

# Business Strategies Employed by Food Service Industries to Survive the Impact of COVID-19

Renato M. Samonte Jr., Ali G. Mamaclay , Manuel P. Castillo

College of Business and Accountancy, Wesleyan University-Philippines, Cabanatuan City, Philippines

Email: agmamaclay@wesleyan.edu.ph

**How to cite this paper:** Samonte Jr., R. M., Mamaclay, A. G., & Castillo, M. P. (2022). Business Strategies Employed by Food Service Industries to Survive the Impact of COVID-19. *Open Journal of Business and Management*, 10, 2442-2460.  
<https://doi.org/10.4236/ojbm.2022.105123>

**Received:** June 8, 2022

**Accepted:** September 13, 2022

**Published:** September 16, 2022

Copyright © 2022 by author(s) and Scientific Research Publishing Inc. This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

## Abstract

This study explored and described the business strategies of food service industries in Cabanatuan City in the New Normal. The descriptive research design was used in the study. Researcher-made questionnaire was employed to elicit information from 15 food service industries purposively chosen. Analysis of the result indicates that most of the food service industry was a restaurant with the corporation as business owners and was operated over the years. As to the number of employees, they had small number of regular employees and a larger number of casual and contractual employees due to restructuring and transforming their workplaces brought by the COVID-19 pandemic. Most of the respondents were impacted by the pandemic in terms of the five indicators used in the study. The finance and cash flows were greatly affected due to a profit decline. The shortage of raw materials due to transportation-related problems impacted their production of products needed by the customers. Likewise, they reduced the employee size due to a loss in sales and profits. Similarly, they innovated their products based on the customers' needs using local materials. Meanwhile, the respondent's food service industry can utilize business strategies suited for their operations. On the marketing side, they increased their marketing efforts with social media platforms to reach out to customers and increase online sales. On the other hand, they reassure strict safety and sanitation following existing safety protocols of IATF. Likewise, they strictly observed social distancing at work and ensured reduced operating costs to regain their Business from financial loss. Finally, they responded that the strategies used were helpful in their overall business operations. And as to the outcome of actions and strategies employed, the food service industry was able to catch up with their revenues, raw materials, and total operating costs and sales by more than 10 percent. The current study is limited to the fact that it only used a systematic assessment of food service industry strategies. Future research should focus on the techniques used by food service companies to combat COVID-19 from various perspectives and utilize

---

various methods. This research enlightens researchers on the strategies used by the food service industry and points the way for future research. The study has identified the areas where the researcher is focusing efforts and those that have received less attention. It also demonstrates the dominating approaches and gaps that future researchers must fill. This paper achieved the main purpose of studying the business strategies employed by food service industries to survive the impact of COVID-19.

### **Keywords**

Cash Flows, Food Service Industries, Labor Shortage, Raw Materials Shortage

---

## **1. Background of the Study**

Due to Covid-19, the restaurant industry is one of the worst-affected in the Philippines, if not the entire world. Many restaurants were about to close, but a few were able to remain open with shortened hours. As previously reported and validated, COVID-19 cases peaked in February and March 2020, and a higher percentage of restaurant proprietors reported reduced sales than during the same period in 2019 and prior years. According to Roslyn Stone, who was quoted in *Restaurant Business* on February 28, the COO is the one who responds in times of crisis, such as the global pandemic COVID-19. She mentioned that the global pandemic significantly affected the spread of the virus in restaurants, making it possible for workers to carry the virus, necessitating a rapid recovery for the restaurant industry's manpower operations (Maze & Heather, 2020).

On March 15, 2020, Philippine President Rodrigo Duterte ordered a lockdown like the other countries infected or at high risk of reported COVID 19 cases. All eateries, bars, amusement parks, and even churches were closed to stop the illness from spreading. Despite a sharp decline in revenue, owners and operators of restaurants have discovered methods to survive, even to pay for day-to-day running expenses and employee compensation. Almost all companies are aware of the problems and have plans to fix them, but they struggle to put their initiatives for diversity, equality, and inclusion into practice (Mckinsey & Company, 2020).

Many restaurants have felt suffocated as a result of COVID-19, which has resulted in a halt in operations, a loss of sales, and the layoff of employees, while others have relied on government assistance. According to Nurin (2020), usual bank funding was always in favor of large restaurants and countries. Large restaurants were considered by the majority of bank fund providers. Just 5% of small and independent restaurants received assistance from the fund. Several eateries in Cabanatuan City, Nueva Ecija, Philippines, have agreed to close their doors permanently or temporarily due to the current Covid 19 pandemic issue. On the other hand, other restaurants found ways to be more resilient in their response to the crisis, because they couldn't afford to lose their source of income,

which they had mortgaged to the banks. According to one of the restaurant owners, “Our restaurant is strengthening partnerships and demonstrating a commitment to the goods and services we offer. To overcome challenges, we promote our Business by simply touching our neighbors and giving promotions through any online means, particularly during this trying period of the Covid 19 pandemic” (Shaffer, 2020). Restaurants, in particular, have had their revenue sources and business models severely disrupted. Many restaurants have had to avoid serving sit-down meals and instead focus on takeout or delivery. One of the reasons for the widespread closure of restaurants is a lack of suppliers affected by some food brands, one of which is the Coca-Cola Company, which saw its net sales drop (Weiner-Bronner, 2020).

Employee protection and consumer preservation are the top priorities when it comes to questions about the company operating continuity for all employees of the organization, given the fact that the COVID-19 pandemic has had a massive effect on the restaurant industry. Company owners invest in strategic, operational, and financial stability to recover quickly (Bingham and Hariharan, 2020). Given the preceding situation, this study finds relevance to conducting this study “Business Strategies Employed by Food Service Industries to Survive the Impact of COVID-19”. The researcher’s focus on strategies for reducing the impacts of the pandemic, serves as a guide for the managers in a service enterprise. This paper can enrich the current understanding of how disruptions affect the whole operations of the food service industries. Make a suggested action plan based on the study’s findings as well.

**Objectives:**

- 1) To determine the socio-demographic characteristics of the food service industries.
- 2) To determine the effects and magnitude of a pandemic on the food service industry’s operations.
- 3) To examine the food service industry’s methods for dealing with the pandemic, as well as the extent to which these measures have been implemented.
- 4) To know the outcomes of action and strategies of the food service business.

## **2. Methodology**

The descriptive research method was utilized in this study with the use of survey methods. Descriptive research aims to accurately and systematically describe a population, situation, or phenomenon. It can answer what, where, when, and how questions, but not why questions. Furthermore, the researcher believed that descriptive research design was the appropriate design for the study because this study sought to answer questions related to describe the socio-demographic profile of the police investigator, the impact of the pandemic on the service business of the respondents in the new normal, business strategies employed during the pandemic, the outcome of actions and strategies employed.

The questionnaire is the primary data-gathering tool used in this study. It was designed to elicit the data needed to meet the objectives of the research. The instrument was researcher-made, constructed and developed through the reading of related materials and published researches concerning the business strategies of service enterprise in the new normal. Part I of the instrument comprises the business socio-demographic profile, which includes type of food service industry, types of business ownership, years of operation, and number of employees, Part II of the instrument elicited information on the impact of the pandemic in the service business of the respondents in the new normal, which includes finances and cash flows, raw materials shortage, labor shortage, demand reduction and policy disturbance. This was answered by the respondents through multiple responses. Part III of the instrument was comprised of questions on the business strategies employed during the pandemic, which includes marketing, technical, management and financial. This was answered by the respondents through multiple responses. Lastly, Part IV was comprised of items on the outcome of actions and strategies employed by the food service industry.

To ensure the validity of the research instrument, the researcher conducted survey to ten (10) business establishments using the Validators' Questionnaire Assessment. Their responses were tallied and tabulated and obtained an overall weighted mean of 4.23, which was verbally described as "the questionnaire is valid and can provide unbiased data for the investigation, allowing 0 - 7 percent error". Also, the dry run was conducted on the ten (10) food service industries to determine the reliability of the questionnaire. The collected data were tabulated and tallied, and obtained the overall reliability coefficient was .923. This high-reliability coefficient meant that the instrument was reliable and could provide the data necessary for the study.

### **3. Results and Discussions**

#### **3.1. Profile of the Food Service Industries (Table 1)**

The data gathered on the profile of the respondents which includes types of food service industry, business ownership, years of operation and number of employees.

##### **3.1.1. Types of Food Service Industry**

Out of 15 food service industry respondents, five or 33.33 percent were restaurant, followed by four or 26.67 percent kiosks and counters and three or 20 percent were fast food chain. Other respondents were cafes ( $n = 2$ ) and food service hotels ( $n = 1$ ). The result indicates that most of the food service industry respondents were restaurants. The result further interfered that restaurant industry able to cater their customers amidst pandemic, continue their operations to facilitate customer needs. In addition, they were able to manage their activities which involved food preparation, customer service, purchasing of raw materials, accounting and reporting. Although there were shifts in their operations due to

**Table 1.** Profile of the food service industries.

<b>Types of Food Service Industry</b>	<b>Frequency</b>	<b>Percentage</b>
Restaurant	5	33.33
Fast Food Chains	3	20.00
Kiosks and Counters	4	26.67
Food Service in Hotels	1	6.67
Cafes	2	13.33
<b>Total</b>	<b>15</b>	<b>100.00</b>

  

<b>Business Ownership</b>	<b>Frequency</b>	<b>Percentage</b>
Sole Proprietorship	6	40.00
Corporation	9	60.00
<b>Total</b>	<b>15</b>	<b>100.00</b>

  

<b>Years of Operation</b>	<b>Frequency</b>	<b>Percentage</b>
3 - 7	11	73.33
8 - 12	1	6.67
13 - 17	0	.00
18 - 22	1	6.67
23 - 27	2	13.33
<b>Total</b>	<b>15</b>	<b>100.00</b>

  

<b>Number of Employees</b>		
<b>Regular</b>	<b>Frequency</b>	<b>Percentage</b>
10 - 19	5	33.33
20 - 29	3	20.00
30 - 39	3	20.00
40 - 49	2	13.33
50 - 59	1	6.67
60 - 69	1	6.67
<b>Total</b>	<b>15</b>	<b>100.00</b>

  

<b>Casual</b>	<b>Frequency</b>	<b>Percentage</b>
10 - 19	2	13.33
20 - 29	3	20.00
30 - 39	1	6.67
40 - 49	4	26.67
50 - 59	5	33.33
<b>Total</b>	<b>15</b>	<b>100.00</b>

**Continued**

<b>Contractual</b>	<b>Frequency</b>	<b>Percentage</b>
10 - 19	2	13.33
20 - 29	2	13.33
30 - 39	4	26.67
40 - 49	4	26.67
50 - 59	3	20.00
<b>Total</b>	<b>15</b>	<b>100.00</b>

current situations, they were able to continue and managed their operations to catch up with the challenges brought by the pandemic. They were able to alter their business strategies to meet the demand of the time, like online ordering take out and free delivery. In fact, according to [Technomics \(2020\)](#) Delivery and Takeout Consumer Trend Report, 66% of consumers anticipate continuing to use curbside pickup after dine-in services resume.

Although many small and medium-sized restaurants fail in their first four years of operation, the restaurant industry nevertheless contributes significantly to a nation's economy. This shows the importance of developing ways to keep a business profitable for longer than five years ([Gnonlonfoun, 2017](#)). Despite the fact that restaurant owners have faced and overcome numerous crises recently, this new pandemic will have severe consequences on the global economy that have never before been seen in modern times ([Kim, Kim, Lee, & Tang, 2020](#)).

### **3.1.2. Business Ownership**

In terms of business ownership, out of 15 food service industry, nine or 60 percent were corporation, while six or 40 percent were sole proprietorship. This findings shows that most of the food service industry within the locality of the study were corporation. These food service industry respondents prefer to have a corporation as form of ownership, most likely their legal entity separate from its owner. One of the most important reasons why corporations are formed is for liability reasons. Corporations provide stockholders with limited liability. On the other hand, the food service industry during this time of pandemic enjoys most of the rights and responsibilities that individuals possess. They can enter contracts, loan and borrow money, sue and be sued, hire employees, own assets, and pay taxes. [Smith \(2020\)](#) stated that since corporations have more funding options open to them, such as selling shares, they tend to raise funds more easily than sole owners or partners.

### **3.1.3. Years of Operations**

As to years of operations, 11 or 73.33 percent recorded that they were operated for about 3 - 7 years, followed by two or 13.33 percent 23 - 27 years, and one or 6.67 percent operated for about 8 - 12 years and 18 - 22 years, respectively. This

result indicates that most of the food service industry within the locality of the study was from 3 - 7 years of operation. Result further denotes that these new food service industries in the marketplace able to manage and applied strategies that regain their momentum in spite of the current crisis caused by the COVID-19, they turned quickly from their financial down-turn and applied realistic strategies that might help them to operate despite of many limitations. Their online orders and take out counter help them to continuously operate and survive with their daily needs and business operations.

#### **3.1.4. Number of Employees**

As to the number of employees of food service industry, about 5 or 33.33 percent had 10 - 19 regular employees, followed by 3 or 20 percent had 20 - 29 and 30 - 39 regular employees, respectively and 2 or 13.33 percent had 40 - 49 employees. Others recorded that they had regular employees ranging from 50 - 59 and 60 - 69, respectively. This finding indicates that most of the food service industry had a regular employees ranging from 10 - 19. Similarly, there were 5 or 33.33 percent had casual employee ranging from 50 - 59, followed by 4 or 26.67 percent 40 - 49 and 3 or 20 percent had casual employee ranging from 20 - 29. Others recorded that they had casual employee ranging from 10 - 19 (n = 2) and 30 - 39 (n = 1). This result shows that most of the food service industry had a casual employee from 50 - 59.

Finally, in terms of contractual employees, about 4 or 26.67 percent had a contractual employees ranging from 30 - 39 and 40 - 49, respectively, followed by 3 or 20 percent had 50 - 59 contractual employees. Other recorded that they had 10 - 19 (n = 2) and 20 - 29 (n = 1) contractual employees. This result indicates that most of the food service industry had a contractual employees ranging from 30 - 39 and 40 - 49, respectively. The result further denotes that most of the food service industry respondents had small number of regular employees, but it was comprised of large number of casual and contractual employees. With the business organizations adjustment to current situations brought by the COVID-19 pandemic, they also adjusted the business operations and work arrangement to support their employees. Most of the business organizations are able to implement policies to ensure employees welfare and well-being.

Further, many business organization, formulate business strategies and solutions to ensure the continuity of their operations. As to the food service industry, they were able to strategies on how to cope up with these challenges. The work from how arrangements for those office-based employees were implemented, while others adopted a skeletal workforce or split its operations arrangements. Likewise, a strategic approach with the use of technology and social media platforms helped the food service industry to still operating under "business-as-usual". The Willis Towers Watson Philippines Enhanced Community Quarantine (ECQ) Pulse Survey (2020) concluded in their survey that work arrangement for office-based employees and those in operations had 99 percent work

from home, 35 percent business as usual, 44 percent skeletal/split operations and 20 percent has suspended operations. In the article written by [Byrnes & Wass \(2021\)](#) most of the organizations slashing their personnel costs through downsizing or salary reduction.

### **3.2. Impact of the Pandemic in the Food Service Industry in the New Normal**

The data gathered on the impact of the pandemic in the service business of the respondents in the new normal which includes: finances and cash flow, raw materials shortage, labor shortage, demand reduction and policy disturbance ([Table 2](#)).

#### **3.2.1. Finances and Cash Flow**

The food service industry respondents recorded that the impact of pandemic as to the finance and cash flows were the company's profit has declines with a frequency of 15 which was ranked 1, followed by "Restrict spending because of the uncertainty," with a frequency of 9 which was ranked 2, and "Struggled to carry out normal operating expenditures," with a frequency of 8 which was ranked 3. This finding shows that the food service industry respondents were greatly affected by the pandemic. Their profit was declined due to the decrease in sales and an increase in the expenses. They tend to streamline their business finances through a limited purchase of inputs/materials enough for the production of the products. These challenges on them never hinder their desire to continue their operations to cater the customers need. Similarly, [Dodd \(2020\)](#) recorded that both retail sales and consumer spending were higher in May than in April, and the June unemployment rate was 11.1%, down from the April high of 14.7% during the second quarter of 2020. Meanwhile, [Rivas \(2020\)](#) reported that 53% or over 82% of the 64 companies COL Financial monitored have reported lower earnings, while 15% or over 23% reported losses during the period.

#### **3.2.2. Raw Materials Shortage**

The food service industry respondents recorded that the impact of pandemic as to the raw materials shortage, "transportation related problems," with a frequency 13 which was ranked 1, followed by "Loss of future sales due to lack/sources of materials in productions," with a frequency of 12 which was ranked 2 and "Difficulty accessing local inputs/materials," with a frequency of 6 which was ranked 3. This result indicates that the food service industry experienced logistics problems as to transportations and sources/accessing local inputs/materials in productions. Their adaptation to the new business environment brought by severe economic consequences due to the pandemic never hinder their desire to continuously operate. The impact of COVID-19 pandemic on public transport affected business operations specifically the food service industry. Suppliers were unable to deliver the inputs or materials needed by them because lockdown. Transportation sectors, which include the logistics transport were unable



**Table 2.** Impact of the pandemic in the food service industry in the new normal.

<b>A.</b>	<b>Finances and Cash flow</b>	<b>Frequency</b>	<b>Rank</b>
	The company's profit has declined	15	1
	Cash receipts are insufficient to pay costs and expenses	7	5
	Unable to maintain the operating costs due to shortage of cash	6	6
	Cash inflows is far below as what is expected	7	4
	Struggled to carry out normal operating expenditures	8	3
	Restrict spending because of the uncertainty	9	2
	Repayment of loans	2	7
	Payment of accounts payable	1	8
<b>B.</b>	<b>Raw Materials Shortage</b>	<b>Frequency</b>	<b>Rank</b>
	Loss of future sales due to lack/sources of materials in productions	12	2
	Struggled to open line credit to obtain source materials to meet future demands	5	4
	Transportation related problem	13	1
	Difficulty accessing local inputs/materials	6	3
	Inventory control problem	1	5
<b>C.</b>	<b>Labor Shortage</b>	<b>Frequency</b>	<b>Rank</b>
	Reduced staff/employees size	12	1
	Cut shifts of employees	6	3
	Sales force decreased to cutback expenses	7	2
	Unable to find a suitable recruitment channel	1	4
<b>D.</b>	<b>Demand Reduction</b>	<b>Frequency</b>	<b>Rank</b>
	Decrease food orders	13	3
	Increase in food delivery service	8	4
	Reduced hours of operations	14	2
	Decrease in sales	15	1
	Orders are being cancelled	4	5
<b>E.</b>	<b>Policy Disturbance</b>	<b>Frequency</b>	<b>Rank</b>
	Alter menu/s	13	1
	Provide additional paid leave	8	2
	*multiple responses		

**Continued**

<b>F.</b>	<b>Level of impact of COVID 19</b>	<b>Frequency</b>	<b>Percentage</b>
	High (this may put us out of Business)	1	6.67
	Medium (this is going to significantly impact our financials)	5	33.33
	Low (this may impact us financially but we are confident we can surpassed this challenges)	9	60.00
	<b>Total</b>	<b>15</b>	<b>100.00</b>

to transport the different inputs and materials due to protocols needed to be accomplished aligned with the existing policies and regulations. Likewise, the food service industry respondents tried to access local producers of input or materials, but the same problems arises. The sudden increase of in raw materials prices due to shortage affects the business operations. The limited availability of raw materials also significantly affects the demands resulting to inadequate productions that affect the financial capability of the food service industry. The study of [Aday and Aday \(2020\)](#) concluded that food supply chain was one of the important sectors greatly affected by the pandemic. In the light of recent challenges in food supply chain, there is now considerable concern about food production, processing, distribution, and demand. COVID-19 resulted in the movement restrictions of workers, changes in demand of consumers, closure of food production facilities, restricted food trade policies, and financial pressures in food supply chain. The COVID-19 epidemic has had a direct impact on logistics companies, who are involved in the movement, storage, and flow of commodities, according to [International Finance Corporation \(2020\)](#). Logistics companies enable trade and commerce and assist companies in getting their products to clients as an essential component of value chains both domestically and beyond international borders. Therefore, supply chain interruptions brought on by the pandemic could affect the sector's competitiveness, economic expansion, and job creation.

### **3.2.3. Labor Shortage**

The food service industry respondents recorded that the impact of pandemic as to labor shortage, "Reduced staff/employee size," with a frequency of 12 was ranked 1, followed by "Sales force decreased to cutback expenses, with a frequency of 7 which was ranked 2, and "Cut shifts of employees," with a frequency of 6 which was ranked 3. Business organizations were greatly affect by pandemic, the decline of profits and sales, the logistics transportation unable to deliver the inputs or materials on time that affect the production. This current situations, led to the reducing of employees and cut shifts to continuous operate the food service industry. On the other hand, business sectors felt the labor shortage due to lack of manpower to do some of the operational needs of the organization. The retained employees were given an alternate work scheduled to protect the

health and well-being of the employees. The drastic change in the workplace results from multi-tasking of job roles to ensure the continuity of business operations. Same jobs were done but fewer employees, this work settings affect the employees outcomes due to multiple job roles that they need to accomplish. In addition, short-term and long-term workforce reduction and other cost-saving strategies may be necessary due to the economic and operational impacts of the COVID-19 emergency. Blank (2021) stated that emerging from the pandemic, restaurants face a new set of problems: labor shortages, higher food prices, and supply chain challenges. In May, the cumulative unemployment rate in the United States dropped from 14.7 percent in April to 13.3 percent, according to a new report from PMMI Business Intelligence (2021), which also used government data and Thomas Net as sources. However, even though 30 percent of manufacturers said they are actively looking for new employees because of the COVID-19 pandemic, the overall employment rate in manufacturing has fallen significantly, falling 19.1 percent from January to April.

#### **3.2.4. Demand Reduction**

The food service industry respondents recorded that the impact of pandemic as to demand reduction, “decrease in sales,” got a frequency of 15 which was ranked 1, followed by “reduced hours of operations with a frequency of 14 which was ranked 2” and “decrease food orders,” with a frequency of 13 which was ranked 3. This result indicates that the food service industry suffered big lost in terms of business profitability. The decrease in sales, reducing of business hours and decrease food orders affect the overall business operations of said industry. This economic disruption affected not only the food service industry but all businesses. The CMO Survey (2021) reported that their company’s sales revenues had declined 17.81% during the two months preceding the survey. However, the revenue impact varied significantly across companies. Nearly one in five of the respondents (19.5%) reported that sales had declined by 50% or more, and nearly half (46.8%) said sales had fallen by 20% or more. In addition, The CMO Survey (2021) said their company’s profits had declined 14.67% during the two months preceding the survey. About 18% of the respondents said that profits had declined by 50% or more, and 36.0% reported profit declines of 20% or more.

#### **3.2.5. Policy Disturbance**

The food service industry respondents recorded that the impact of pandemic as to policy disturbance, “alter menu,” got a frequency of 13 which was ranked 1 and “provide additional paid leave which was ranked 2”. The result implies that the food service industry able to alter their menu’s due to logistics and supply chain problems. The inputs for production were unable to deliver on time by the suppliers that cause alteration of spices and other materials. The food service industry ensures that the customization of menus will have same quality that met the customer’s needs. Similarly, to protect the employees, they allow them to

work on skeleton workforce, office-based employees allowed to from home to ensure their safety and well-being. Likewise, regular employees provide an additional paid leave provided that they were able to accomplish the various job roles assigned to them while work from home and executing their responsibilities to the best of their ability.

### **3.2.6. Level of Impact of COVID 19**

Out of 15 respondents, about 9 or 60 percent were low impacted by COVID-19 this meant that the food service industry was financially impacted but confident to surpassed the challenges, followed by 5 or 33.33 percent medium impact of the COVID-19 or it has significant impact of financial of the food service industry, while 1 or 6.67 percent responded that it had high impact of COVID-19 to their Business. This result indicates that the food service industry was positive that they can surpass the challenges brought by COVID-19 pandemic. Their business strategies that are aligned in the new normal setting guided them to operationalize their Business despite of economic disturbance. Similarly, they are steadfast to continuous their business operation to deliver quality service to its customers.

## **3.3. Business Strategies Employed during the Pandemic**

The data gathered on the business strategies employed during the pandemic which includes: marketing, technical, management, financial and extent of strategies that help the business operation (**Table 3**).

### **3.3.1. Marketing Strategies**

The food service industry respondents responded that the strategies employed during pandemic in terms of marketing were, “Increased marketing effort” got a frequency of 8 which was ranked 1, followed by “offering lowered price” with a frequency of 7 which was ranked 2, and “used social media platforms to advertise various products and services,” with a frequency of 6 which was ranked 3. Result indicates that the service industry respondents able used business strategies suited in times of pandemic. They increased marketing efforts such as used of social media platforms in promoting their product line. They created facebook page wherein they posted the products, an official website that promotes other features of the respondents. These marketing virtual platforms are able to make them regain their business operations with the use of these virtual platforms. Similarly, they lowered the price of their products in spite of the shortage of inputs/materials in production. These marketing strategies also helped them to have customers whom purchased products to increased sales and gained profits. In the study of [Kanapathipillai \(2020\)](#) entitled “The Impact of the Silent Enemy (Covid-19 Pandemic) on the Marketing Efforts” found that by changing its marketing concept, context, and techniques, the food business might regain its momentum in the market.

**Table 3.** Business strategies employed during the pandemic.

<b>1</b>	<b>Strategies employed during a pandemic</b>		
<b>A.</b>	<b>Marketing</b>	<b>Frequency</b>	<b>Rank</b>
	Used social media platforms to advertise various products and services	6	3
	Offering lowered prices	7	2
	Online sales	4	4
	Customized/new products	3	5
	Increased marketing efforts	8	1
<b>B.</b>	<b>Technical</b>	<b>Frequency</b>	<b>Rank</b>
	Adjustment of hours of operations	13	2
	Communicate takeout or delivery solutions effectively	7	4
	Reassure strict restaurant safety and sanitation measures	15	1
	Sourcing of new local suppliers	6	5
	Reduced utility costs and other operating costs	10	3
<b>C.</b>	<b>Management</b>	<b>Frequency</b>	<b>Rank</b>
	Temporarily reduced employment	13	3
	Programs to encourage virtual working	4	5
	Re-arrangement of facilities to mitigate COVID-19 spread	14	2
	Increased communication and transparency	12	4
	Social distancing at work	15	1
<b>D.</b>	<b>Financial</b>	<b>Frequency</b>	<b>Rank</b>
	Rescheduling of bank loans	7	3
	Rescheduling of invoices payment	4	4
	Reduction of operating costs (e.g. layoffs and salary reductions)	12	1
	Loans to commercial banks	1	5
	Recording and compiling of weekly rolling cash flows plan	8	2
	*multiple response		
<b>2</b>	<b>The extent of strategies that help the business operation</b>		<b>Percentage</b>
	Helpful (The business strategies is very helpful in the overall operations of the Business)	8	53.33

**Continued**

Moderately Helpful (The business strategies is helpful in the overall performance of the Business)	4	26.67
Fairly Helpful (The business strategies is fairly helpful in the overall performance of the Business)	2	13.33
Not Helpful (The business strategies is not helpful in the overall performance of the Business)	1	6.67
<b>Total</b>	<b>15</b>	<b>100.00</b>

**3.3.2. Technical Strategies**

As to technical strategies employed during pandemic by the respondents, the “reassure strict restaurant safety and sanitation measures” got a frequency of 15, which was ranked 1, followed by “adjustment of hours of operations,” with a frequency of 13 which was ranked 2, and “reduced utility costs and other operating costs,” with a frequency of 10 which was ranked 3. The result shows that the food service industry respondents able to formulate and implement strict restaurant safety and sanitation measures in line with the existing protocol formulated by the IATF guidelines in business operations. They were able to lessen the capacity and re-arranged the physical facilities in compliance to health safety and security. They see to it that their furniture and fixture, utensils and other condiments bottles were properly sanitized. Similarly, they pay close attention to separating foods from other products. They are most concerned with having access to facilities for disposing of human waste (feces and urine), as well as the need to maintain sanitary conditions through garbage collection, industrial/hazardous waste management, and wastewater treatment and disposal. The [World Health Organization \(2020\)](#) developed recommendations for food services to stay free of virus contamination, including upgrading cleaning and sanitation procedures, disinfecting surfaces and high-touch points, educating staff about the virus and how to protect themselves and others, reinforcing protocols such as physical distancing, hand washing, and improved security with people staying in their vehicles/sanitizing hands when handing out documents and other material.

**3.3.3. Management Strategies**

Among the management strategies employed by the food service industry during pandemic were, “social distancing” got a frequency of 15 which was ranked 1, followed by “reconfiguration of facilities to mitigate COVID-19 spread” with a frequency of 14, which was ranked 2 and “temporarily reduced employment,” with a frequency of 13 which was ranked 3. Result indicates that the respondents able to formulate strategies that help them in the execution of their business operations, Health and safety protocols were always observed like social distancing, the queuing of customers when they order were mark and they were step-in into the mark to avoid contact with others. A sheet of paper was provided wherein

the customers write information on them for contact tracing purposes. The QR code was immediately implemented to void use of ballpen and sheet of paper. Likewise, alcohol and other sanitary disinfectant were also provided by the respondents as precautionary measures when they enter in the establishment. On the other hand, the reduced workforce was immediately implemented by the respondents due to decrease in sales and profits led to the downsizing of their employees. In addition, the office-based employees were allowed to work from home and submit their accomplishment in periodic system. According to [Telukdarie, Munsamy and Mohlala's \(2020\)](#) study, it is crucial for the food and beverage manufacturing industry to comprehend the virus from an operational standpoint. To address employee safety, the food and beverage manufacturing industry must implement health and safety procedures. Operational limitations are important additional factors for the sector. Operations must be reorganized in order to generate the necessary food items in a way that is secure financially and environmentally.

#### **3.3.4. Financial Strategies**

In terms of financial strategies employed during pandemic by the food service industry "Reduction of operating costs (e.g. layoffs and salary reductions)" got a frequency of 12, which was ranked 1, followed by "Recording and compiling of weekly rolling cash flows plan" with a frequency of 8 which was ranked 2 and "Rescheduling of bank loans" obtained a frequency of 7 which was ranked 3. Result indicates that the food service industry respondents reduced their operating cost. They were able to restructure their workforce through reducing the number of employees. Regular employees were given the utmost priority to continuously working with them through additional workloads, this system of reduced workforce able to regain its operational needs. Similarly, as food service industry address new problems related to managing facilities and business operations, unanticipated expenses, service failures, and, for most organizations, major material revenue hits are top of mind. As a result, finding and implementing operational cost-cutting opportunities is critical. Additionally, COVID-19 has underlined the necessity for a flexible and adaptable workforce ([Accenture, 2020a](#)). A central command center should be established, according to [Accenture \(2020a\)](#), as well as an elastic digital workplace taskforce made up of HR, legal, business, IT, marketing, and sales representatives. Remote work, made possible by collaboration technologies like Zoom or Microsoft Teams, is one of the most popular agile workforce practices. Accenture has identified six issues that must be resolved in order to go to a remote workspace ([Accenture, 2020b](#)).

#### **3.3.5. Extent of Strategies That Help the Business Operation**

In terms of the extent of strategies that help the business operation, about 8 or 53.33 percent responded that it was "helpful" or "the business strategies is very helpful in the overall operations of the business," followed by 4 or 26.67 percent responded that it was "moderately helpful," or "the business strategies is helpful

in the overall performance of the business,” and 2 or 13.33 percent responded it was “fairly helpful,” or the business strategies is fairly helpful in the overall performance of the Business. Likewise, only one or 6.67 percent responded that it was “not helpful,” or “the business strategies is not helpful in the overall performance of the business.” Result indicates the food service industry perceived that the various strategies used in the four domains of business aspect such as marketing, technical, management and financial was truly helpful in the restructuring and transforming the business operations in the new normal. The power of social media platforms and virtual promotion of their products and services help them to regain their operations. The arrangement of the physical facilities resulting to small number of customers affect their sales and profitability, the restructuring of workforce through downsizing affect the employment and labor shortage. Finally, they were able to organized business operations through proper recording and monitoring of sales and revenues.

### 3.4. Outcome of Actions and Strategies Employed

**Table 4** shows the outcome of actions and strategies employed by service business industry during pandemic which includes revenue expectations, raw materials and total operating costs, and sales.

For revenue and sales expectation outcome of actions and strategies employed, nine or 60 percent of the food service industry increased it revenue by more than 10 percent, three or 20 percent responded that they had same as last year, two or 13.33 percent had increase, but less than or equal to 10 percent and only one or 6.67 percent of the respondents decrease their revenues of less than or equal to 10 percent. Meanwhile, as to raw materials and total operating costs,

**Table 4.** Outcome of actions and strategies employed.

Outcome of Actions and strategies employed		
Revenue Expectation	Frequency	Percentage
Increase by more than 10%	9	60.00
Increase, but less than or equal to 10%	2	13.33
Same as last year	3	20.00
Decrease of less than or equal to 10%	1	6.67
Total	15	100.00
Raw materials and total operating costs	Frequency	Percentage
Increase by more than 10%	6	40.00
Increase, but less than or equal to 10%	3	20.00
Same as last year	5	33.33
Decrease of less than or equal to 10%	1	6.67
Total	15	100.00



six of 40 percent of the respondent's food service industry able to increase by more than 10 percent, five or 33.33 percent recorded that it was the same as last year and three or 20 percent was able to increase, but less than or equal to 10 percent and only one or 6.67 percent decrease of less than or equal to 10 percent. It can be inferred from the result that the respondents' food service industry is able to regain its momentum in their business operations. With the employment and utilization of different business strategies, they were able to increase their revenues, raw materials and total operating costs and sales. The promotion of their products in social media platforms is able to promote their products and services. The online orders and delivery services are able to serve their customers resulting to gradual increase of their revenues. Although the cost of raw materials and operating was increased they were able to manage their pricing by using local raw materials that are suited to the product attributes of the customers. Moreover, the respondents are able to have a plan of actions to make their Business sustainable and profitable with the use of strategies in promotion, management and pricing strategies. The analysis agrees with the findings of a study [Shafi, Liu, & Ren \(2020\)](#), on the "Impact of COVID-19 pandemic on micro, small, and medium-sized Enterprises" which concludes that most of the participating enterprises have been severely affected and they are facing several issues such as financial, supply chain disruption, decrease in demand, reduction in sales and profit, among others.

#### **4. Conclusion**

Analysis of the result indicates that most of the food service industry was restaurant with corporation as business ownership and was operated over a period of years. As to number of employees, they had small number of regular employees and had larger number of both casual and contractual employees due to restructuring and transforming their workplaces brought by COVID-19 pandemic.

Most of the respondents were impacted by the pandemic in terms of the five indicators used in the study. The finance and cash flows were greatly affected due to decline in profits. The shortage of raw materials due to transportation related problems impacted their production of products needed by the customers. Likewise, they reduced the employees' size due to loss of sales and profits. Similarly, they innovate their products based on the customers' needs with the use of local materials.

The respondents in food service industry were able to utilize business strategies suited for their operations. On marketing side, they increased their marketing efforts with the use of social media platforms to reach out the customers and increase online sales. On the other hand, they reassure strict safety and sanitation in accordance with existing safety protocols of IATF. Likewise, they strictly observed social distancing at work and ensured reduction of operating costs to regain its Business from financial loss. Finally, they responded that their strate-

gies used were helpful in their overall business operations.

As to the outcome of actions and strategies employed, the food service industry was able to catch up with their revenues, raw materials and total operating costs and sales by more than 10 percent increased.

## Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

## References

- Accenture (2020a). *Coronavirus Business Economic Impact*.  
<https://www.accenture.com/za-en/about/company/coronavirus-supply-chain-impact>
- Accenture (2020b). *Productivity in Uncertain Times through the Elastic Digital Workplace*.  
<https://www.accenture.com/mu-en/about/company/coronavirus-solution-elastic-digital-workplace>
- Aday, S., & Aday, M. S. (2020). Impact of COVID-19 on the Food Supply Chain. *Food Quality and Safety*, 4, 167-180. <https://doi.org/10.1093/fqsafe/fyaa024>
- Bingham and Hariharan (2020). *This Is the Impact of the Coronavirus on Business*.
- Blank, C. (2021). *Labor Shortage Leaves Restaurants, Distributors in the Lurch*.  
<https://www.seafoodsource.com/news/supply-trade/labor-shortage-leaves-restaurants-distributors-in-the-lurch>
- Byrnes, J., & Wass, J. (2021). *Your Company Downsized during the Pandemic. Here's How to Rebuild*.  
<https://hbr.org/2021/03/your-company-downsized-during-the-pandemic-heres-how-to-rebuild>
- Dodd, D. (2020). *Research Documents the Impact of COVID-19 on Sales and Profits*.  
<https://customerthink.com/research-documents-the-impact-of-covid-19-on-sales-and-profits>
- Gnonlonfoun, R. (2017). *Restaurants Owner Strategies for Financial Sustainability beyond 5 Years*. Ph.D. Thesis, Walden University.
- International Finance Corporation (2020). *The Impact of COVID-19 on Logistics*.  
[https://www.ifc.org/wps/wcm/connect/industry\\_ext\\_content/ifc\\_external\\_corporate\\_site/infrastructure/resources/the+impact+of+covid-19+on+logistics](https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/infrastructure/resources/the+impact+of+covid-19+on+logistics)
- Kanapathipillai, K. (2020). The Impact of the Silent Enemy (Covid-19 Pandemic) on the Marketing Efforts Undertaken by the Automotive Industries in Malaysia. *European Journal of Management and Marketing Studies*, 5, 1-21.  
<https://doi.org/10.46827/ejmms.v5i4.886>
- Kim, J., Kim, J., Lee, S. K., & Tang, L. (2020). Effects of Epidemic Disease Outbreaks on Financial Performance of Restaurants: Event Study Method Approach. *Journal of Hospitality and Tourism Management*, 43, 32-41.  
<https://doi.org/10.1016/j.jhtm.2020.01.015>
- Maze, J., & Lalley, H. (2020). *How Restaurants Can Prepare for a Coronavirus Pandemic*. Restaurant Business.
- Mckinsey & Company (2020). *Coronavirus Business Impact: Evolving Perspective*.
- Nurin, T. (2020). *COVID-19 Closures May Permanently Alter the Lives of Hospitality Workers ... For The Better*.

<https://www.forbes.com/sites/taranurin/2020/04/30/covid-19-closures-may-permanently-alter-the-lives-of-hospitality-workers--for-the-better/?sh=1c61385d1262>

PMMI Business Intelligence (2021). *2021 Industry Reports*.

<https://www.pmmi.org/business-intelligence/industry-reports?year=2021>

Rivas, R. (2020). *How the Pandemic Is Crushing Company Earnings*.

<https://www.rappler.com/newsbreak/in-depth/how-coronavirus-pandemic-crushing-company-earnings>

Shaffer (2020). *Coronavirus in Philippines: The COVID-19 Risk, Impact and Measures*.

Shafi, M., Liu, J., & Ren, W. (2020). *The Impacts of the Covid-19 Pandemic on Micro, Small, and Medium Enterprises in Asia and Their Digitalization Responses*.

<https://www.adb.org/sites/default/files/publication/692466/adbi-wp1241.pdf>

Smith, K. (2020). *Types of Business Ownership*.

<https://education.howthemarketworks.com/types-of-business-ownership>

Technomics (2020). *Delivery and Takeout Consumer Trend Report*.

<https://www.technomic.com/reports/consumer/consumer-trend-reports/delivery-takeout>

Telukdarie, A., Munsamy, M., & Mohlala, P. (2020). Analysis of the Impact of COVID-19 on the Food and Beverages Manufacturing Sector. *Sustainability*, 12, Article No. 9331.

<https://doi.org/10.3390/su12229331>

The CMO Survey (2021). *U.S. Highlights and Insights Report*.

<https://cmosurvey.org/results/>

Weiner-Bronner (2020). *More than Half of Businesses That Closed during the Pandemic Won't Reopen*.

World Health Organization (2020). *Coronavirus Disease (COVID-19): Food Businesses*.

<https://www.who.int/news-room/q-a-detail/coronavirus-disease-covid-19-food-businesses>