



Survival Strategy Restaurant Business during the Covid-19 Pandemic

I Gusti Nyoman Wiantara¹, Ida Ayu Putu Sulastri², I Gusti Bagus Rai Utama³

^{1,2}Triatma Mulya University, Bali, Indonesia

³Management Study Program of Universitas Dhyana Pura, Bali, Indonesia

ABSTRACT: The occurrence of the Covid-19 pandemic forced the entire community to adjust itself by implementing a new order of life known as the "new normal" in every activity. Likewise, restaurant businesses are not immune from the impact of the Covid-19 pandemics, so adjustments must be made so that restaurants can continue to operate and customer health and safety-related to Covid-19 can be carried out properly and correctly. To increase the sales volume of its products, it can do several things, including Lower Menu Prices, Give Special Discounts, Create More Durable Food Packaging, Prepare Food Delivery, Restaurant Business Starts Switching to Use Technology, Communication Between Businesses & Customers, Perform Marketing Plans and Pay Attention to Current Culinary Trends. Meanwhile, to make the restaurant operational cost-efficient, several strategies can be carried out, including Designing Cost Control Measure (CCM), re-identifying budgeting short-term and long-term, prioritizing cash flow safe and stable, reorganizing or redesigning the largest expenditure, and planning a more efficient division of labor fair and impartial. Furthermore, to guarantee customer safety from being exposed to Covid-19, restaurants can do the following: Communicate Safety and sanitation measures clearly and consistently, Avoid self-served dishes, Advice to maintain distance, Make strict rules regarding the use of masks on staff and diners, Offers waiting list and online pre-order facilities, Continues to offer no-contact options, Competes aggressively with retail options, Offers packaged dining options in the long term, Performs clear and systematic cleaning.

KEYWORDS: Covid-19, Efficiency Pandemic, Strategy, Sales Volume.

INTRODUCTION

Nearly two years since the Covid-19 pandemic has hit the world, Indonesia is no exception, this pandemic has had a significant impact on all sectors of human life, especially in terms of health and the economy. To be able to minimize and avoid the ferocity of this virus, all the people of the world are required to carry out their daily activities implementing the "new normal" which includes always keeping a distance from other people, always using a mask, especially when doing activities outside the home, frequently washing hands with soap when at home running water and avoiding crowds.

The tourism sector is a sector that has been greatly affected by the Covid-19 pandemic, due to restrictions on the movement of people and a sharp decline in people's purchasing power due to the difficulty of finding work due to the number of companies that have reduced their employees and many have gone bankrupt. It seems that Bali, where most of the people rely on the tourism sector, has experienced a very significant economic downturn because almost all elements of tourism in Bali are not operating or closed. The Indonesian Hotel and Restaurant Association (PHRI) reports that as many as 1,033 restaurants and hotel businesses in Indonesia are currently permanently closed due to the Covid-19 pandemic. "From October 2020 until now, it can be estimated that around 125 to 150 restaurants are closed per month," said Chairman of the PHRI Governing Body, Sutrisno Iwantono, as reported by Antara, Friday (5/2/2021).

The restaurant as one of the elements in the tourism sector also experienced a very worrying decline. As with other businesses in the tourism sector, most restaurants in Bali reduce the number of employees and many even close their businesses. According to the experience of several employees interviewed who said that, during the pandemic Covid-19, they carried out various activities to support themselves and their families, some were doing farming because they had rice fields and gardens, some were selling clothes and various products online become mason construction workers, and some are not doing any activities that make money at all, they are just waiting for the time when the restaurant will reopen. In general, employees who do not carry out activities or look for other work during the pandemic are unmarried employees who have been serving in restaurants as waiters. The restaurant management has also tried to overcome the difficulties of its employees by registering for the pre-employment program launched by the government, although not all restaurant employees can be accumulated. However, at least they have tried to help their employees during the pandemic. Besides that, generally, the management still has a sense of *Siri na pacce* (shame and care) about the fate of



employees who are laid off without salary. *Siri* means shame if no effort is made, and *pacce* if you don't care. The manifestation of the attitude *Siri na pacce* the management has provided assistance packages in the form of necessities to its employees and still provides extra salary (Tunjangan Hari Raya) even though it is in a poor condition from the reception of the restaurant business.

Of course, this condition should not be allowed to drag on so that it will have an even more severe impact. On the other hand, the tourism sector, especially Bali, must immediately rise from this slump. The government and the public have made various efforts to immediately get out of the bad effects of the Covid-19 pandemic. Various efforts have been made, starting from implementing the imposition of restrictions on community activities at several road points by the authorities, implementing mass and massive Covid-19 vaccinations in all regions in Indonesia, and other efforts. Of course, all these efforts will be more effective and efficient if accompanied by the right and accurate strategy.

Significant changes in the restaurant industry have been evident in the last few months, and the changes now implemented will last a long time. With the emergence of consumer concerns about the spread of COVID-19 in restaurants, high unemployment rates, and the recession hampering secondary needs spending, restaurants need to make efforts to make consumers feel safe to eat on the spot and spend their money.

Problem Formulation

1. What efforts can the restaurant business make to increase the sales volume of its products during the pandemic Covid-19?
2. What efforts can restaurant businesses do to reduce their costs operational during the Covid-19 pandemic?

Research Objectives

The purpose of this research is to find out:

1. Efforts that can be made by restaurant businesses to increase the volume of their product sales during the Covid -19 pandemic
2. Efforts can be made by restaurant businesses to reduce their costs operational during the pandemic. Covid-19

RESEARCH METHODS

This research is classified as descriptive qualitative research that is supported by a case study approach to two restaurant business actors in Bali, during the pandemic *Covid-19*. The case study is a series of scientific activities carried out intensively, in detail, and in-depth about a program, event, and activity, both at the individual level, a group of people, institutions, and organizations to gain in-depth knowledge about the event (Rahardjo, 2017:3).

The study was conducted in Bali as a consideration that restaurant business actors in Bali are also experiencing an economic impact due to the pandemic outbreak *Covid-19*. The data collected in the study came from two sources, namely primary and secondary data. Primary data, namely data obtained directly through interviews with informants consisting of restaurant managers, restaurant employees, while secondary data was obtained from various articles, magazines, and internet sources related to restaurant business actors who experienced economic impacts during the pandemic *Covid-19* in Bali (Utama, et al., 2020; Hamdan, et al., 2020). The research instrument is the researcher himself using tools in the form of interview guidelines, observation. Source documents, documentation (camera), and *notebook*. This study uses an interactive analysis model. In this study, data verification was carried out continuously during the research process. Since first entering the field and during the data collection process, the researcher tried to analyze and find meaning from the data collected. In the end, the data are interpreted concerning the research material. The results of data analysis are answers to the problems raised in this study (Miles & Humberg 2007:142).

RESTAURANT BUSINESS SURVIVAL STRATEGY DURING THE COVID-19 PANDEMIC

Based on interviews with several restaurant managers in Bali, two important things have been done simultaneously, namely increasing product sales volume and increasing efficiency even in the current Covid-19 pandemic situation. The restaurant's efforts to increase sales volume during the Covid-19 pandemic can be explained as follows:

Efforts to Increase Sales

1) Lower Menu Prices

There are at least two reasons why they have to lower menu prices, first, some restaurants only offer take -away food and are not allowed to eat. at the restaurant. Either because of the restaurant's decision or because of an appeal. Although the food produced is



the same, customers cannot enjoy the same atmosphere, service, and experience as they eat in a restaurant. Second, customers will save more and more money because income and salaries may be hampered or the price of necessities is increasing. They are increasingly prioritizing finances so that they can survive until the end of the month. Therefore, lowering the menu price is the right choice. The hope is that the restaurant will continue to attract customers to keep buying the product.

2) Providing Special Discounts

“Is by lowering prices, the business is even lower because of reduced income? That way, the business will lose more, right? Remember, the business will suffer more if the customer is completely lost. Discounts apply to special foods only during the Coronavirus pandemic. Consideration of giving discounts is done carefully. To avoid business devaluation, make sure the discounts given are only temporary during the Corona pandemic. Discounts can be given by 40 percent to 50 percent for new menus or special menus prepared during the pandemic or you can set your discount for how long. But, remember, you can't always give discounts to customers. Especially, if the price given is the best price on the market. Most restaurant businesses forget to retract their price reductions. This of course cannot be done.

3) Making Food Packaging More Lasting

In addition to price discounts and discounts, businesses can also make canned or preserved food so that customers can store restaurant food longer than usual. If this is successful, in addition to making customers buy products while they are quarantined at their respective homes, this will also create business innovation and increase income in the future. You don't need all the menus, just one to two menus that are customer favorites. Also tell how long the food can be stored, at what temperature, and other conditions according to the character of the menu.

4) Preparing ready-meals

To-Switching to deliver online *delivery is* one of the best ways to keep your income up. By implementing a delivery system, you can also create various attractive promos to attract the interest of customers/customers and can reach a wider area. There are two ways to get started with this delivery system: through a third-party app or the restaurant's initiative. If you apply a delivery system without a third party, you will need additional workers such as couriers. Enforcement Delivery of restaurant food during the Coronavirus pandemic. Especially at this time customer are doing self-isolation or self-quarantine to social-distance. The more you can help customers, the more loyal customers will be.

5) Utilizing Technology

The rapid advancement of technology can help the restaurant business run during this pandemic where everything is done without direct touch or contact. So that restaurant businesses need to take advantage of various technologies in their daily operations. Digital menus are an obligation, where now visitors only need to scan the QR-code to access the menu they want to choose so that the high risk of contact with the menu book can be minimized. Payments are *Cashless* also the main option to reduce contact with EDC (Electronic Data Capture) machines. Restaurant businesses that have switched to using POS software, will be very helpful in assessing what foods or drinks are the favorites of the customer/customer and which foods are not too popular. This data can certainly be used as a sales strategy (Utama, et al. 2020).

In addition, using POS software means being able to understand how the income is earned in a day and from week to week, which can then be analyzed as one of the relevant efforts in cost *reduction that* has been discussed previously.

Use this data as a comparison of expenses for operations and expenses for groceries in general. The high order through services supported by easy access through platforms is delivery online *delivery also* expected to grow significantly throughout the year as it allows customers to consume their favorite foods without having to interact directly in the restaurant with many people. The rise of promos and the addition of a self-pick-up feature in restaurants are also factors that take into account the high consumption of food through online delivery on the platform in Indonesia.

6) Communication between Business and Customers

Perform intense and transparent communication with workers, vendors, and other parties who are still involved in the restaurant business. Not only that, customers/customers also need to be embraced to communicate. Use social media to start communicating with customers and as a place to do promotions, find out trends/markets.



7) Doing a Marketing Plan

This is the right time to communicate and get closer to customers. Use creativity and understand the market/audience to start reaching them. Social media is one of the media that can be used to share and inform interesting promos. However, if a marketing effort is usually done by a third party, during this pandemic, it is a better-structured marketing strategy according to the budget that has been planned so that it can switch to using a team of in-house marketing.

8) Note Trends in the Field Culinary Nowadays

In addition to the trend takeaway, of course, many other trends are new in the restaurant business. There is nothing wrong with one of the restaurant business actors always following the current trend. For example, if on TikTok social media there is a trend of a new drink called Algona coffee, then there is nothing wrong if the restaurant also provides a menu of Algona coffee when the coffee is trending.

Restaurant business efforts to reduce operational costs during the Covid-19 pandemic include: Restaurant businesses must have a budget, especially business *costs* which include, among others, designing and implementing *cost control measures* for controlling expenses to minimize expenses (*Cost Reduction*). Increase the visibility of spending while reducing total expenditure (*Spend Management*).

Efforts to Reduce Production Costs

1) Designing a Cost Control Measure (CCM)

CCM, or a cost-control measure, is a system implemented in restaurants to control and minimize expenses (*cost reduction*). By designing a CCM, it can calculate and anticipate costs that are routinely incurred by restaurants. Re-identify long-term and short-term budgeting/ restaurant budgets, prioritize keeping cash flow safe and healthy, and rearrange the biggest expenses. By carrying out these strategies, it will be clear what the rest of the restaurant budget, cash flow conditions, and the largest costs that have been spent so far can be so that new strategies can be designed to reduce restaurant expenses.

2) Identifying back budgeting short-term and long-term

Review the return budgeting your terms: *fixed expense and variable expense* Predict the best screenplay and worst, and devise a strategy for the period after the pandemic finished.

3) Prioritizing Cash Flow Secure and stable

Secure cash flow is a top priority in this period, especially for small restaurant entrepreneurs who may find it difficult to obtain or have access to business credit. Steps that can be taken for cash *flow* more stable ones, including Reviewing expenses for salaries and personnel and asking the following: "is it necessary to implement part-time work? Is it necessary to implement a system work *from home?*" and how to minimize expenses for business activities outside the office. Minimal recruitment for players full -time Re-identify non-essential projects, contracts with vendors or freelancers Communicate transparently and clearly to vendors if there are things that you need to renegotiate

4) Rearrange or redesign the biggest expenses

If you have plans to open a new branch, buy several assets that are not cheap, or does a lot of marketing activities that require a large budget, need to review it, maybe it can be postponed for the next quarter until you have a better.

5) plan Planning a fair and impartial division of labor

One of the tips for managing a restaurant that can be applied is to make the workers more effective. Apart from being based on the number of workers, it can also make workers more effective through a fair division of labor. Ensure that the division of labor is directed so that each worker's role can be well specified and responsibilities can be divided equally. You can also switch to a shift system or even recruit additional workers with daily worker status. Steps in carrying out the strategy *Spend Management*. The highest priority in *spend management* is to take action as quickly as possible from essential and non-essential expenditures. Especially on non-essential expenses which can result in the risk of overspending during the covid-19 pandemic. Take advantage of SaaS technology for *spend management*, so you can manage and monitor expenses and income in more detail. Identify-essential expenses, including among others Expenditures for research and development needs, Expenditures for the office (e.g. supply for



recreational needs during working hours). Office renovation, Business credit card use, Training, conferences, activities team-building.

6) Appeal for Social distancing

Consumers' wishes and reasons: Social distancing restrictions are commonplace and also need to be implemented in restaurants. Based on research on the recovering impact of COVID-19 on the food service industry, more than half of diners are uncomfortable with communal seating arrangements (e.g. large tables shared with others), while two-thirds of diners agree that tables are arranged at a safe distance (for example, setting a table 2 meters apart) will make them feel safe.

7) Establish strict rules on wearing masks for staff and visitors

Consumer wishes and why: Nearly two-thirds of visitors stated that staff wearing masks made them feel safer eating at the place, and two in five visitors felt comfortable wearing masks when eating in (except when eating out), eating and drinking). Restaurants need to ensure that all staff wears clean masks while working. Some restaurants, including Starbucks, have established policies requiring diners to wear masks, regardless of local regulations. This policy will be adopted by several restaurants at the regional and national levels.

8) Offers waiting list and pre-order facilities online

The consumer wants and why: Find ways to limit crowds and contact between visitors. Based on research on the recovering impact of COVID-19 on the foodservice industry, seven in ten diners agree that restaurants need to offer online waiting lists to reduce contact (e.g. placing attendants and table alarms). Olive Garden encourages its visitors to put their names on a virtual waiting list to reduce interaction with staff on duty. Pre-ordering facilities can reduce physical contact between staff and diners who can pay for their meals in advance, thereby reducing contact with cash, checks, and pens. All serve is a technology provider that offers this facility.

9) Offer packaged dining options over the long term

The consumer wants and why: In July 2020, fewer than two consumers dined in, seven in 10 chose the take-out option, and three in five ordered deliveries. Additionally, based on research on the recovering impact of COVID-19 on the foodservice industry, a third of consumers said they would only order takeout restaurant food until a COVID-19 vaccine was available. Takeaway dining options and delivery businesses remain safer options for both restaurants and consumers, so restaurants will need to rely on these revenue streams during the recovery and beyond.

10) Systematic and clear cleaning

What consumers want and why: While two-thirds of diners believe a restaurant has taken the necessary steps to make customers feel safe, they still want assurance that can be demonstrated through action. For example, regular cleaning of the dining area, hand washing and sanitizing areas for visitors and staff, as well as other assurances such as a sign on the table indicating that the table has been cleaned and sanitized. Some restaurants place staff whose special task is to clean the dining room regularly.

11) Limiting menu innovation

Consumer demand and why: Based on research into US restaurant marketing strategies, more than a third of diners agree that restaurant menus are too complex. McDonald's, The Cheesecake Factory, Portillo's, and Red Robin are some of the restaurant chains that are reducing menu complexity during the pandemic for reasons of safety, price, and ease of operation. Eliminating unwrapped or low-profit menus will benefit restaurants during and after the pandemic. However, consumers will still like and appreciate menu innovations and new menus, so restaurants need not hesitate to provide seasonal or monthly promotions with a limited time.

CONCLUSIONS AND RECOMMENDATIONS

From the discussion related to the problems above, it can be concluded as follows: What efforts can be made by restaurant businesses to increase their product sales volume during the Covid-19 pandemic, among others: Lower Menu Prices, Give Special Discounts, Create Food Packaging that is More Durable, Prepare Food Delivery, Restaurant Business Starts Switching to Use Technology, Communication Between Business & Customers, Do Marketing Plans, Pay Attention to Current Culinary Trends. Efforts that restaurant businesses can make to reduce their operational costs during the Covid-19 pandemic include, among others, designing a Cost Control Measure (CCM), Re-identifying budgeting short-term and long-term, Prioritizing Cash Flow Safe and stable,



Rearranging or redesigning spending largest, and Plan a fair and impartial division of labor. Regarding safety and health guarantees for customers in restaurants to avoid being exposed to Covid-19, it is mandatory to do: Communicate safety and sanitation steps clearly and consistently, Avoid self-served dishes, Appeal to maintain distance, Make strict rules about wearing masks to staff and diners, Offer waiting list and online pre-order facilities, Continue to offer no-contact options, Compete aggressively with retail options, Offer packaged dining options in the long term, Perform systematic and clear cleaning and Limit menus do not innovate. If the restaurant business wants to survive in the conditions of the Covid-19 pandemic, it must follow all the rules and accurate strategies consistently and sustainably as described in the results of this study.

REFERENCES

1. Anonymous. 2020. Retrieved from <https://www.ayoyogya.com/read/2020/06/06/39560/efficiency-key-pengusaha-restoran-bertahan-saat-pandemic>. Retrieved August 15, 2020
2. Anonymous. 2021. Retrieved from <https://ekonomi.bisnis.com>. , accessed on December 21, 2021
3. Anonymous. 2021. Retrieve from <https://www.beritasatu>, the restaurant business is required to adapt quickly during the Covid-19 pandemic, accessed on December 21, 2021
4. Anonymous. 2021. Retrieve from <https://www.jurnal.id>, tips for restaurants to survive during corona accessed on December 21, 2021
5. Anonymous. 2021. Retrieved from <https://www.merdeka.com>, the restaurant entrepreneur's strategy is to survive amid the Pandemic. accessed on December 21, 2021
6. David, FR, 2011. Strategic Management Jakarta.
7. Hamdan, H., Junaedi, I. W. R., & Utama, I. G. B. R. 2020. The Changes in Business Culture after the COVID-19 Pandemic in Indonesian Perspective. *Technium Social Sciences Journal*, 13(1), 80–89. Retrieved from <https://techniumscience.com/index.php/socialsciences/article/view/1837>
8. Mili, Amir. 2020. The impact of Corona, Malino Tourism Object is closed. Windows. Url:
8. Miles, Matthew B and A Michael Huberman. 2007. *Qualitative Data Analysis Source Book on New Methods*. Tjetjep Rohendi Rohisi's translation. Jakarta: University of Indonesia.
9. Minister of Tourism and Creative Economy of the Republic of Indonesia Number 11 of 2014 concerning Restaurant Business Standards
10. Rahardjo, Mudjia, 2017. *Case Studies in Qualitative Research: Concepts and Procedures*. Malang: Maulana Malik Ibrahim State Islamic University. Graduate program.
11. Salusu, J. 1996. Strategic Decision Making for Public Organizations of Non-Profit Organizations. Jakarta: PT Grasindo
12. Supriyono. 1995. Strategic Management and Business Policy. Yogyakarta: PBFC.
13. Yuniati Yusuf, 2020. The Impact of Covid 19 on Tourism Actors in Gowa Regency. Paper. Gowa Regency Tourism and Culture Office.
14. Utama, I. G. B. R., Junaedi, I. W. R., Krismawintari, N. P. D., Pramono, J., & Laba, I. N.. 2020. New Normal Acceleration Strategy for Bali Tourism Destination Recovery with E-Tourism and Special Health Protocol for the Tourism Sector. *Technium Social Sciences Journal*, 10(1), 156–166. <https://doi.org/10.47577/tssj.v10i1.1332>

Cite this Article: I Gusti Nyoman Wiantara, Ida Ayu Putu Sulastri, I Gusti Bagus Rai Utama (2022). Survival Strategy Restaurant Business during the Covid-19 Pandemic. International Journal of Current Science Research and Review, 5(1), 07-12