



Food And Beverage Sector Amid The Challenges Of The Covid-19 Pandemic

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Abstract

This qualitative study examined the status, challenges experienced and coping strategies of the food and beverage businesses in the Municipality of Tigbauan amid the COVID-19 pandemic. Face-to-face interviews was conducted among eight (8) purposively selected local owners and managers of food and beverage businesses operating in the municipality of Tigbauan which are DTI registered and the data gathered were processed using thematic analysis. Results revealed that all of the Food and Beverage businesses interviewed have just re-opened after travel restrictions were eased. However, the researchers discovered that when localized lockdowns were implemented and when indoor dining was disallowed, their income was severely affected due to few customers to the extent that some of these businesses had to temporarily close and let go of some employees to avoid further losses. To keep their business afloat, some of them have initiated some strategies such as transitioning from traditional dine-ins to accepting online transactions and take-outs. They have also partnered with delivery riders to accommodate orders of customers who were afraid to leave home. This simply means that the COVID-19 pandemic has not only brought negative effects to the food and beverage sector but also prompted them to be innovative amidst the global health crisis which eventually opened new business opportunities for their prosperity.

1. Introduction

1.1 Background of the Study

Pandemics are large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area and cause significant economic, social, and political disruption. Evidence suggests that the likelihood of pandemics has increased over the past century because of increased global travel and integration, urbanization, changes in land use, and greater exploitation of the natural environment (Jones & others, 2008; Morse, 1995; Madhav, 2017). These trends likely will continue and will intensify. Significant policy attention has focused on the need to identify and limit emerging outbreaks that might lead to pandemics and to expand and sustain investment to build preparedness and health capacity (Smolinsky, Hamburg, & Lederberg, 2003, Madhav, 2017).

The food and beverage industry were hit hard by the COVID-19 outbreak. This includes offline food businesses, such as restaurants, cafés, and other dining spaces, which have been completely shuttered in some areas, while internet meal delivery services are still available. In addition, as customers race to stock their pantry shelves, the packaged food and beverage industries are seeing an increase in demand for shelf-stable goods and beverages, particularly milk products.

According to Straight (2020), the impact of COVID-19 on the food and beverage could be long lasting. COVID-19 has disrupted supply chains but perhaps none more significantly than food and beverage (F&B). A report late last month from Resilience360 found that the shutdown of manufacturing plants, changing consumer behaviors and price increases have altered F&B supply chains, at least in the near term and perhaps for the long term. It is in this concept that the researchers are interested in knowing how COVID-19 affects the food and beverage sector in the Municipality of Tigbauan.

This study is focused on examining the challenges confronting owners and managers of food and beverage businesses in the Municipality of Tigbauan, Iloilo. The researchers have developed interest in doing this research since no prior study was conducted attempting to determine the status, challenges and coping strategies of the F&B sector during the COVID-19 pandemic.

1.2 Statement of the Problem

This qualitative study attempted to gather the different stories of the food and beverage business owners and managers in the Municipality of Tigbauan, Iloilo as to the status of their operations, the challenges they have experienced during the COVID-19 pandemic and their coping strategies.

Specifically, this study aimed at answering the following questions:

1. What is the current status of the food and beverage businesses in the Municipality of Tigbauan, Iloilo?
2. What challenges do the food and beverages business owners and managers encounter during the COVID 19 pandemic especially when national and localized lockdown were implemented?
3. What are the strategies that the food and beverages owners and managers have taken to sustain their operations amid the risks of COVID-19 pandemic?

1.3 Theoretical Framework of the Study

The study is supported by the Equilibrium Model as one of the Crisis Intervention Models. This model states that people in crisis are in a state of psychological or emotional disequilibrium in which their usual coping mechanisms and problem-solving methods fail to meet their needs. This model is most appropriate for early intervention when the person is out of control, disoriented, and unable to make appropriate choices (Caplan,1964).

The COVID-19 pandemic has affected many lives as well as business transactions. The equilibrium model suggests that outbreaks of infectious disease reduce labor supply and negatively affect economic output. This stabilizes the researchers' belief that the COVID-19 and the constant lockdown and increasing alert levels affect the business operations and performances.

1.4 Scope and Delimitation of the Study

This study determined the status, challenges experienced and coping strategies of the food and beverages businesses during the COVID-19 pandemic. The informants are the eight (8) purposively selected owners and managers of food and beverages businesses operating in the Municipality of Tigbauan which are DTI registered. The interview was conducted within the period April-May 2022.

However, this study has certain limitations as it only focused on the food and beverages businesses operating in the Municipality of Tigbauan, Iloilo. The study is also not funded and the researchers have made use of their own financial resources in conducting the study.

1.5 Significance of the Study

The following individuals and agencies were identified whom the researchers believe will benefit from this study:

Hospitality and Business Management Faculty. This study will serve as a documents or record that can be imparted to their students through the years. This can be used as a medium of information in implementing effective teaching techniques on coping challenges such as COVID-19 pandemic.

Hospitality and Business Management Students. This study may expand the students' knowledge and learning about the coping strategies of business owners and managers amid the COVID-19 pandemic which later on can be a useful basis when they start their own businesses.

Local Government of the Municipality of Tigbauan. Results of the study will enlighten the local government of Tigbauan of the current status of the food and beverage sector and the challenges confronting their business operations. With this, they will be able to come up with some programs to assist those businesses and their employees who are seriously affected by the COVID19 pandemic.

Food and Beverage Business Owners. This study could serve as a benchmark which will provide some food and beverage owners and managers the idea on how their fellow food and beverage owners are struggling and will also learn from their business strategies to cope with problems brought by the COVID19 pandemic.

Food and Beverage Business Patrons/Customers. This study will inform them how the food and beverage sector was affected by the pandemic which will eventually convince them to patronize these businesses once lock downs are lifted and businesses became operational once again.

Department of Trade and Industry. With this study, programs can be identified and implemented by the agency which could assist the affected businesses.

Future Researchers. This study may prompt further studies, recommending innovations, and providing an understanding of how food and beverage businesses are challenged and how they coped not only from the pandemic but other problems as well.

2. Research Methods

2.1 Research Design

Since this study is about documenting the experiences and coping strategies of the food and beverage businesses during a pandemic, the researchers believed that employing a qualitative research design fits the purpose. According to Arora and Stoner (2009), qualitative research involves collecting and analyzing non-numerical data to understand concepts, opinions, or experiences. It can be used to gather in-depth insights into a problem or generate new ideas for research. Qualitative research is used to understand how people experience the world. While there are many approaches to qualitative research, they tend to be flexible and focus on retaining rich meaning when interpreting data. By using a qualitative research methodology, researchers are able to collect richer information and get more detailed picture of issues, cases or events.

2.2 Informants of the Study

The informants of this study are the eight (8) purposively selected local owners and managers of food and beverage businesses operating in the municipality of Tigbauan which are DTI registered. Two (2) of them are from the local restaurants, two (2) pizza parlor/house, one (1) from bakeshop, one (1) from food and beverage shop, one (1) snack park and another one (1) informants from bar and restaurant. The table below presents the profile of the informants.

Table 1. Profile of the Informants

Name of the Establishment	Types of Operation	No. of years in the business	No of employees (present)
○ Bistro Torento	Bar and Restaurant	8 years	6

○ Reds Snack Park	Refreshment and Convenient Store	17 years	17
○ Benidicto's Bakeshop	Snack House	10 years	7
○ Kitoy's Kiss Manukan and Seafood Restaurant	Service Business/ Restaurant	3 years	4
○ Sir JC Pizza	Pizza Parlor	14 years	7
○ Dudzkie Food and Beverage	Milktea Shop	3 years	4
○ Ramen Choi and Red Curry House	Refreshment and Restaurant	4 years	8
○ Cheezy Hot Pizza House	Pizza House	6 years	3

2.3 Data Gathering Instrument

A **researcher-made interview guide** was the main instrument used in data gathering. This is composed of two (2) parts: Part 1 of the instrument gathers the profile of the informants and their business such as number of years being in the business, type of operation and number of employees.

Part 2 of the instrument is the interview guide which asked the informants of the current status of their business, their business performance during the COVID19 pandemic especially after the implementation of national and localized lockdown, the challenges encountered and their coping strategies.

2.4 Data Gathering Procedures

Prior to the conduct of the interview, permission to conduct the study was secured first from the Office of the Campus Administrator (OIC) of Iloilo Science and Technology University, Miagao Campus. Another set of letter was given to the informants of the study namely the managers or owners of local restaurants, cafes, bar and coffee shops in the Municipality of Tigbauan.

The researchers scheduled an interview with the informants after the permission was granted by the ISATU Campus Administrator and with the consent from the interviewees. Separate interviews were conducted with the eight (8) informants to avoid crowding as a compliance also to the health protocols imposed by the business establishments.

2.5 Data Processing Techniques

The researchers made use of thematic analysis in order to present the interview results in systematic manner. **Thematic analysis** is a method for identifying, analyzing and reporting patterns (themes) within data. It minimally organizes and describes the data set in (rich) detail (Braun and Clarke, 2006).

3. Result and Discussion

Q1. What is the current status of the food and beverage businesses in the Municipality of Tigbauan, Iloilo?

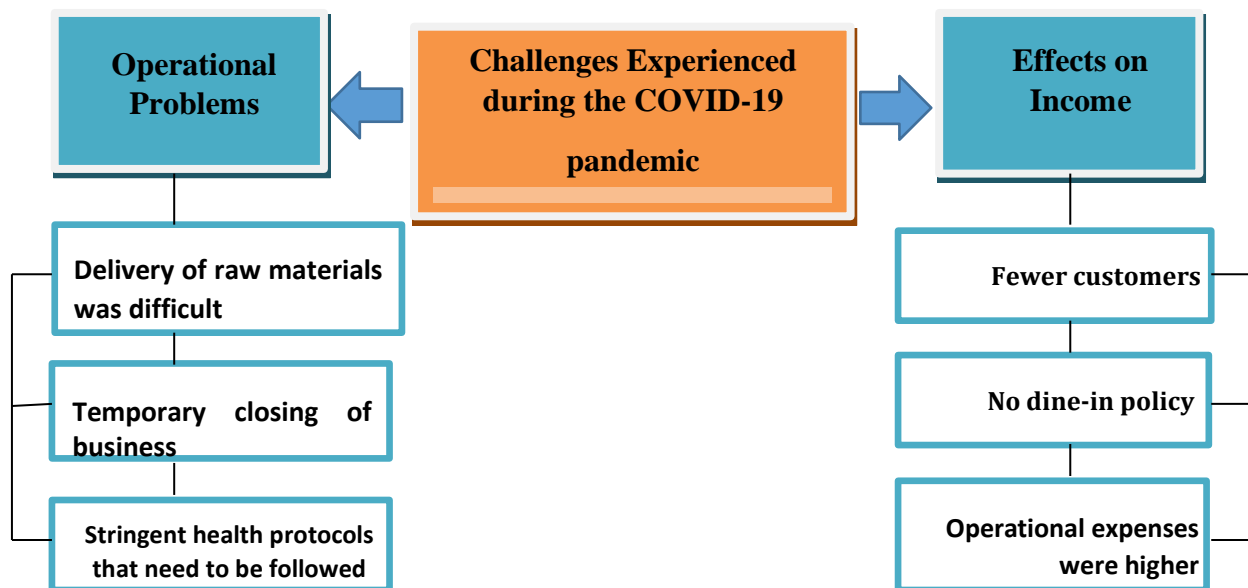
Table 2. Status of the Food and Beverage Businesses

Name of the Establishment	Status of Operation
○ Bistro Torento	Operating at a limited capacity
○ Reds Snack Park	Operating at a limited capacity
○ Benidicto’s Bakeshop	Operating at a limited capacity
○ Kitoy’s Kiss Manukan and Seafood Restaurant	Operating at a limited capacity
○ Sir JC Pizza	Operating at a limited capacity
○ Dudzkie Food and Beverage	Operating at a limited capacity
○ Ramen Choi and Red Curry House	Operating at a limited capacity
○ Cheezy Hot Pizza House	Operating at a limited capacity

The province of Iloilo was under a Modified General Community Quarantine (MGCQ) status when face-to-face interview was conducted and all eight (8) food and beverage businesses are **operational** at a limited capacity, with a positive expectation of resuming revenue once travel restrictions are lifted, work-on-site and face-to-face classes resume. Based on the responses provided, some of these businesses have just recently been allowed to operate again and are still recovering from the losses due to the COVID-19 Pandemic.

Q2. What challenges do the food and beverages business owners and managers encounter during the COVID-19 pandemic when national and localized lockdown were implemented?

Fig 2. Thematic framework for challenges that the food and beverage businesses experienced during the COVID-19 pandemic



Two (2) themes emerged when the informants were asked of the challenges they have dealt with when national and localized lockdowns were implemented due to COVID-19. These are operational problems and effects on income.

Operational problems

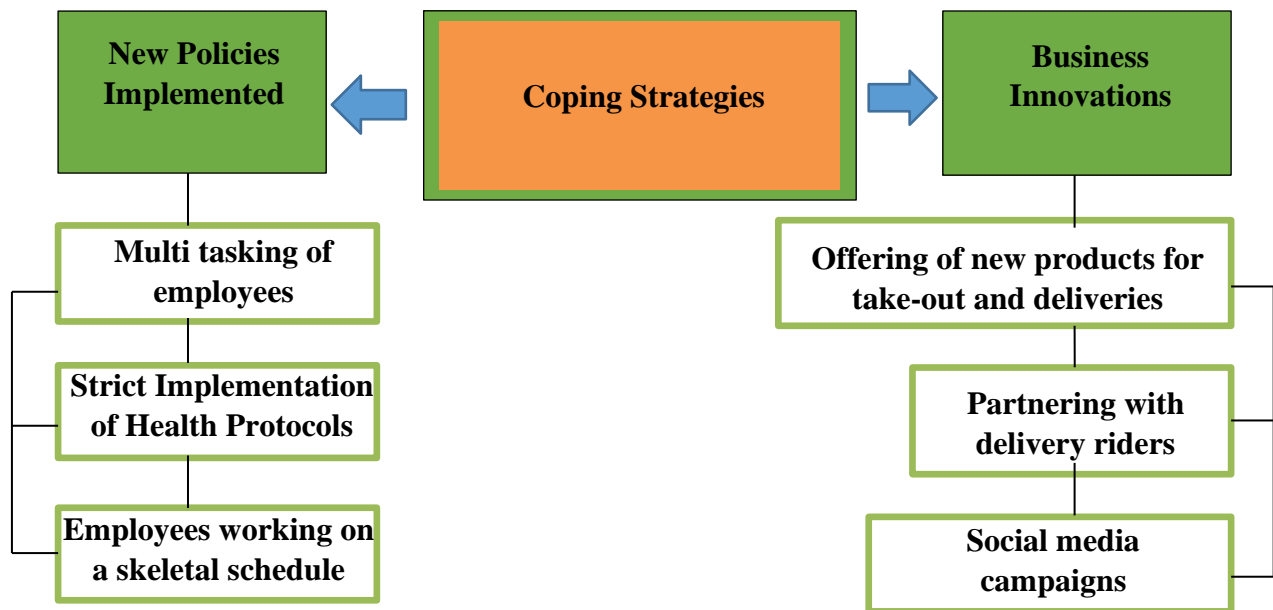
Informants expressed that when national and localized lockdowns were implemented due to COVID-19 that is also the time when they experienced the most challenging part of being in the food and beverage business. Most of them had to temporarily stop their operations during ECQ and MECQ since obtaining raw materials was very hard. At the height of the pandemic, business owners struggled because in-door dining was disallowed and only take-outs were permitted. Closing their business at these times was also an option because the local government of Tigbauan was very strict and there were a lot of requirements to process before they are allowed to operate. Some of these are the COVID-19 devices that F&B establishments need to have which were very costly like thermal scanners, sanitizer dispensers, among others. The local IATF also required them to retrofit their dining areas to avoid crowding, required them of additional washing areas and isolation areas which entailed additional expenses. Further, business operations were also affected because owners had to lay-off some of their employees to avoid further losses.

Effects on income

The informants lamented that the COVID-19 pandemic has severely affected their income due to the following reasons: 1.) fewer customers because people are afraid to dine in and because the establishment can only operate at a limited capacity, 2.) in-door dining was disallowed and establishments only depended on take-outs and deliveries wherein income was very minimal, and 3.) operational expenses was higher since establishments had to incur other costs such as procurement of health devices and retrofitting of their dining facilities.

Q3. What are the strategies that the food and beverages owners and managers have taken to sustain their operations amid the risks of COVID-19 pandemic?

Fig 3. Thematic framework for the coping strategies of the food and beverage businesses during the COVID-19 pandemic



Two (2) themes prevailed when owners and managers of the food and beverage businesses were asked about their strategies to keep their operations running amid the risks of COVID-19 pandemic. These are new policies were implemented and business innovations.

New policies implemented

To curb operational expenses, some of the F&B businesses reduced their manpower and resorted to having them to report on a skeletal work schedules. As a result, their employees had to multi-task just to be able to sustain operations. Health protocols were also a major consideration and they have to strictly follow them or else they will be fined and closed down once caught violating. Only fully vaccinated workers are allowed to work and the establishments were also very particular on accepting customers to dine in wherein they all must be fully vaccinated as well.

Businesses have become innovative

Informants expressed that they have to be innovative because they are operating at a limited capacity. In order to increase revenue, some of them offered new products in their menu list which are ideal for take-outs and deliveries because income from in-door dining cannot sustain. They have also partnered with the delivery riders and even delivered the orders themselves. In order to attract customers, business owners and managers have created social media pages to promote their new products and services. They have also engaged in other “promos” like barkada meals and buy3take1 for free for milk tea to boost customer patronage.

4. Conclusions

COVID-19 has greatly impacted food and beverage business in the Municipality of Tigbauan. They shifted from traditional marketing to technology-based operations. To cope with the loss both in input and output, they tried online processing and delivery which fortunately boosted and filled the gaps and solved the unprecedented effects of COVID-19. Due to the limited chances of going out, technology-based businesses have become a trend. With this, online delivery has had a positive effect on the monthly income of businesses and created opportunities for them to prosper. Despite numerous challenges encountered, the transition from traditional over-the-counter transactions to online-based orders and deliveries has catered to custom-made preferences which contributed mainly to revenue increase and customers’ patronage. Though COVID-19 has had negative effects on businesses but it opened various opportunities through embracing tech-enabled efficiencies which contributed to operational efficiency.

IMPLICATIONS

This paper contributes to the broader understanding of the economic impact of COVID-19 on the food and beverage businesses in which the researchers believed has also affected other sectors. Further, findings of the study revealed the vulnerability of the tourism industry particularly the food and beverage sector to the effects of a global health crisis. In this light, it is recommended that businesses operating in the tourism industry must prepare action plans that will help sustain their business should the same problem like COVID-19 pandemic occur in the future.

Despite numerous challenges encountered, the transition from traditional over-the-counter transactions to online-based orders and deliveries has catered to custom-made preferences which contributed to revenue increase and customers’ patronage. COVID-19 has had negative effects on food and business businesses management but it also opened various opportunities through embracing tech-enabled efficiencies and cost-saving management tools.

RECOMMENDATIONS

On the basis of the findings derived from the study and the conclusion drawn by the researchers, the following are recommended:

1. The local government unit should provide alternative supplementary funds to be utilized in support to the re-opening of the Food and Beverage Sector. Business loans or assistance should be implemented to aid small and big business owners and their employees who were also affected.
2. Proper health training and seminars should be provided for the staff, managers, and owners of the food and beverage businesses as prescribed by the IATF. Policies and guidelines should be familiarized by the staffs to be able to relay those to the customers. It is also helpful that business owners provide training to the staff in terms of proper sanitation in preparing and processing services especially foods and beverages.
3. Health permits should be compulsory both to the staffs and customers to ensure safety. Guest capacity should be strictly monitored since the pandemic is not yet over. The DOH should conduct close monitoring of food and beverage practices and processes.

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