VERBAL INTERPRETATION
The pandemic caused the establishment to:		
1. Had to re-price the products due to increase in costs (ingredients, utilities, etc.)	3.33	Moderate
2. Had to look for available funding (such as loans) to		
increase the working capital to be able to remain	2.67	Moderate
operational.		
3. Experience losses due to continuous expenses such as		
rent, electricity, inventory, salaries (most especially	3.33	Moderate
during the lockdown).		
4. Had to look for funding to pay for mandatory		
payments (such as real property taxes, local taxes, VAT,	2.33	Minor
Income Tax etc.)		
5. Had to lay off employees to cut off costs/losses.	4	Major
6. Had to lessen orders / purchases to lessen costs/	3.33	Moderate
expenses	0.00	
7. Had to purchase supplies / inventory from suppliers	2.33	Minor
with lesser costs to cut off costs / expenses.		
8. Had to sell store / establishment equipment and tools	1.67	Insignificant
to gather more resources.		J
Average Weighted mean	2.87	Moderate

Table 2.6.1 shows that the respondents had to lay off employees to cut off costs/losses with an average mean of 4 and a verbal interpretation of major. Overall, these restaurants have moderate concerns regarding financing/costs/expenses to remain operational amidst the pandemic, with an average weighted mean of 2.87 and a verbal interpretation of moderate.

Table 16 Actions to take to maintain the business in the future

STATEMENT	WEIGHTED MEAN	VERBAL
		INTERPRETATION
The pandemic caused the establishment to:		
1. Temporary close for several months.	4	Major
2. Forced to re-calibrate its policies following the safety protocols promulgated by the government.	4	Major
3. Have frequent meetings to try to continue the operations despite the pandemic.	3.67	Major
4. Had to offer additional services provided to patrons to avoid losing the customers.	4	Major
5. Had to re-calibrate the menu to accommodate the demand of the customers (such as improving the product, removing the less popular products, etc.)	3.33	Moderate
7. Had to develop business continuity plan which will be the guide for short, medium and long term run of the establishment.	2.33	Minor
7. Had to partner with mobile food apps (such as food panda, manong express) for the wider reach of the customers.	2.67	Moderate
Average Weighted mean	3.43	Major

Table 16 illustrates the future actions of the respondents to keep the restaurants operational even during the pandemic. The restaurants will take these following actions in the future with a verbal interpretation of major: temporary close for several months, forced to re-calibrate its policies following the safety protocols promulgated by the government, have frequent meetings to try to continue the operations despite the pandemic, and had to offer additional services provided to patrons to avoid losing the customers. Overall, the future actions of the restaurants to help maintain the business running has average weighted mean of 3.43 and is a major concern towards the respondents.

DISCUSSION

Restaurateurs had a hard time adjusting because of the pandemic and the effects it brought upon in the industry. According to one article of Job Hero (2021) restaurant owners are in charge of the day-to-day operations as well as the overall direction, profitability, and reputation of their establishment. On the other hand, restaurant managers are in charge of leading and managing their establishments, while the secretary of the restaurant is responsible for the daily workload and activities of the restaurant communicating with and providing service to the customers. The respondents age varies between 31-45 years old. In the study of Gulden (2011) it states that in many Western countries, the mean age of workers increases as a result of demographic and social trends. A large proportion of the youngest age group (15-30 years old) in the labor force is still in education. Therefore, the number of available workers will be between 31 to 45 years old. Consequently, a larger number of employees will be of 55 up to 65 years old.

In terms of their length of service, it ranged between 4-10 years and above. According to the study of Doyle (2020) workers had an average of 2.9 jobs when they were 35 to 44 years old and during the most established phase of many workers' careers, ages 45 and above, they held only an average of 1.9 jobs. As a result, the older the workers are, the more committed they are to their chosen profession. The establishments' years of existence in operation plays an essential role in the economy of a country even though many small and medium-sized restaurants fail during their first four years of activity, which is an example of the need for strategies to financially sustain their business beyond five years. The respondents are operating between 6 to 16 years above showing the importance of survival strategy for the restaurant sector (Mendes et al., 2020).

In one of the articles by Restaurant Business Staff (2020), it was stated that since its discovery in early January, coronavirus has had an impact on every facet of daily life, including restaurants. The hospitality industry responded with operational changes, event cancellations, and even store closures in some hard-hit areas in order to keep guests and employees safe while also stabilizing their businesses. But as the situation has grown direr, state and local governments have begun ordering widespread restaurant shutdowns. The Philippines is reopening for business after one of the world's tightest coronavirus lockdowns, which lasted

nearly three months. Restaurants were allowed to return for dine-in customers in May 2020 and the following months in an effort to keep people employed. Those restaurants that can meet government safety protocols were allowed to reopen at 30% of their seating capacity, with strict hygiene and social distancing measures a must (Martin, 2020). In the study of Auman-Bauer (2020), it states that as social distance guidelines took effect in cities and states, dining in restaurants almost came to a halt. As a result, restaurants must operate in a highly competitive business environment and provide a variety of services to keep their operations running smoothly. The respondents of the study showed a difference in terms of the average of customers that they receive before and amidst the pandemic. Restaurants' major objective is to have and to keep customers because it is the customers who will determine the development and potentials of a restaurant. Restaurants are essential to every Filipinos. Eating in a restaurant helps fulfill sociological needs. According to Gadais (2005), every customer is the foundation of any business' success, the reason why these particular restaurants survive for a number of years. Moreover, the restaurants had lost a significant amount of customers amidst the pandemic.

In relation to this, according to the study of James Beard Foundation (2020) the biggest challenges restaurant owners believe they are facing in reopening is the slow return of customers (41%), it has the largest percentage compared to other factors. The respondents think that the issues in human resources is of moderate concern, issues in restaurant facilities is of a minor concern, the cause of the pandemic in terms of supply chain management is of moderate concern, and issues in terms of marketing is of moderate concern. Experts estimate that over half of restaurants will not survive (Severson & Yaffe-Bellany, 2020). Therefore, a strategic move to maintain consumer demand in the crisis is critically important (Sigala, 2020). The restaurants included in the study indicated a drop in their financial performance amidst the pandemic.

According to the National Restaurant Association (2020) in their restaurant industry financial statistics, the restaurant industries lose up to \$240 billion last 2020. The cause of the pandemic in terms of financing is of moderate concern. Future actions of the restaurants to help maintain the business running is of major concern. Post Covid-19, businesses will undoubtedly alter or restructure their business models in light of the losses incurred and anticipated market conditions. It is possible to reduce the number of employees, but shrewder organizations can consider using the current labor in newer jobs as needed by the company.

CONCLUSION

The findings from this study led the researcher to draw a number of conclusions pertaining to the assessment of the effects of the Covid-19 pandemic in selected restaurants in Gapan City, Nueva Ecija, Philippines. This paper extends the understanding of facilities management in the restaurants involved in the study. The restaurants opened between May to July 2020 but at

small fractions of capacity, in fact, they reduced the space of the establishment and arranged the premise to accommodate customers which dropped to less than 25 customers a day. Employees had to experience absence without pay due to lack of financial resources. The facilities had to be reduced and they had to pay additional charges to the suppliers due to pandemic. In terms of marketing, these restaurants had to recalibrate their services to better accommodate customers, and new marketing tactics had to be implemented. The restaurants included in the study experienced a significant drop in their monthly earnings. The results of this research paper showed that the restaurants in Gapan City need to make sure that they do what they can to best position themselves for a successful return to a normal service. Despite of a number of different ways to retain traffic and generate revenues, these restaurants indicates a decrease in sales amidst the Covid-19 pandemic. This may lead the restaurants to re-calibrate its policies following the safety protocols promulgated by the government, offer additional services provided to patrons to avoid losing the customers, or even temporarily closing for several months.

Based on the conclusions drawn, the following recommendations are hereby offered:

- 1. Emphasizing private dining rooms or private tables to provide for a quick solution for the decrease in restaurant customers because of the pandemic.
- 2. Implementing various recovery strategies for the negative effect of the pandemic on the sale of restaurants service. They should focus more on delivery service, food delivery app, and utilizing online platforms.
- 3. Future researchers should further conduct the study in broader areas other than Gapan City to know the perspective of different restaurants in different places regarding this problem, using a wider scope of factors.

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