



The Shift in the Marketing of Restaurant Businesses due to the COVID-19 pandemic

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Abstract

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<p>This research based thesis focuses on the effects that the COVID-19 pandemic has had on the hospitality and restaurant business and how the restrictions and limitations caused by it have influenced a change in the marketing and operational strategies of businesses.</p> <p>COVID has been a large part of our lives for more than two years and it has brought along with it many social challenges in the form of isolation, sanitary restrictions and closing of businesses.</p> <p>The research was conducted mostly through literary review, with a segment of the research being conducted as a mixed-method research. As part of the process a small survey was ran by the researcher and four representatives from companies in the hospitality industry have aided the research from a counseling position.</p> <p>The findings provided within this paper show how the social aspects and limitations of the COVID-19 pandemic have influenced the behavioral patterns of customers for businesses within the industry, with the public demanding more touchless solutions within the industry.</p> <p>Insights are provided at the end of this thesis in regards to possible solutions and avenues that businesses and the restaurants within the hospitality industry have the chance to implement or research for the growth of their activities.</p>
Keywords COVID-19, Hospitality, Marketing, Marketing Strategies, Lockdown

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1 Introduction

The COVID-19 pandemic has been a part of our lives, for the better or for the worse, for more than two years (at the time of writing). The economic and social landscape of the world has been shaken to its core and has left many aspects of our day-to-day lives fundamentally changed.

The unprecedented nature of this crisis has forced many business owners and workers alike to re-evaluate their business strategies and find ways to cope with not only the social distancing and many other curve flattening restrictions (travel restrictions, quarantine, vaccinations) But also their work life, as their livelihood was put in danger with the closing of many physical workspaces.

This bachelor thesis will lend a careful eye to how the COVID-19 pandemic has shifted the landscape of business, the strategy in marketing and how the many restrictions were handled. In order to get a more careful scope, this bachelor thesis focuses on the hospitality business, its response to the challenges posed by the COVID-19 pandemic and the innovations in the marketing strategy that restaurants and other entities in the hospitality business have employed in order to overcome those difficult times. Alongside with the analysis this thesis will look at marketing strategies that have proven to be viable through the COVID-19 era and ultimately forecast insights for how marketing is developing in the “post” pandemic years.

1.1 Background

Back in 2019 the economy forecasts for the year of 2020 were vastly different from what we ended up with at the end of the calendar year. There were already reports in December of 2019 about a mysterious outbreak in Wuhan, China of a virus of unknown origins. In January of 2020 we found out more; this virus was identified as COVID-19 and less than three months later, the whole world was under a global pandemic emergency.

The researcher will not spend too much time on describing what the COVID-19 pandemic is, as most of the people on Earth now are thoroughly aware of what the virus does, what its symptoms are and what precautions and restrictions were taken by the many world powers to halt its advance (curve flattening strategies).

However, it is important to underline how those restrictions affected businesses and their activities.

The hospitality field of business was one of the most affected with the initial hit of restrictions caused by the pandemic. Many restaurants were closed, with only a select few being able to remain open, thus prompting the rise of the food delivery market.

1.2 Research Objective and Goals

This thesis aims to understand how restaurant businesses conducted their marketing operations prior to the Covid-19 pandemic, illustrating common and successful marketing methods and later show how the Covid-19 pandemic has not only interrupted the regular marketing activities but forced their evolution and adaptation to the ongoing global situation.

The **research question (RQ)** is formed as: *How did the Covid-19 pandemic shift the marketing strategies of restaurant businesses?*

The research question has been divided into **three investigative questions (IQ)**:

IQ 1. What were the prominent marketing methods before the Covid-19 pandemic?

IQ 2. What is the impact that Covid-19 has had on the restaurant business?

IQ 3. What are successful marketing methods that restaurants can employ throughout the Covid-19 pandemic?

Table 1 below presents the theoretical framework, research methods and results chapters for each investigative question.

Table 1. Overlay matrix

Investigative question	Theoretical Framework*	Research Methods	Results (chapter)
IQ 1. What were the prominent marketing methods before the Covid-19 pandemic?	Marketing Strategies, Customer Service, Hospitality	Qualitative Interview Literary Review	2.1 2.2 3.2
IQ 2. What is the impact that Covid-19 has had on the restaurant business?	Covid-19, Hospitality, Restrictions	Literary Review	2.3 4.1
IQ 3. What are successful marketing methods that restaurants can employ throughout the Covid-19 pandemic?	Restrictions, Hospitality, Customer Service, Marketing	Qualitative Interview Literary Review	4.3

1.3 Demarcation

In this study the theoretical marketing framework broadly covers the concepts of marketing and sales, however it focuses on restaurants and hospitality businesses as they were some of the most affected areas of business.

Furthermore, this study will not take into consideration the temporary lifting of restrictions that happened through the 2020-2022 years. The scope of this research is to pinpoint the effects of the COVID-19 pandemic on the hospitality industry, with scrutiny towards the marketing methods and strategies employed by businesses in the industry in order to overcome the pandemic.

The researcher expects the reader to be familiar with COVID-19 and its history in order to comprehensively move through this paper.

It is important to mention that's due to the nature of the research some information has proven to be inaccessible to the researcher and, although various entities in the business have agreed to share their insight on the matter, they have requested to remain anonymous. Those entities will be referred throughout the thesis as *Restaurant 1*, *Restaurant 2* (RE1, RE2) and so forth, based on appearance and relevance.

1.4 International Aspect

As the Degree Program of International Business requires a clear international aspect to the thesis, it will be implemented here by comparing the marketing methods of restaurants and bars in Helsinki, Finland with their counterparts in Denmark, the Netherlands, Italy and Romania.

For easier comprehension they will be referred throughout the paper as:

- Restaurant 1 (Denmark)
- Restaurant 2 (Italy)
- Restaurant 3 (Romania)
- Restaurant 4 (The Netherlands)

Or any abbreviations

The companies have requested to remain anonymous as they are taking more of a counselling role to this thesis research.

2 The shift in marketing methods as a result of the COVID-19 pandemic

In this chapter the reader will be acquainted with the theoretical framework, introduced hypothesis and academic concepts. The researcher hopes to provide a comprehensive yet detailed outlook on the effects that the COVID-19 pandemic has had on the hospitality industry, specifically restaurants.

The researcher of this thesis will establish a description of the ideologies, methods and economic environment left behind by the pandemic and offer insight on possible challenges that individuals in this industry might face moving forward.

2.1 Marketing before 2020

Marketing before 2020 has a massive scope that the researcher cannot hope to thoroughly explain in a brief paragraph. However, thanks to the focus of this thesis the researcher would look at how marketing, marketing strategies and sales consultants looked at the possibility of digital platforms and automation & being their operations. Although not necessarily underdeveloped. The field of automation had taken far steps from its infancy days but was yet to reach a level where the common consumer could benefit from its services with ease.

Nevertheless, many strides were made, and a lot of resources were poured into the research and development of automation solutions for marketing and CRM problems (Verevka 2019).

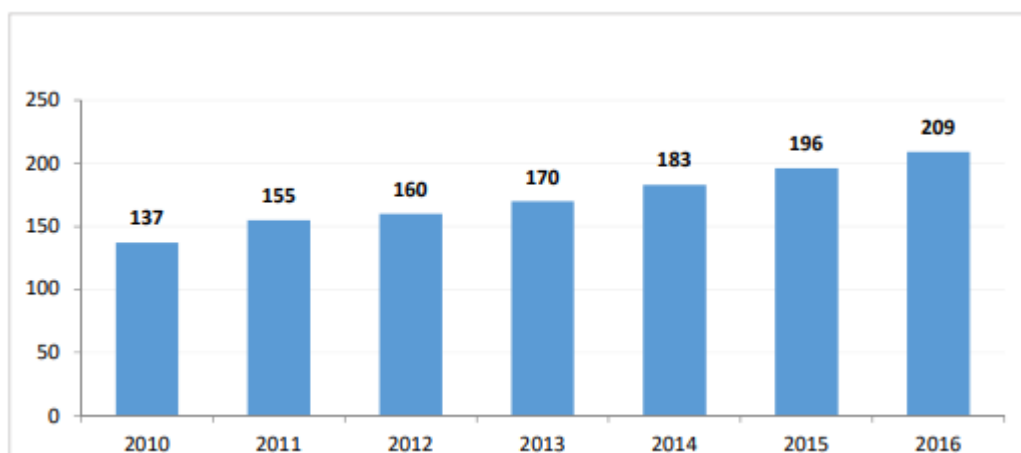


Figure 1. World dynamics of the industrial automation market, billion dollars (Verevka 2019).

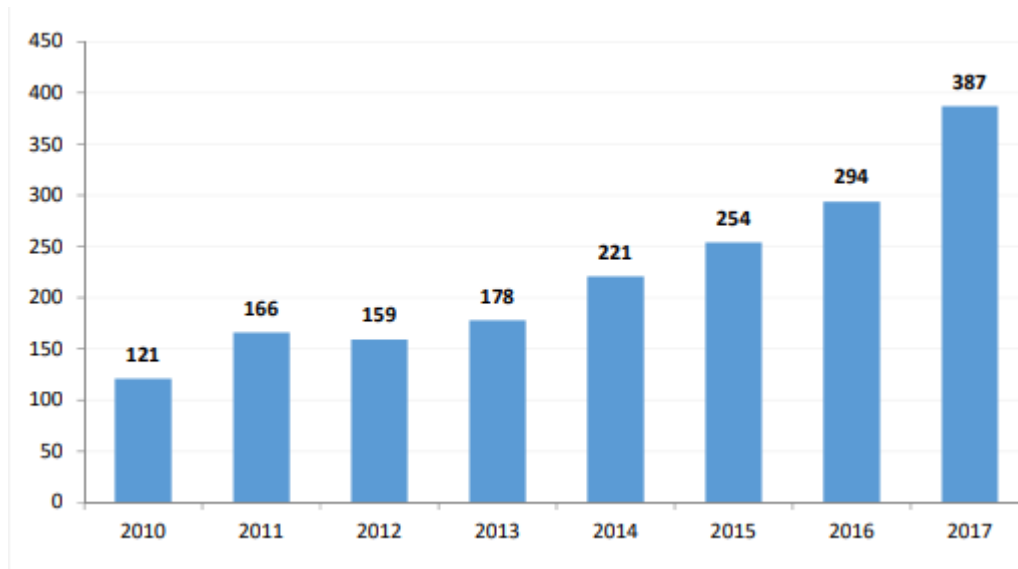


Figure 2. World dynamics of sales of industrial robots, thousand units (Verevka 2019)

The researcher of this thesis deems it important for the reader to understand that although those actions and financing we're taking from a business approach, they ended up indirectly facilitating the creation of solutions against the later coming COVID-19 pandemic.

2.2 Marketing in the restaurant business

Businesses within the hospitality industry have focused their attention and services around the perceived customer demands, the customer satisfaction, and retention of current customers, eventually leading to what is now called an influencer.

Maybe put here the definition of influencer

Some of the most common methods used are recognition of the market we are marketing tools such as the 4P analysis system and others that constitute what is called business intelligence (Halim et al. 2019).

Essentially business intelligence is the internal operations that a company that offers a service undertakes internally in order to improve their sales, customer attraction and customer retention. At its core most of the operations involved in business intelligence employ varied marketing tools, strategies, and methods.

In the case of restaurant 1 (Denmark) those business intelligence goals in regards to the way they marketed their content revolved around be unique theme and gimmick that the locale offers. Unfortunately, due to the nature of the research the researcher of this thesis cannot reveal the exact contents of this strategy upon request from the company.

However, using the introduced model for business intelligence and applying it to the activities of restaurant 1, we can deduce that restaurant 1 had their activity centered around social interaction, With the presence of a service and product being secondary. In contrast restaurant 2 (Italy) and 4 (The Netherlands) have their business intelligence strategy centered around their service, which consisted in the food industry. Their reliance on social interaction is more limited, with a larger emphasis on their product.

Some restaurants are centered around the belief that service quality and customer satisfaction are directly responsible for customer loyalty (Tu et al., 2011). in this model the restaurants heavily emphasize there business strategy and customer approach around the offered service and the quality of it. Regarding the hospitality industry, it is common for customers to choose locales, services and businesses that offer added value to their services over competitors of these businesses. For example 2 burger chains that serve similar menus might receive different profits based on their service and customer loyalty programs; for example one of them offers that every 10 purchased burgers you receive one for free (as in the case of restaurant 3).

Table 2. Structural Equation Modelling (adapted from Tu, Y.-T., & ., Y.-Y. C. 2011)

Service Quality leads to
Customer Satisfaction which in term
Brings Customer Loyalty

The hospitality industry and the restaurant business has been scrutinized thoroughly throughout the years, with many entities and independent researchers such as the researcher of this thesis looking into common strategies that are employed by companies in the industry to succeed or forward a profitable business. However, in order to achieve that, companies have to satisfy a certain list of qualities which are considered key insights from people in the industry (blah blah blah). This identifies those key insights to be divided into 5 categories: food quality, delivery support system, cleanliness and ambiance, food price and brand image.

The table below is an extract from a research conducted by Sharma B. to identify the critical factors in consumer’s perception (Sharma et al. 2021).

Table 3. Critical Factors of Customers' Perception (Sharma et al. 2021)

Main Factors	Subcategory	Code	Description	Supporting Literature
Food quality (FQ)	Promoting local farm produced	FQ1	Locally produced food generates essential business opportunities, gives health advantages and offer benefits to the environment. The aid makes the community collectively and enables people to make positive transformations. Additionally, numerous consumers believe local food tastes more reliable and lasts longer.	Aung & Chang (2014) Ha & Jang (2010) Savelli et al. (2019) Wolfson et al. (2016) Kim et al. (2013) Newson et al. (2015) Lang & Lemmerer (2019)
	Use of fresh ingredients	FQ2	When cooking with fresh ingredients, food retains comparatively more nutrients and consumers experience more flavours.	Bertan (2020) Grunert et al. (2004)
	Follow standardized quality control	FQ3	The quality check ensures quality food production, which enhances customers' faith and reliability in the eatery. It is vital to retain the current customer base and to create new demand.	
	Use natural and seasonal food	FQ4	Season foods carry more nutrition. Grains used only when they are harvested have more antioxidants and healthier than those picked early and stored.	
	Food tests and quality	FQ5	The overall food quality describes a firm's safeguard against contamination that may occur during any processing steps. It also deals with the firm's ability to trace natural products or any ingredient if required.	
Delivery support system (DSS)	A payment service provider (PSP)	DSS1	Convenience is essential to consumer satisfaction. Apart from serving delicious food, cleanliness and quick delivery, offering payment choice is another way to make consumers happy. Customers want to pay in various ways these days and are looking for a restaurant that accepts credit cards and ensures digital payments.	Chandrasekhar et al. (2019) Maimaiti et al. (2018) Wolfson et al. (2016) Kim et al. (2013)
	A simple and transparent system	DSS2	Food transparency commits to the tradition of staying honest and open with consumers in terms of food sourcing, ingredient lists, nutrition facts, allergen concerns and ecological impact. The volume of data hosted to clients can vary anywhere from illustrating calorie calculations on the website to providing the diet and living conditions of the chicken being served.	

Table 4. CON'T Critical Factors of Customers' Perception (Sharma et al. 2021)

Main Factors	Subcategory	Code	Description	Supporting Literature
	Flexible and versatility (F&V)	DSS3	The way restaurants react to changing rapid consumer demand is vital. It has become critically important to keep an eye on modern trends what consumers exactly want. Flexibility, along with versatility, seems a viable solution to this situation.	
	24*7 availability	DSS4	It creates a nightlife opportunity and helps the restaurant to generate more revenue and employment.	
	Online and offline delivery option	DSS5	The mixture of both offline and online delivery improves your restaurant's visibility. It creates essential brand awareness because your patrons who already know your place are highly likely to visit and order online. They see your brand on various online platforms (offline and online).	
Cleanliness and ambient (CA)	Hired a professional cleaning company	CA1	The purpose of choosing a cleaning service in the restaurant is that they are professionals and appropriately trained to clean, dust and sanitize. They know the way to give the restaurant a clean setting it needs to attract customers.	Kim et al. (2021) Kim & Bachman (2019) Poltarykhin et al. (2018) King et al. (2017)
	Cleanliness is a part of the vision and mission	CA2	It represents restaurants' seriousness towards the factor and makes employees habitual of clean and tidy working procedures.	
	Regular cleaning and sanitization	CA3	Cleaning and sanitizing is very important for the food industry because it removes dirt, bacteria, or other pathogens and ensures food safety.	
	Emphasis upon the first impression	CA4	Cleanliness is a vital element in creating an excellent first impression of a restaurant. It serves to get customers back to the place. Manage equipment in shipshape and food prepared visually appealing. Keep restrooms clean and tidy.	
	Safe food handling practices and procedures (SFHPP)	CA5	An SFHPP refers to handling guidelines and obtaining food production processes to stop and protect them from undesired and harmful agents. These methods and procedures depreciate danger from possible risks or hazards and improve food quality and productivity.	
Food price (FP)	Flexible food price with quantity (total or half)	FP1	To corroborate the consumer sovereignty in order based on appetite and need.	Song et al. (2019) Kim et al. (2013)
	Special packages (family, birthday party, etc.)	FP2	A family-style offers more flexibility, a comfortable environment and price packages. In such an eatery, families have more control and freedom. If planned tactically, such restaurants can have more satisfying food cost than a regular menu.	Aschemann-Witzel et al. (2018) NRAI (2019) Yi et al. (2018)
	Competitive menu pricing strategy	FP3	It represents the best reasonable pricing based on specialization. A restaurant can get a competitive edge if a restaurant offers the best food in a particular category at a comparatively lower or equal price.	
	Impact of GST	FP4	It represents the inclusion of GST instead of previous VAT (value-added tax) in the restaurant bill, which is currently a total of 5% in most of the restaurant types. By replacing VAT with GST, restaurant bill has come down and provided a big relief due to other taxes for eating out.	
	Price fluctuation due to unprecedented events	FP5	It describes if the restaurant changes price based on external factors such as geopolitical issues, global trade, market prices, state or central government policy, natural and physical resources for agriculture. Further, differences in soil and climate issues immediately affect food prices.	

Table 5. CON'T Critical Factors of Customers' Perception (Sharma et al. 2021)

Main Factors	Subcategory	Code	Description	Supporting Literature
Brand image (BM)	Words of mouth (WOM)	BM1	WOM recommendations are convenient and crucial for any brand. Since people get them from well-known sources such as colleagues, friends and family, they are reliable and worthy.	Barreda et al. (2015) Demakova et al. (2020) Palacios & Jun (2020)
	Importance of brand awareness	BM2	People tend to buy a familiar brand because they assume that a regular brand is reliable and reasonable. A known brand is thus usually chosen over an unfamiliar brand.	
	Importance of brand association	BM3	The value of a brand name is usually based on distinct associations connected to it. Associations can build a positive emotion or attitude towards a brand. Suppose a brand has firmly maintained a critical property in a unique product class. It makes it hard for competitors to attack their allies.	
	Brand loyalty	BM4	It is an estimate of the customer's commitment to a brand. It shows the customers' stand to switching to a different brand.	
	Brand's social contribution	BM5	Corporate social responsibility (CSR) assist firms in building trust and spreading awareness. The more the firm is socially responsible, the more it mingles with the community and local problems. As a result, it receives firm customer support and publicity (WOM).	

2.3 COVID and its impact

In a paper released by Springer (Gautam & Henz 2020) the researchers pinpoint information about the COVID 19 virus by stating a few numbers such as mortality in the first year and total infection count.

Furthermore it later mentions how we are exhaustingly using resources for the medical counteractions against the virus, and that we should not overlook the aspect of the impending economical crisis (important to note is the date of this release).

Although the researcher believes it not necessary to go through the details of the COVID-19 pandemic, considering some of it being morbid, it does aid the researcher in establishing that the economical aspect of this pandemic has now begun to manifest as a crisis.

The journal (Donthu & Gustafsson 2020) sheds further insight on the effect of the pandemic on businesses. The researcher of this thesis notes that an important connotation that is made from the research points at how social interaction and social presence influence is a significant part of all businesses.

There are several cases made as to whether or not society and our overall social perception of business will ever return to the way it used to be, which solutions offered in various degree and with varying methods of approach; with the sudden imposed isolation and the natural predisposition of human society to be conservative the market of businesses had been forced to adapt.

Considering the hospitality industry and the restaurant theme of this thesis we can see how businesses in this industry have faced severe challenges in order to maintain their operations throughout the lockdowns.

Companies such as Wolt and Foodora have been around for a while. Their services are focused around B2B to B2C administration strategies, with their business method consisting in partnering with restaurants and delivering food. With the rise of technology and AI and tools such as the Internet of Things, companies as such received a massive boost in terms of their logistical and operational capabilities.

However the concept of on demand delivery it's not something new. Wolt has been researched (Ngoc 2016) and it has proven that the food delivery business has been looking into ways for optimizing what ended up becoming this solution employed by restaurants throughout the COVID-19 pandemic.

In a study conducted (Gursoy & Chi 2020. 527) research has shown that the average customer still struggles with the idea of fully enjoying what the hospitality industry has to offer. Due to the virus, its symptoms and its ways of spreading, businesses in the hospitality industry were forced from the start to take biweekly food samples in order to monitor the COVID-19 potential spreading. This has led customers to be wary of what surfaces they come in contact with and what sort of exposure they put themselves to, with many of those directly related to the various WHO recommendations against the containment of the COVID-19 pandemic.

Furthermore the research has shown that a majority of the respondents have been open to the idea of implementing services that limit human to human interaction. When asked about automation (Gursoy & Chi 2020. 528) and implementing more and more touchless solutions, a varying list of suggestions is given, such as QR codes and contactless devices. Restaurant customers and hotel residents were polled in the research (Figure 3 & Figure 4).

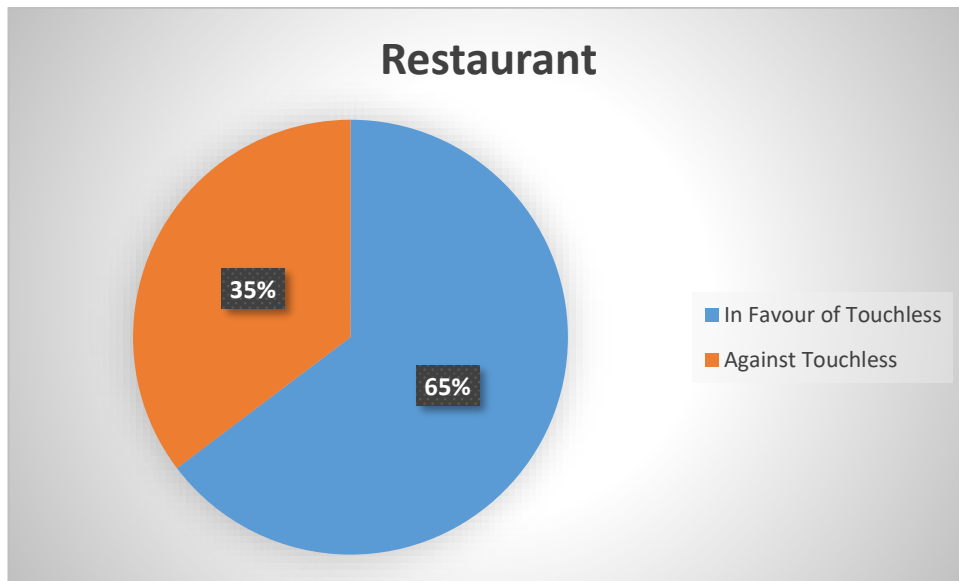


Figure 3. Response of Restaurant Customers (Gursoy & Chi 2020)

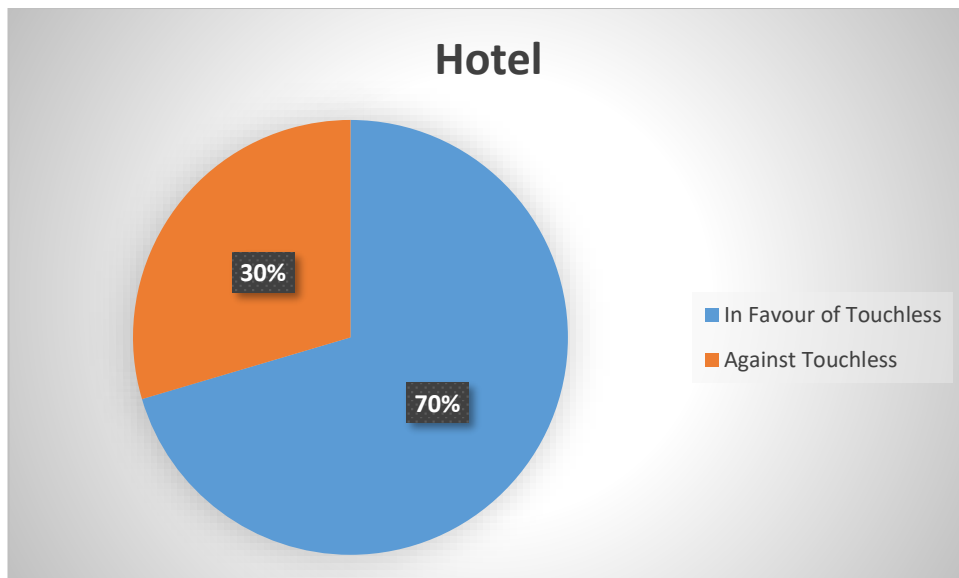


Figure 4. Response of Hotel Residents (Gursoy & Chi 2020)

In a study conducted in Malaysia (Lai et al. 2020) small medium businesses had discussed and planned out possible adaptation avenues they could take in order to prosper in the new normal post COVID. This outlines various methods of adapting one's business and services in order to circumvent the effects of the pandemic and the resulting lockdowns, suggesting a crisis management framework.

In many of the places afflicted by the pandemic the states and governing bodies have given out to the population afflicted by the lockdowns and impending economic crisis with assistance such as monetary and financial aid (stimulus checks, unemployment benefits), medical and sanitary aid (vaccination, testing, quarantining). Businesses, especially SMEs have received aid from a support plan made throughout the process of halting their

operations. The researcher points out how in Finland those businesses have received social aid under the form of monetary funds for the company's employees and layoff agreements.

As per Hoekstra (Hoekstra & Leeflang 2020) at the moment of the pandemic's beginning our expectations of business methods, business entities and business opportunities was as different from what it is now as much as the proverbial sun and moon.

Table 3 is an extract From the research illustrating the impact of the virus odd sales.

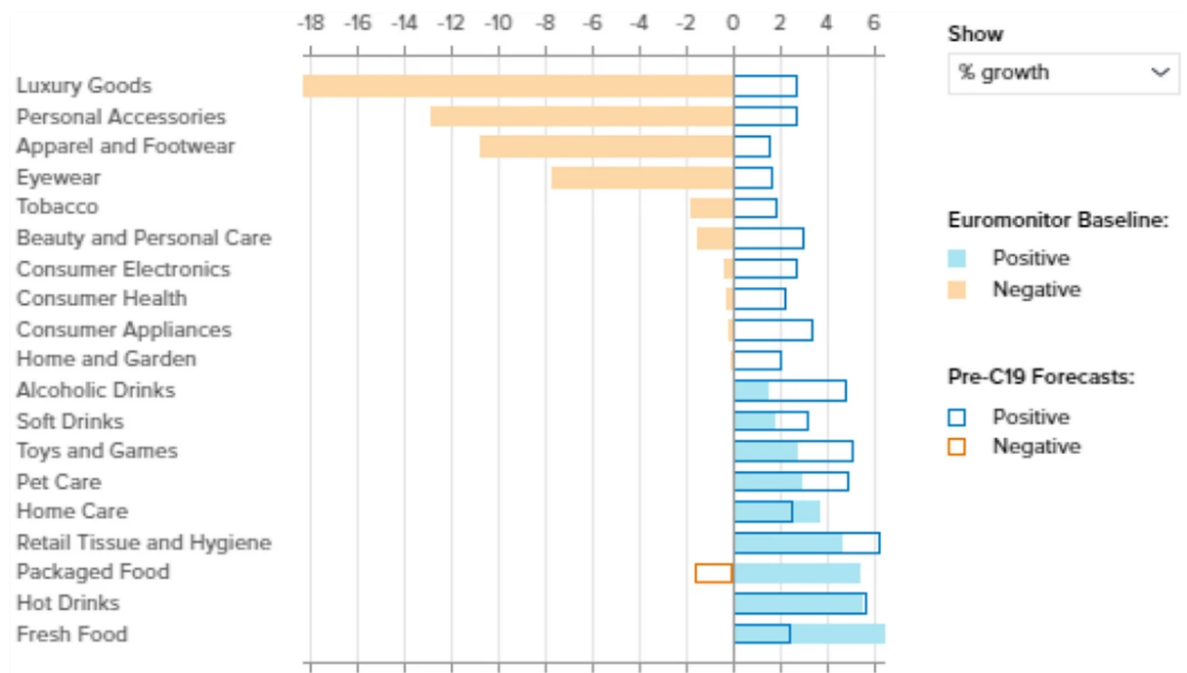


Figure 5. The impact of COVID-19 on retail sales (Hoekstra & Leeflang 2020)

The researcher deems it important to mention that even before the advent of COVID society and business minds as a whole were looking into ways of automating services, either by shortening transport time or delivery avenues in order to maximize efficiency. The outlook on digital optimization (use of smart phone application or service management) although researched was always put on the back of the stove, favoring more traditional methods of business such as the ones mentioned in chapter 2.1. Furthermore, it's pivotal to understand that the COVID-19 pandemic and the lockdown systematically shut down a vital part of the world economy. The researcher has chosen to take detailed approach on a smaller scope in order to minimize difficulties, but it cannot be underestimated how gravely this crisis has affected the hospitality industry and how much difficulty the businesses in that industry had to face.

3 Research Methods

In this chapter the reader can expect to be acquainted with a few theoretical concepts of good customer service and overall customer experience alongside the models used by the researcher to gather the necessary data for this thesis.

The theoretical concept have been gathered from literary review and academic sources by the researcher and the researcher later on devised a survey and a semi structured interview, comprising the quantitative and qualitative part of this research.

The researchers strongly recommend the reader to examine the appendices before continuing further in this paper.

3.1 Research Design

To establish a starting point, the researcher has conducted a small survey tailored to gather the opinions, experiences, strengths and flaws of our time spent in the times of the COVID-19 pandemic. The data was gathered through an informal interview type conversation where the researcher recorded the answers given.

The survey consists of five yes or no agree or disagree semi-structured questions that leave space to open ended contributions. The method is quantitative research. (Nardi 2018)

A total of 51 respondents answered the survey and offered their insight. The results of the survey are detailed in Chapter 4.1.

Here are the topics of the five questions:

- Activity within the hospitality industry (going out to restaurants)
- Impact of the lockdowns (lack of social interactions)
- Positive impact of the food delivery industry (larger food selection)
- Lifting of restrictions and its effect (resuming social activities)
- Difference in hospitality enjoyment (pre COVID and post COVID comparison)

An outline of the sentences used by the researcher during the interviews is attached in the appendix of this thesis paper.

3.2 Literature

The surveys contents in nature is aimed towards the overall experience of a customer, however it is made from the perspective of a business, more specifically regarding the impact that the pandemic has had on the social notions of the hospitality industry. Up until

this point the hospitality industry once centered around set marketing strategies. Their approach in many ways resembles that of a quantitative approach, with valuing what the customer brings as a resource instead of as a retainer.

It is important for companies to be careful on how they present themselves and be knowledgeable of the customers and methods of sales that they employ, something that has been defined as experiential marketing (Amin & Tarun 2019)

The survey's purpose wants to establish that there has been indeed a change in the social perspective of the hospitality industry, and specifically the restaurant industry. To give a bland example, day-to-day customer to a restaurant is more likely to enjoy his stay at the premise if the staff abides by not only socially acceptable customer service, but also give memorable moments, tailored to the person, giving a personal and intimate connotation to the process of buying and eating a meal.

The notion of social interaction and its nature has drastically changed through the COVID-19 era. A large number of interactions has been done with the aid of technology and tools such as Zoom, Microsoft Teams and other life meeting platforms.

As mentioned in chapter 2.3, this led to a strengthening of limits against social interaction. The food industry was hit extremely hard, with restrictions severely limiting or entirely halting their operations. After a few months of emergency and global powers struggling to find a solution to the pandemic, delivery companies such as Wolt and Foodora in Finland became essential to not only the success but this survival of businesses in the industry. However, when the restrictions are looked at independently (Spiegel & Tookes 2021) it becomes apparent that for the food industry to collide with the delivery man industry through the digital era was almost a match made in heaven.

The researcher is aware that in some countries the state offered additional help for owners of SMEs, thus their situation might vary a little in regard to the projected model. Furthermore, the researcher has created a mock business plan for a restaurant company with its activity throughout the 2019 year.

This plan will consider the COVID-19 pandemic to have started worldwide in December of that year and will be made for restaurant X. The calculations have been done with regard to the average yearly revenue of a restaurant business, keeping it on the lower side of its spectrum (blab la bla). In order to facilitate calculations, the researcher has "funded" Restaurant X with 12600€.

Regarding the marketing strategies for restaurant X the researcher has decided to keep their presumed marketing activities to a minimum, consisting mostly in word-of-mouth and email marketing. Those are created and monitored directly by the staff of the restaurant. Assuming that in this theoretical case the staff of restaurant X consists of chefs and waiters the researcher has created a few basic examples of possible marketing items that could have been present, such as menus and banners.

Figure 29 illustrates the hypothetical business plan.

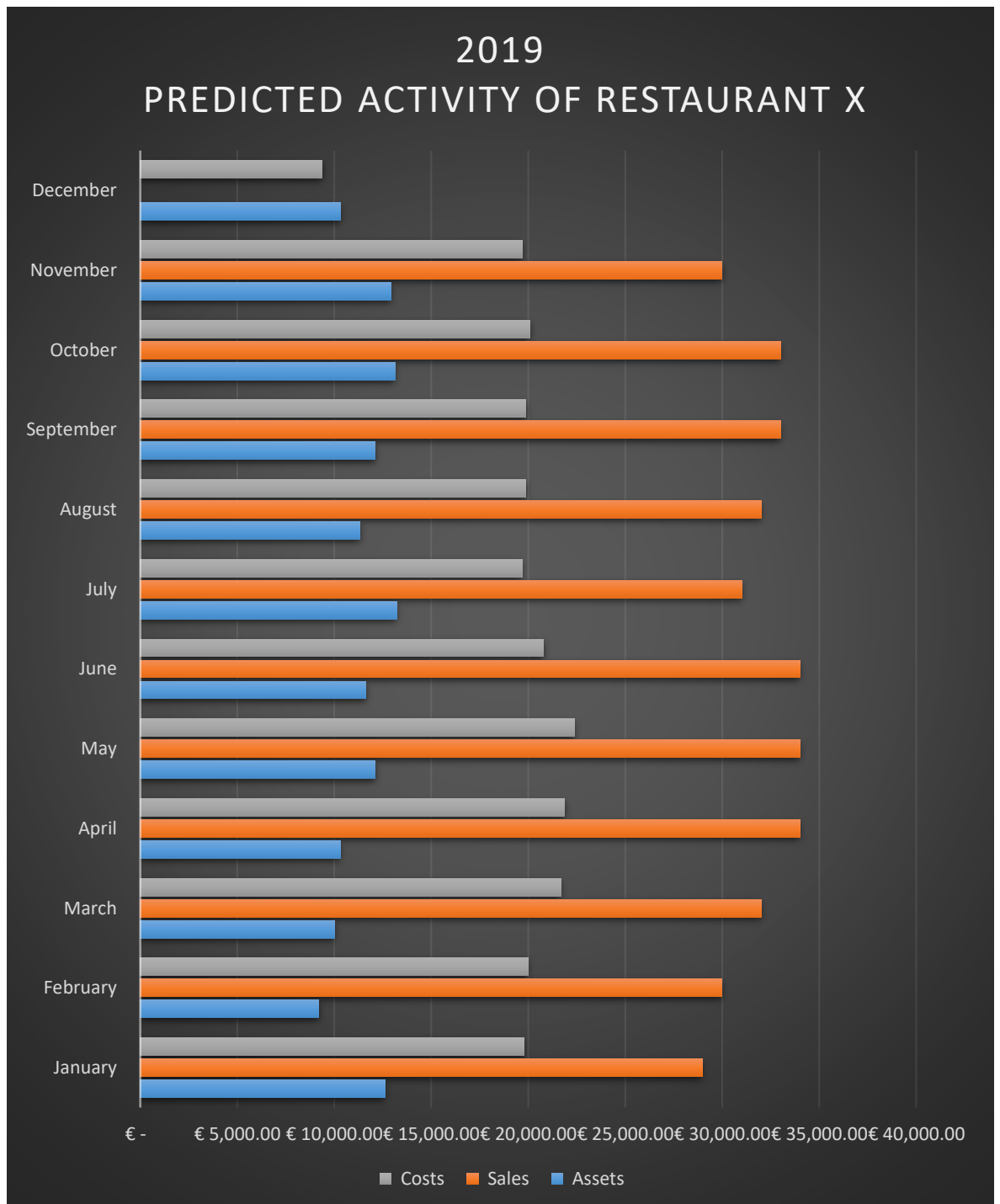


Figure 6. Restaurant X Business Plan Estimates

The researcher has then contacted four restaurant businesses and were asked to share their opinion on this plan and judge whether or not they believe this restaurant business to be successful. It is important to mention that in the initial stage of the conversations the researcher kept both the date and the final yearly quarter of October November and December hidden from the interviewees.

The responses of the four are detailed in chapter 4.2.

3.3 Reliability

The researcher of this thesis understands that the nature of this paper is challenging, and its results cannot be taken as certainties. With the global calamity that has been the COVID-19 pandemic, society as we know it is still learning to adapt to the new status quo. When it comes to marketing and marketing strategies, the researcher chooses to believe that we are currently in a renaissance.

Furthermore, that there has already been a significant amount of research articles done in regards to possible marketing strategies and marketing methods usable during end after the COVID-19 pandemic. The researcher mentions delivery companies such as Wolt and Foodora for Finland, but the delivery industry and its rise is not a topic covered by this thesis.

The researcher aims to offer a set of guidelines and general ideas to implement in the case of a crisis for industries specifically in the hospitality field while still accepting the theoretical nature of the various papers cited throughout the thesis.

In order to do so to researcher has created the hypothetical company “Restaurant X” with the benchmark for its data based in the Finnish Civil Law for establishing a business (Oksman et al. 2021). However, the data remains as a part of the research conducted by the researcher.

4 Results

In this chapter the reader will be familiarized with the results of the research and the information will be important for the conclusion in chapter 5.

4.1 Data Analysis

The survey is the first activity that was conducted by the researcher, with the results shown below.

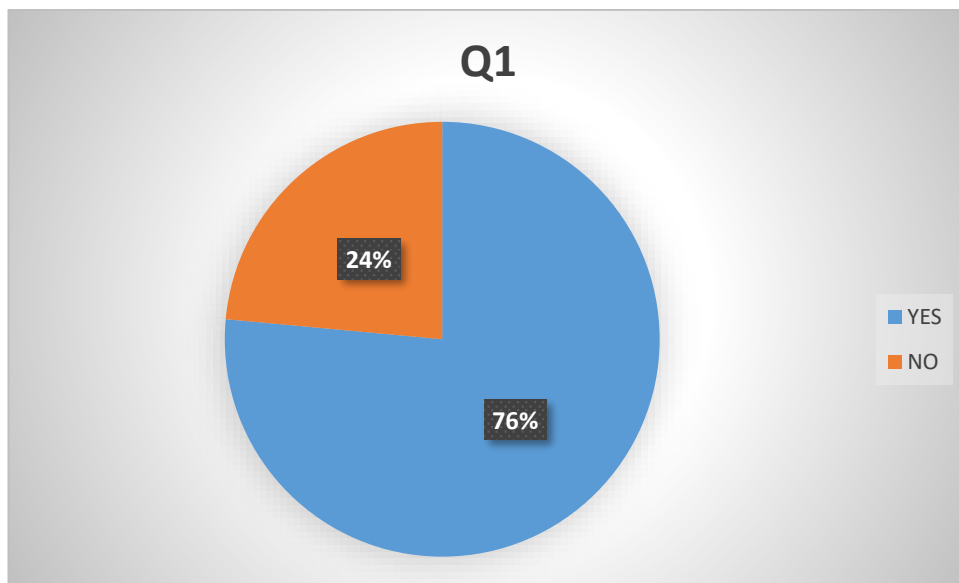


Figure 7. Answers to Question 1 of “Survey of Restaurant Reception”

The researcher establishes with Q1 whether or not the respondents were active within the hospitality and restaurant business as customers, outlining their opinion and accessibility to dining services and the frequency of partaking.

Most of the respondents have also added that the activity of going out to restaurants was in their weekly routine, with 52% of respondents saying that before the COVID-19 pandemic they would head out to eat at a restaurant at least once a week, with roughly 16% doing the same but once a month.

The respondents that answered “no” to this question have justified their answers by expressing how they personally prefer to either cook and eat in or have a familiar nucleus with an established cook (parents, significant other).

A few of the respondents commented that the process for them and their acquaintances wasn't centered around the food they were getting or the locality they were going to, but more about the company of their friends, continuing that most of the time the destination where they would end up eating and the sort of food they would eat would matter little.

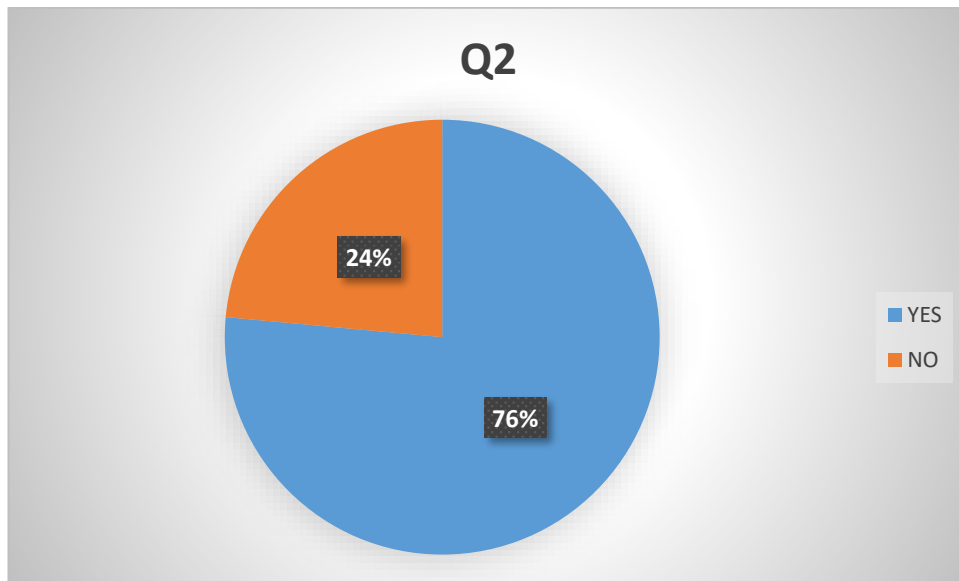


Figure 8. Answers to Question 2 of “Survey of Restaurant Reception”

The purpose of Q2 allowed the researcher to gather the thoughts and opinions of the respondents in regards to the COVID-19 lockdowns and the subsequent social isolation that came from it. Two of these surprise of the researcher, the answers from Q1 and the ones from Q2 seem to be directly correlated.

Not only the researcher has gathered the same amount of answers in both questions but comments from the respondents gave insight into their answers to the previous question. A few of the respondents have expressed that due to their day to day life the effects of the isolation weren't too harsh on them, as they naturally lead a solitary life. The researcher notes that those respondents have answered NO in both Q1 and Q2.

Out of the respondents that answered YES to the question the majority have expressed that after a little period of adjustment it wasn't hard for them to shift from a reliance on restaurants to cooking for their daily food intake. Two respondents have expressed great difficulty in that matter confessing to the researcher that it was difficult for them to adjust to the habit of cooking.

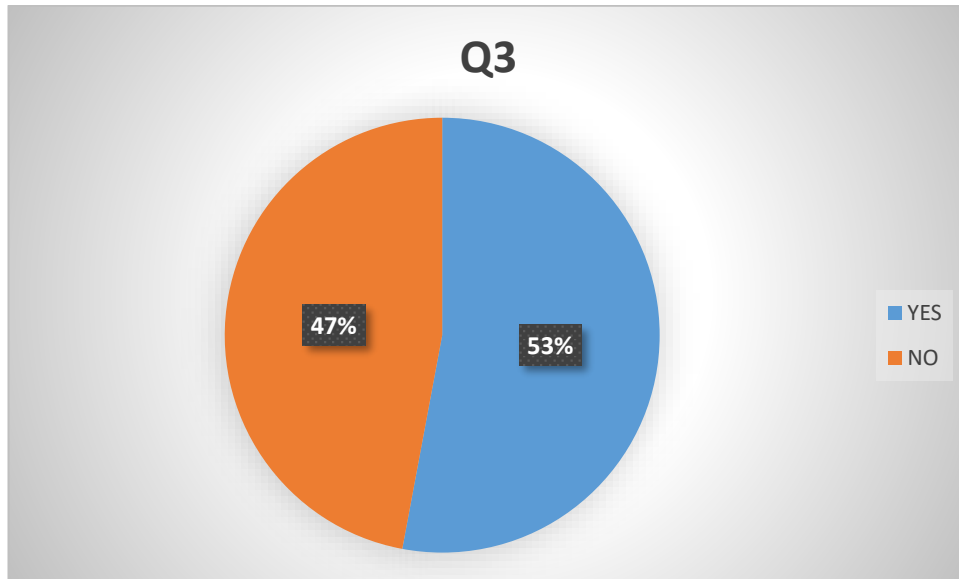


Figure 9. Answers to Question 3 of “Survey of Restaurant Reception”

The researcher utilized Q3 to establish whether or not the food delivery industry has truly impacted the hospitality industry in a positive or negative way. As the reader can observe in the chart above the results are quite mixed.

When questioned of their opinion in regards to the accessibility that food delivery companies give to customers, most of the respondents on both sides of the spectrum I have made the case that food delivery has indeed made food accessibility better, but has made food variety also better.

One noteworthy comment given by a respondent states that companies within the food delivery industry have been essential to this survival of the hospitality industry throughout the COVID-19 pandemic, however they have also ruined to a certain degree the way the general public perceives certain elements within the hospitality industry.

The respondent has then went on to make the case on how transport incidents and delivery times can ruin food products and although a great tool for the hospitality business in those troubling times it has also proven to be imperfect, with examples on how food delivery companies tend to be unreliable with their delivery times and thus compromising the integrity of the food they are delivering.

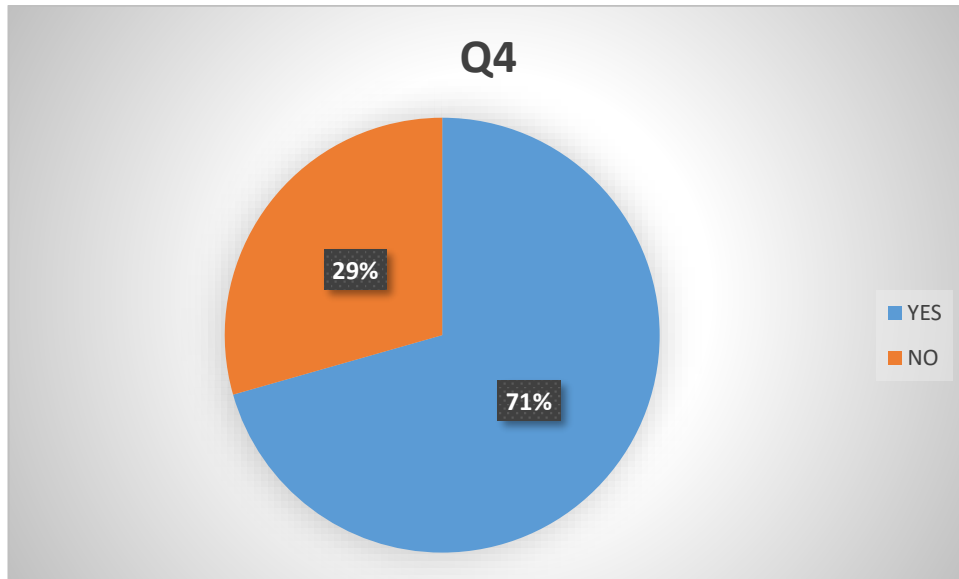


Figure 10. Answers to Question 4 of “Survey of Restaurant Reception”

The researcher then proceeded to question the respondents on their activities post COVID. Q4 quite simply asked the respondents if they resumed their pre COVID activities, now that life has gone back to “normality”.

29% of the respondents said no, with a few comments mentioning that due to the nature of their day to day life the lifting of restrictions has simply giving them more options without them having sacrificed all that much throughout the COVID-19 pandemic.

Out of the respondents that answered yes the researcher has noticed that a significant portion of the respondents were hesitant in giving an entire answer, making the case that now there are a lot more things to worry about when going into an unfamiliar area. Things such as cleanliness, room spacing and possible COVID contact were all things that were now taken in consideration. One of the respondents directly commented to the researcher that COVID has ruined their passionate outlook on restaurant dining, as they found themselves either ordering and staying in or cooking alongside friends in order to limit her exposure to the virus.

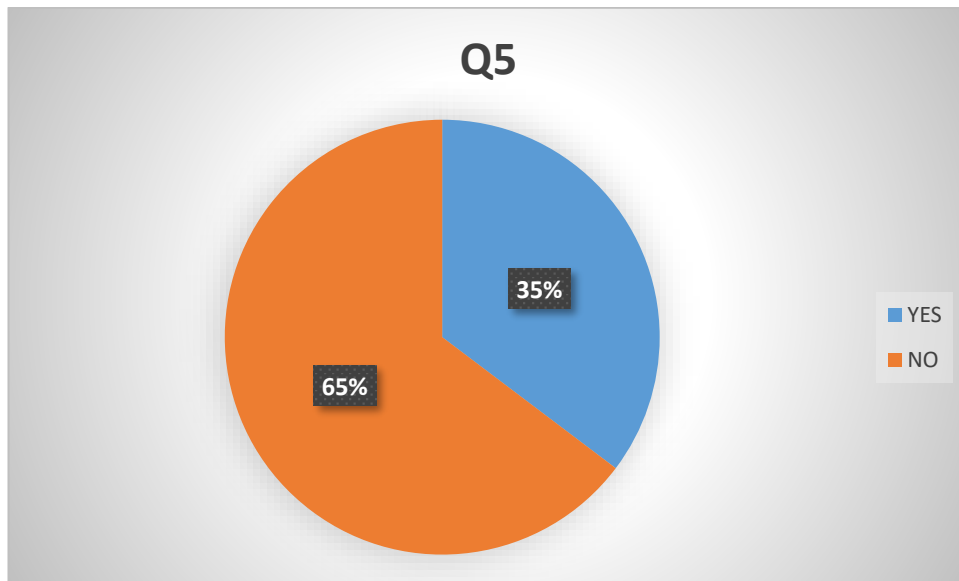


Figure 11. Answers to Question 5 of “Survey of Restaurant Reception”

With the final question off the survey the researcher made his case to the respondents with a hypothetical.

Q5 expresses the possibility that the respondents have ordered food through food delivery services from restaurants and hospitality businesses that they have visited at their location. The researcher further hypothesizes that the respondents have eaten the same meal both through home delivery and in the restaurant dining.

The researcher then poses the question: has the experience of eating that same meal been the same?

Interestingly this is where the survey has the majority of NO answers. Out of the respondents that have answered YES a few have given interesting insights in regards to their answers. The process of enjoying the meal is still the same as it is essentially the same food, but the process of acquiring it has been different, with most respondents in this category preferring to either cook the meal themselves or order it.

On the opposite side of the spectrum the insights given by the respondents sustain that now in this post COVID era businesses in the hospitality industry cannot market their business and products around the same strategy they used before, as now there are different expectations both to social and sanitary levels. The customer’s perception of the food industry has been warped and, according to one of the respondents, restaurants now have to think more about their brand image, customer service and presentation more than they have to worry about the food.

Furthermore, another respondent added that before the COVID-19 pandemic the hospitality business was centered around their products, especially the restaurant. With the passing of the COVID-19 pandemic and the tandem of food delivery industry and

restaurant industry, the meals themselves have assumed a similar identity as supermarket shelf products. If restaurant businesses want to be active now, they have to find more than just the food they are offering.

4.2 Company Interviews

The researcher has contacted four restaurant businesses to share his findings with and get their opinion on the theoretical framework. Unfortunately, due to the nature of the conversations that were had with those enterprises, they have requested to remain anonymous. The researcher has received permission to mention the country of operation of those restaurants, but no further details.

The researcher of this thesis has then taken the results of the survey and the theoretical framework built throughout this paper and drafted a series of semi-structured informal questions to present to each restaurant as a short qualitative interview.

Furthermore, the researcher Has taken the table present in chapter 3.2 and organized the following exercise for the restaurants:

Here is the business plan of a restaurant in Helsinki. It is a small medium enterprise with an average number of 100 clients per day. Its location is favorable as in the area there are many office places, with a small part of the area being residential. By looking at the graph attached and using the information given

1. Analyze the first three quarters of this business plan.
2. Consider whether this company's business plan is viable or not.
3. With the knowledge that this business plan belongs to a restaurant company, list 1-3 key brand elements.
4. Knowing that the company's marketing is very underdeveloped what strategies would you suggest?
5. Analyze the final quarter of this business plan.
6. With your current knowledge about the company do you still believe the business plan to be viable?
7. How can they save themselves?

The goal of the exercise is not to judge whether or not the business plan for restaurant X is viable. Instead, it is used to probe what sort of strategies are implemented by real companies in the hospitality industry and, with the revelation of the COVID factor to this exercise, monitor the thoughts and opinions of the restaurants participating in this research in regards to the impact the COVID-19 pandemic has had on businesses from a business perspective.

The researcher has also presented to the restaurants the findings of this survey conducted and has kindly asked the representatives to express their opinions in the matter.

All four restaurants have deemed the plan to be viable for an enterprise of the size described, with Restaurant 1 (Denmark) and the Restaurant 4 (Netherlands) arguing that the numbers could and should be better but overall, as a first year of activity, it seems to be a promising future.

The researcher notes that during the interview with restaurant 2 their representative predicted based on the criteria of the exercise that the final quarter of the year will look very bad.

When questioned in regards to the key brand elements, Restaurant 2 (Italy), 3 (Romania) and 4 (Netherlands) found the criteria of question to be too vague at first glance.

Restaurant 1 (Denmark) provided the following keywords:

- **Unique product**
- **Customer loyalty**

The representative added that for this business to grow they would have to look into what makes them good at the moment and build on that. They have further elaborated that they believe this restaurant to have a unique delivery of their food product, either in terms of its quality or its presentation and in turn have a strong base of loyal customers.

Restaurant 2 (Italy) and 3 (Romania) ended up sharing similar insights to Restaurant 1 (Denmark), both focusing more on the nature of the product and comparing it to the rural tourism popular in their countries. Furthermore, they went on to support the idea that restaurant X should look into building a marketing strategy centered around their product and their delivery of it.

Restaurant 3 (Romania) also shared the most insight in terms of suggested marketing strategies, comparing it to their own experiences as their business was growing.

Restaurant 4 (Netherlands) stood out from the rest when mentioning marketing strategies as they offered a solution centered around social media.

The representative theorized that if the menu were simple enough yet still possessed some sort of uniqueness to it, Restaurant X could make short recipe videos of their most popular dishes and spread them out on social media. This would create a trickle effect where potential customers would attempt performing the dish and later visit the restaurant's premises to try the real deal.

When introduced to the final quarter of Restaurant X the only representative that was not surprised to see the data was Restaurant 2 (Italy), as they had predicted it earlier during the interview. However, none of the restaurants were capable of identifying why the sales of restaurant X had dropped to zero.

The researcher of this thesis then shared that the premise behind the Restaurant X is that they had begun the activity in January 2019 and given the hypothetical COVID-19

December start, it had shut down its activity due to the imposed quarantine. Restaurant 4 (Netherlands) made the case that according to the numbers posed by the researcher this restaurant must declare bankruptcy.

Restaurant 1 (Denmark) and 2 (Italy) have immediately expressed similar sentiments to Restaurant 4 (Netherlands) but remained more reserved as the representatives of the two businesses shared how there were many funds put out by government bodies to aid in the cyst businesses throughout the COVID-19 pandemic. Restaurant 3 (Romania) harshly expressed that even with possible help, the activity of Restaurant X could not be saved considering the timeline.

At the closing of the interviews the four representatives were introduced to the results of the survey, which the reader of this thesis has acquainted with the previous chapter, and whereas the last question of the interview by the researcher.

Restaurant 1 (Denmark) found the results of the survey to be surprising, going on to make the case that the activity of Restaurant X could be saved with a transition to the delivery industry.

Restaurant 2 (Italy) and 4 (Netherlands) offered the most concrete strategy. If the survey proved to be accurate then Restaurant X has the possibility to take an extremely personally tailored approach to their business building a rapport with its customers that would resemble the ambient of a partnership more than a transaction. Additionally, Restaurant 4 (Netherlands) doubled down on their social media approach, going as far as to suggest a reward program for customers that directly supported the business. The researcher sees similarities in this method of thinking with social support platforms and entertainment platforms that support monetary donations such as Twitch and Patreon. Restaurant 3 (Romania) took the most radical approach to the exercise out of all four representatives. The results of the survey seemed to have a resounding impact on the opinion of the spokesperson, with them sharing some issues their business also had with food delivery and companies surrounding that industry. Furthermore, the representative claimed that the restaurant business should begin shifting entirely towards customer empowerment. In an unorthodox fashion, this is meant to be interpreted as the customer preparing their own meal, with a similar process to how buffet restaurants work.

Finally, the researcher then asked each representative the following question before taking their leave:

“if you were put three years ago in the position of restaurant X, knowing what you know now about the COVID pandemic, what would you do do you save the business?”

The answer's given by the representatives helped the researcher build a list of successful business strategies in the case of a global pandemic. Those are detailed in the following chapter.

4.3 Strategies

The researcher has identified throughout the research three core planning ideologies that restaurants and businesses in the hospitality industry have based their operations on during the COVID-19 pandemic.

It is important to mention that those aren't the only strategies implemented by businesses in the hospitality industry, but they are the ones the researcher has found to be commonplace among the researched data.

4.3.1 Pivoting

The process of pivoting is defined as the analysis of the primary business, accomplished through the research and discovery of the job and further using digital and organizational tools to fulfill the social, functional and emotional attributes of a job (Christensen et al. 2016). Businesses in the restaurant industry have found themselves employing different tools and resources in order to survive the COVID-19 pandemic, with some of those tools coming from outsourced services.

Research done in 2020 has shown that there has been a disproportionate impact on businesses caused by the pandemic, with certain industries being hit harder than others (Mills 2022). The hospitality industry is one of them and majority have been introduced to the concept of outsourcing throughout the pandemic; a simple example of this is the reliance that restaurants and the hospitality industry had to develop for food delivery companies in order to maintain their operation between the years 2020 and 2022.

The researcher believes that pivoting (and generally scouring the market for new tools and methods of sale) is vital to the hospitality industry, especially considering the rise of digital technologies.

4.3.2 Traditional Approach

The traditional view of restaurants and their customer market has remained unchanged, with a significant portion of restaurants simply enduring the pandemic and resuming regular activities once the restrictions were lifted and the world had returned to "normality".

Although challenged by global isolation and pandemic, workers in the industry have seen no reason to change the core of their activities and business as the hospitality industry is centered around customer satisfaction and customer service (Han & Ryu 2009).

The researcher notes that this method has been seen by literature review and sources as the status quo of the restaurant business moving forward. In short, many believe this has been it for the pandemic, but they wouldn't hold their breath.

4.3.3 Financial Assistance

In the worst-case scenarios and considering the harshest restrictions issued throughout the COVID-19 pandemic many businesses might have relied on additional financial assistance, either via trust funds or private funding.

In Finland a business fund was set up thanks to the help of the government and Kela offices. This fund consisted in a calculated amount of cash to be given to the owner of a restaurant in order to maintain some of its costs, but importantly provide the employees with their rightful wages and the possible unemployment benefits due to layoffs (MaRa 2020).

The researcher admits that, although this subchapter is not fully considered as a business strategy for the nature of this thesis, it is important to at least inform the reader and possible businesses of the availability of such services.

Furthermore, the researcher has received from one of the restaurant's respondents some numbers in regard to this fund but is under the impression that said information is to remain private, considering the legal implications provided by MaRa.

5 Conclusion

The current landscape of the hospitality and restaurant industries in the post COVID era is still a large uncertainty. Frankly speaking, no one in the industry is entirely sure that COVID has come and passed.

What cannot be discounted is that the cover 19 pandemic has affected humanity in a very particular way. As established by the researcher throughout this paper humanity as a whole has undergone a reset of their social motor, with a large percentage of the population suffering from isolation and behavioral struggles throughout the lockdown periods.

It is paramount for all companies in the social and customer service industries to understand that in order to continue and flourish their business in those challenging times, the people that conduct the operations must possess a high level of social intelligence, as it has been proven decades ago so be an extremely valuable asset for a customer service employee to possess (Kihlstrom & Cantor 2000).

Now more than ever the hospitality industry should have the social IQ to be able to guide customers through the experience that their business or product provides with added tact for social and human interactions, as most of us have lacked significant social interaction for a couple of years.

Based on the research conducted for this paper the most effective business goal a company in the restaurant and hospitality business can have is an approach that empowers the customer without giving them enough initiative to become drunk on power (Viswanathan et al 2012).

Nevertheless, the researcher concludes the paper by reassuring that although it is possible for another COVID-19 pandemic to happen, it is very unlikely given the current strides in technology that we've made throughout the last few years. Regarding the hospitality and restaurant business the research of this thesis cannot discount the volatility of the industry, with a large number of possible technological innovations and service structuring that can be undertaken to improve customer service, customer support, customer satisfaction and customer retention for businesses in the industry.

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7 Appendices

Appendix 1. Survey of Restaurant Reception

**The following questions are designed to be answered in a
YES or NO**

Fashion, but additional comments are welcomed

- 1. Before COVID, was “going out to eat” a part of your routine?**

- 2. Were you affected by the lack of that element in your routine?**

- 3. Did food delivery (Wolt, Foodora) broaden your food taste?**

- 4. Now that we’re “back to normal”, you “going out to eat” again?**

- 5. Hypothetically you visited a restaurant from which you ordered food. Is the experience of having the same meal any different?**