



Operating amid COVID-19 Pandemic: Revenue Management and Cost Control in Finnish Restaurants

Ruzzel Paguirigan

Haaga-Helia University of Applied Sciences

Bachelor's Thesis

2021

Bachelor of Business Administration

Abstract

Author(s) Ruzzel Paguirigan
Degree Bachelor of Business Administration
Report/thesis title Operating amid COVID-19 Pandemic: Revenue Management and Cost Control in Finnish Restaurants
Number of pages and appendix pages 45 + 6
<p>The COVID-19 pandemic brought particular challenges to the restaurant industry in Finland. The challenges included were government-imposed actions like two closures, restrictions on the opening hours, limited seating capacity, and requirements for restaurants when operating during the pandemic. Restaurants had a restricted operating environment and fluctuating customer demand, causing difficulties with the usual operating practices. These led to the research question, "How did restaurants manage their operational activities during the COVID-19 pandemic?"</p> <p>This qualitative research had five investigative questions that led to the research question of this study. The research underwent two phases using primary data and secondary data. The first phase used a purposive homogeneous sampling strategy for its semi-structured interviews. The criteria were that all interviewees were on the same level of authority for a restaurant established before 2020, located in Helsinki, Finland. Altogether, the author interviewed five restaurant owners/co-owners/CEOs from November to December 2021. In the second phase, the secondary data collected were from NoHo Partners Plc's annual reports and financial statements for 2020 and 2021. The primary and secondary data were analyzed using the qualitative content analysis method, specifically latent content analysis.</p> <p>The study found out that the challenges significantly impacted the restaurants' sales and changed the customers' behavior towards dining and takeaways. Owners took drastic actions to stop/minimize cash outflows and secure enough cash for reopening and future growth while improving their revenue management to maximize and increase their revenue. Restaurants became better at managing their restaurant and realized their importance because of the COVID-19 pandemic. Takeaways through food transport services became a phenomenon in the restaurant industry. However, restaurants had mixed opinions on these services. The Government and other entities offered support to the affected restaurants; however, small restaurants found it hard to get Government support because of the criteria. These findings were in line with the first and the second phase findings.</p> <p>Different factors influenced the impact on business operations. The fluctuations in demand and Government actions negatively impacted the restaurants' sales and growth. At the same time, external factors such as the location, type of restaurant, and reputation affected the demand for dining and takeaway orders during the pandemic. It was also crucial for the restaurants to monitor and control costs and have good operational, fiscal, and supply chain management skills.</p>
Keywords COVID-19 pandemic, Finnish restaurants, Restaurant Revenue Management (RRM), Cost Control

Table of contents

1	Introduction.....	1
1.1	Background.....	1
1.2	Thesis Objectives.....	2
1.3	Demarcation.....	3
1.4	Benefits	3
1.5	Key Concepts.....	4
2	Restaurant Revenue Management and Cost Control	5
2.1	Restaurant Revenue Management	5
2.1.1	Pricing.....	6
2.1.2	Duration	7
2.1.3	Customers on RRM.....	8
2.2	Importance of Cost Information	8
2.2.1	Classifying Costs and Expenses.....	9
2.2.2	Cost Behavior	10
2.2.3	Cost-Volume-Profit Analysis	11
2.2.4	Food Service Cost Expense.....	12
2.2.5	Cost Control in Restaurants	14
2.3	Importance of Cash	14
2.4	Impact of COVID-19 pandemic on restaurants	15
2.4.1	Restaurant Online Food Delivery	16
2.4.2	Finnish Government implementations on restaurants	18
2.4.3	Government Financial Support	21
2.4.4	Financial Impacts on Food and Beverages Service Activities.....	22
3	Empirical Research	26
3.1	Research Design	26
3.2	Population and Sampling.....	26
3.3	Data Collection.....	28
3.4	Data Analysis Methods.....	29
3.5	Reliability and Validity.....	30
4	Data Analysis.....	31
4.1	Primary Data Analysis	31
4.2	NoHo in Finland	36
4.3	Summary of the Analysis.....	40
5	Conclusion.....	43
5.1	Key Findings	43
5.2	Recommendations.....	44
5.3	Reliability and Validity.....	44
5.4	Further Research	44

5.5 Reflection on Learning.....	45
Appendix 1. Interview Questions	56
Appendix 2. Statistical Data Extracted from Statistics Finland	57
Appendix 3. Survey information- Online food delivery bookings by brand	58
Appendix 4. Online Food Delivery Market in Finland	59
Appendix 5. Specification of Government Grants	60

1 Introduction

This study is a research type of a bachelor's thesis for the Degree Program in International Business in the major specialization of Financial Management at the Haaga-Helia University of Applied Sciences. This thesis introduces restaurant owners' key decisions and actions while operating during the COVID-19 pandemic.

This first chapter introduces the readers to the background and research question and the investigative questions of this research. It provides a quick view of the key concepts, the study's benefits, and demarcation.

1.1 Background

The outbreak of the new virus named "COVID-19 virus", which was first discovered in Wuhan City, China, in December 2019 (WHO Regional Office for Europe 2021), was declared a pandemic by The World Health Organization on the 11th of March 2020 (WHO 2020). It led to a massive shutdown of businesses in the second quarter of 2020 (Fairlie & Fossen 2021). The unprecedented event had caused governments to respond with restrictions and implement countless policies in response to the COVID-19 pandemic (Cheng, Barceló, Hartnett, Kubinec & Messerschmidt 2020, 756). These unexpected changes in the economic situation made it hard for businesses to continue doing their normal practices or "business as usual" (JOEM 2020, e531). Changes and adaptation were inevitable from the structural changes in the "new normal," including but not limited to new regulatory and customer requirements and lingering market access and supply chain challenges (Grant Thornton Ireland 2020, 5). The restaurant industry was one of those industries that were heavily affected by this pandemic due to regulations, restrictions, and changes in customer behavior. According to the study by Song, Yeon & Lee (2021) on the COVID-19 pandemic, restaurant firms in the United States were directly impacted, particularly on their revenue production and future values, which was noticeable in the stock returns of restaurant firms.

In Finland, Helsinki was the most affected municipality having the highest case of confirmed coronavirus with around 28% of nationwide infections by the end of April 2021 and was still the highest at 23.8% of nationwide infections by the beginning of December 2021 (City of Helsinki 2021). Even after more than a year and a half since the pandemic's beginning and the start of government restrictions, the end of restrictions for restaurants was still uncertain.

According to the Official Statistics of Finland (2021, 1-2), the turnover in March 2020 for the accommodation and food service activities had -30.7% year-on-year change, which had been the weakest development in the entire service industry. Referring to appendix table 1 of Official Statistics of Finland (2021, 5), the turnover of accommodation and food service activities from April 2020 to March 2021 had continuously had negative year-on-year changes.

1.2 Thesis Objectives

In this COVID-19 pandemic situation, businesses like restaurants must be able to manage and control their costs and maximize their revenue effectively. The restaurant should also make effective decisions while operating in this situation. This situation brought the author to investigate the main actions restaurants had done to survive the mandatory closures and restrictions and operate in the "new normal."

The objective of this thesis was to help the readers gain insight into how the restaurants had operated, the changes in their operations, and their focus. It shows how vital cost controlling, and revenue management were during the pandemic and what other factors contributed to their survival. The reader can look at the possible revenue management and cost controlling strategies used in food service industries like restaurants. In addition, it can be used for further future studies regarding which strategies were best suited during crisis or turnover difficulties.

This thesis aimed to look at the restaurants' cost control and revenue management strategies following the pandemic economic situation. The outcomes of the thesis were to provide insight into how the COVID -19 pandemic changed the cost control and revenue management strategies of restaurants and what helped the survival of their operations.

This thesis's research question (RQ) was "**How did restaurants manage their operational activities during the COVID-19 pandemic?**". The research question was divided into investigative questions (IQ) as follows:

IQ 1. How did the COVID-19 pandemic impact and change the operations of the restaurants?

IQ 2. How did the COVID-19 pandemic affect the revenue management strategies of the restaurants?

IQ 3. What was the role of cost control strategies in the restaurants prior to and during COVID-19?

IQ 4. What other factors contributed to the survival of the restaurants during the COVID-19 pandemic?

IQ 5. What had been the most crucial thing to remember when operating during a crisis?

Table 1. Overlay matrix

Investigative questions	Literature Review	Research Methods	Results (chapter)
IQ 1. How did the COVID-19 pandemic impact and change the operations of the restaurants?	Impact of COVID-19 pandemic on restaurants	Qualitative Interview; NoHo reports-qualitative analysis	2.4; 4.1; 4.2
IQ 2. How did the COVID-19 pandemic affect the revenue management strategies of the restaurants?	Restaurant revenue management	Qualitative Interview	2.1; 4.1; 4.2
IQ 3. What was the role of cost control strategies in the restaurants prior to and during COVID-19?	Importance of cost information	Qualitative Interview; NoHo reports-qualitative analysis	2.2; 4.1; 4.2
IQ 4. What other factors contributed to the survival of the restaurants during the COVID-19 pandemic?	Impact of COVID-19 on restaurants	See above	2.4.1; 2.4.3; 4.1; 4.2
IQ 5. What had been the most crucial thing to remember when operating during a crisis?	Importance of cost information; Importance of Cash	See above	2.2; 2.3; 4.1; 4.2

1.3 Demarcation

The literature review and research part of this thesis were limited to looking at the decisions and actions of the restaurant owners, particularly on their revenue management and cost control strategies. In addition, the author included other factors that brought changes to the restaurants, such as government actions and support concerning Finnish restaurants.

The empirical part of the thesis focused only on the restaurants located in Helsinki and had long-established business before the pandemic. The restaurants included in the study were limited to lunch, dinner, casual, and fine dining restaurants. It did not include other foodservice businesses like cafés, cafeterias, pop-ups, fast food, food trucks, buffets, concession stands, and ghost restaurants. The author did not do any separate study defining the types of restaurants involved. Even though the COVID-19 pandemic was still ongoing, this research only centered on the restaurant's actions and decisions until December 2021.

1.4 Benefits

This thesis is beneficial to businesses operating in the foodservice industries and to other businesses that seek to survive during financial or economic difficulties. Aspiring restaurant owners can use this as a guideline on how did restaurants operate during the economic difficulties caused by the COVID-19 pandemic. The author took this research as a form of learning about the topics in-depth and knowing the restaurant industry in question. This also contains a summary of the restrictions and actions implemented to the

restaurants from the beginning of the pandemic in March 2020 until the end of December 2021.

The international aspect required by the degree program in all thesis projects was met by having the research done in Finland, which is not the home country of the author.

1.5 Key Concepts

This part shows the key concepts tackled in this thesis, which the reader can use as the guide for the terms.

The **cash flow statement** shows the overall increase or decrease in cash during the period, as well as how cash is generated and used during the period (Braun & Tietz 2015, 784).

Cost is “the expenditure on goods and services required to carry out the operation of an organization” (Collis, Holt & Hussey 2012, 269).

Cost behavior describes how costs change as volume changes (Braun & Tietz 2015, 328).

Cost control strategy includes a long-range strategic plan involving the vision of the operation's success, daily evaluation of productivity, and monthly and annual financial goals (Pavesic & Magnant 2005, 2).

Finnish restaurants, in this study, are any restaurants in Finland regardless of their ethnicity.

Revenue management influence customer demand for an organization's products and services with the use of differential pricing and other techniques (Huefner 2015, 2), which aim is to sell the right product or service to the right customer at the right time (Yeoman & McMahon-Beattie 2017, 66).

2 Restaurant Revenue Management and Cost Control

This literature review of the thesis talks about revenue management, the importance of cash and cost information, cost control as well as the impact of the COVID-19 pandemic on restaurants. The main purpose of this chapter is to give a base understanding of the research topic.

The two main strategies business can use to make a profit, in general, is either maximizing sales or minimizing costs. Maximizing revenue involves external factors while minimizing costs can be taken without outside factors. (Zainol, Ahmad, Rashid-Radha & Shah 2017, 182.) Revenue varies with both the number of guests and the amount of money each guest spends; thus, increasing either one or both can increase the revenue (Dopson, Hayes & Miller 2016, 3).

2.1 Restaurant Revenue Management

The implementation of revenue management (RM) was first introduced by the airline industry (Yeoman & McMahon-Beattie 2011, 11). Its techniques have been adopted by various industries in both service and manufacturing businesses, where growth appears to continue (Yeoman & McMahon-Beattie 2017, 70). The goal of RM was to solve the problems of fixed capacity, perishable inventory, segmentation, time-varied demand, and high fixed cost (Yeoman & McMahon-Beattie 2011,1). Kimes, Chase, Choi, Lee & Ngonzi (1998) defined revenue management as “the allocation of information systems and pricing strategies to allocate the right capacity to the right customer at the right place at the right time.” Kimes (2004, 52) defined the “right” in the definition as the key element in achieving the greatest possible revenue contribution for the company while delivering the greatest value or use to the customer.

Restaurant revenue management (RRM) is selling the right seat to the right customer at the right price and for the right duration by manipulating the price and meal duration (Kimes 1999, 16-17). It involves a combination of demand-based pricing and control over the timing of the customer’s use of service (Kimes 2004, 53). Kimes (1999, 16) said that the aim of RRM is to maximize revenue per available seat-hour (RevPASH), while Heo (2016, 2) defines the goal of RMM as maximizing both revenue and profit.

RevPASH is calculated by dividing the accrued revenue in each time interval by the number of available seats during that time, and it indicates the rate at which capacity utilization generates revenue. RevPASH has been an effective and reliable indicator of a restaurant’s performance, however, argued to not be the best metric for restaurant

revenue management (RRM) because it does not reflect the profitability of the restaurant. (Heo 2016, 2 & 4.)

Much like the hotel and airline industry, revenue managers define demands as “hot,” “cold,” or “warm” time. For restaurants, “hot” periods pertain to the busy period or the period (meal-period, hour or 15-minute interval) in which RevPASH was high; slow period or “cold” periods are the period where RevPASH was low; “warm” periods are all the other period. (Kimes, Barrash & Alexander 1999, 27.) The best strategies to use in managing or increasing revenue varies between busy periods and slow periods (Yeoman & McMahon-Beattie 2011, 224).

During a busy period, demand exceeds capacity, while there is not sufficient demand to fill the capacity during slow periods (Yeoman & McMahon-Beattie 2011, 223). Kimes & al. (1999, 29) found that a restaurant requires one set of strategies for slow times and an entirely different set for busy times; thus, revenue management (RM) recommends employing a differentiated set of strategies between the two scenarios (Yeoman & McMahon-Beattie 2011, 223). In the busy period scenario, not all demand can be accepted, and management needs to study their customers and decide which mix of demand should be accepted versus turned away by accessing the profitability of different customer segments and accepting only the profitable mix of customers. It is a completely different case for slow periods as management needs to stimulate more demand for their excess perishable supply or the supply whose revenue potential diminishes over time. (Yeoman & McMahon-Beattie 2011, 223.) For restaurant managers, it is important to know that they are in (or about to enter) into a cold or hot period and be able to alert employees of the situation (Kimes & al. 1999, 29).

With limited capacity following the restrictions, a restaurant revenue management strategy would be well suited to this situation. The addition of technology further helps the improvement of the implementation of the aim of revenue management which is to increase revenue and profitability (Kimes 2008, 297).

2.1.1 Pricing

Price is one of the two main strategic levers that restaurant operators can use to manage revenue (Kimes & Chase 1998, 4). Many operators manipulate prices by offering price-related promotions to augment or shift period demand, such as early bird specials and special menu promotions. Other manipulations of price include day-part pricing, day-of-week pricing, and price premiums or discounts for different types of party sizes, tables, and customers. (Kimes 1999, 17.)

Like simple economics of supply and demand, the price can be an effective strategic tool to use during the “hot” and “cold” period. For instance, restaurant managers can use higher menu prices or make only high-profit margin menu items available during peak periods to encourage customers who are willing to pay higher prices to come during busy periods and discourage those who are not. This practice also aims to try to make the customer come during slow periods when menu prices are lower or when lower prices menu items are available. In another case, during a slow period, operators need as many customers as they can, and by offering lower prices or giving additional value for the given price, price-sensitive customer segment demand can be stimulated. One good example given was early bird specials. (Yeoman & McMahon-Beattie 2011, 223.)

There exist diverse approaches in pricing menus, and one of them is the Revenue Management-driven pricing approach. This approach consists of at least three dimensions: optimal pricing, menu re-engineering, and variable pricing. Optimal pricing is pricing each menu at its best possible price to help the restaurant maximize revenue. Menu re-engineering offers the best mix of menu items from a revenue management perspective. Variable pricing guides the question of whether the menus are priced according to the differences in willingness to pay prices across different segments of customers. (Yeoman & McMahon-Beattie 2011, 224-226.)

2.1.2 Duration

The second main strategic levers restaurant operators can use in maximizing revenue is the meal duration or managing the duration of customer use (Kimes & al. 1999, 19; Kimes & Chase 1998, 20). Managing meal duration is a bit more complicated as it depends on several factors such as service cycle efficiency, customer-arrival patterns, and the diners' decision to linger (or not) after the meal (Kimes 1999, 17; Kimes & al 1999, 19). Restauranters feel concerned that controlling meal duration may make customers feel rushed; however, it was argued to have a great potential in a revenue-management strategy (Kimes 2004, 53).

Managers can use either the internal means (not involving customers) or external means (involving customers) to control duration (Kimes & Chase 1998, 10; Kimes 2004, 53). Kimes (2004, 53) listed the chief internal-duration control methods involve regulating and re-designing service processes, which also include speeding up service to promote customer turnover and providing optimal table mix; forecasting customer arrivals such as the time and party-size mix of arriving customers; and implementing inventory controls, which commonly done through overbooking if reservations are being taken. The external

methods can be booking fees or guarantees and behavioral approaches that restrict the length of time customers use the table. Most firms commonly choose to use internal methods to avoid the risk of customer dissatisfaction. (Kimes 2004, 53-54.)

Technology can boost the efficiency of revenue management and drive profitability. If implemented properly, technology can increase customer satisfaction, customer repeat business, speed of service, reduce labor cost, and attract incremental business. (Kimes 2008, 308.) However, major concerns like the cost of technology, implementation of technology, and RM can result in conflicts unless properly addressed (Kimes 2008, 305).

2.1.3 Customers on RRM

Revenue management gives managers pointers on how to act effectively to increase and maximize revenue. While revenue management practices have been widely accepted in the airline and hotel industries, restaurant customers still perceive most of these practices as unfair (Etemad-Sajadi 2018a). According to the study conducted by Etemad-Sajadi (2018b, 851-853) on how customers perceived RM practices, the results showed that young adults are more accepting to price changes than old people and that customers accept price manipulation for lunch and dinner time as well as cancellations due to late arrivals. However, it was the opposite case on the table duration policy, especially the "time spent at the table," as customers seem to completely reject this practice and most other practices (Etemad-Sajadi 2018b, 851). Etemad-Sajadi (2018a) also suggested that it may take time for revenue management practices to be widely accepted, and restaurant managers should effectively communicate to their customers the benefits of these practices while also considering the customer profiles.

2.2 Importance of Cost Information

During the early development of the business, owner-managers appear to rely on a tacit routine to manage key business processes, which does not mean poor information and control but is rather appropriate for a business of that scale (Perren, Berry & Partridge 1999, 351). However, as the businesses grow and the number of transactions increases, the informal personal control by the owner-manager becomes stretched and is replaced by formal delegated methods. (Perren & al. 1999, 258; Collis & al. 2012, 268.)

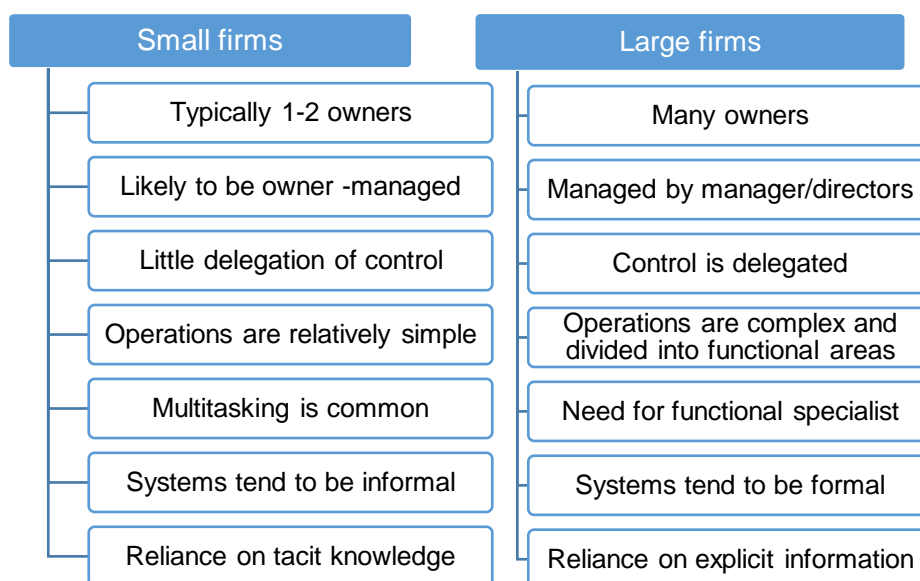


Figure 1. Typical characteristics of small and large firms (Collis & al. 2012, 268)

Figure 1 summarizes the key characteristics of small firms in comparison with the larger firms. The need for more detailed and timely information from the larger firms will have led to the development of formal systems of control (Collis & al. 2012, 268).

2.2.1 Classifying Costs and Expenses

Managers can obtain more detailed information by classifying costs and using it in a variety of ways for planning, controlling, and decision making. The total cost of a product or cost unit is built up from several different costs incurred (Collis & al. 2012, 277). Cost can be classified by its nature, function, and behavior, whether it is product or period cost or whether it is a direct or indirect cost. (Collis & al. 2012, 274.) Table 2 shows how costs are classified, their definitions, and examples.

Table 2. Classifying costs (adapted from Collis & al. 2012, 274)

Classification	Definition
Nature	Those that can be identified for materials, labor, and expenses, and those for materials that can be divided into different types of raw materials, maintenance materials etc.
Function	Production, administration costs, selling and distribution costs
-Product Costs	-Can be identified with the cost unit and are part of the inventory
=Period Costs	=Deducted as expenses in the current period, such as selling costs and administrative expenses
-Direct Costs	-Can be identified with specific cost units. Examples are the cost of materials used to make a product, and the cost of labor, if employees are paid according to the number of products made or services provided
=Indirect Costs	=May be traced directly to a particular cost center but cannot be identified with a specific cost unit. Indirect costs must be shared, but the cost units. Examples are the expenses such as rent and managers' salaries.
Behavior:	

Classification	Definition
-Variable Costs	-The total change is proportional to the level of production activity
=Fixed Costs	=Do not change by fluctuations in production levels

2.2.2 Cost Behavior

Managers or those responsible for management need to know the cost of running the business to successfully run a business (Collis & al. 2012, 268). However, to make better business decisions and accurate projections, managers must understand how cost behaves and react to changes in volume. (Braun & Tietz 2015, 327-328).

Costs generally behave as variable costs or fixed costs. Variable costs are the costs that are incurred for every unit of volume. As varies directly with the level of activity, and as a result, total variable costs change in direct proportion to changes in volume (Braun & Tietz 2015, 328.) While fixed costs stay constant in total despite wide changes in volume (Braun & Tietz 2015, 331).

A fixed cost can be committed costs or discretionary costs. Committed fixed costs are costs over which management has little or no control over these committed fixed costs in the short run, such as with rent or principal loan payments. Discretionary fixed costs, such as advertising budgets, are the result of annual management decisions. Another term for discretionary is managed, in which companies have more or total control over these fixed costs in the short run. These discretionary costs may be planned or budgeted or may be deleted if the management sees that the business is not deriving additional value. However, expenses like depreciation and rent cannot be easily changed with just a management decision, as they require negotiations and other parties' approvals. (Collis & al. 2012, 321; Pavesic & Magnant 2005, 456.)

Mixed costs contain both variable and fixed cost components. Total mixed costs increase because of the variable cost component. Mixed costs per unit decrease as volume increases, but not in direct proportion to changes in volume. They behave differently than those of purely variable costs and purely fixed costs. (Braun & Tietz 2015, 334-335.)

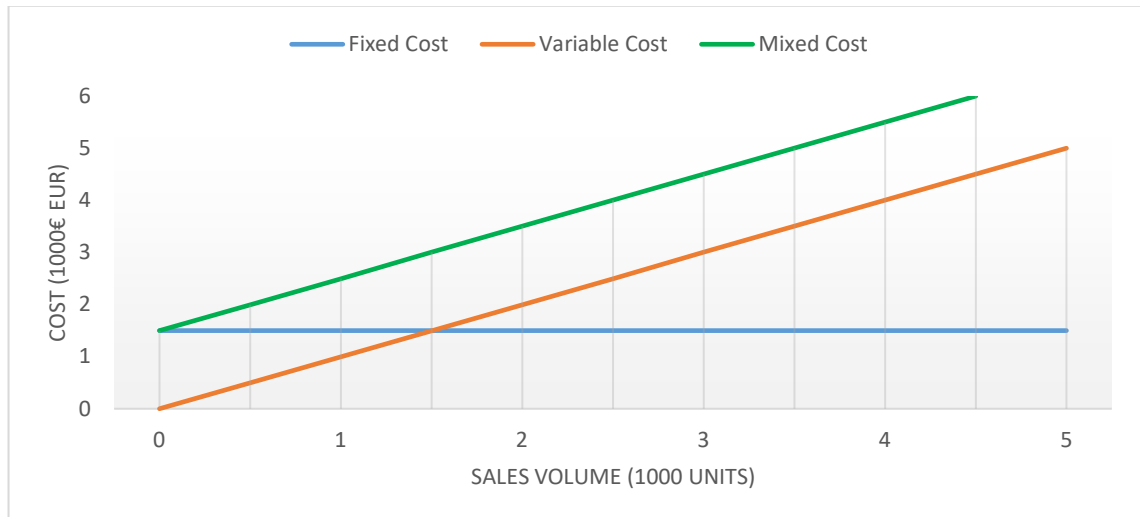


Figure 2. Fixed Cost, Variable Cost, and Mixed Cost Behavior (Braun & Tietz 2015, 328-334)

Figure 2 exhibits how fixed, variable, and mixed costs behave in relation to sales volume. The graph shows total fixed costs as a flat line that intersects the y-axis at 1500€; this is because the business will incur the same 1500€ of fixed costs regardless of the number of units of sales (Braun & Tietz 2015, 332). While the variable costs always begin at the origin or the point that represents zero volume and zero cost. The slope of the variable costs line represents the variable costs per unit of sales. As a result, the total variable costs change in direct proportion to changes in volume. If volume doubles, then the total variable cost doubles. (Braun & Tietz 2015, 328-329.) Total mixed costs graphs slope upward, but it does not begin at the origin; rather, the y-axis is at the level of fixed costs. Even if there are no sales, the business will incur 1500€. (Braun & Tietz 2015, 334-335.)

A relevant range must be kept in mind when predicting total costs. It is the range of volume in which costs behave a certain way. Total fixed costs and variable costs per unit remain constant within their relevant range. A change in cost means a change to a different relevant range. (Braun & Tietz 2015, 336.)

2.2.3 Cost-Volume-Profit Analysis

Cost-volume-profit analysis, or CVP, is a powerful tool that helps managers make important business decisions. It expresses the relationships between costs, volume, and the company's profit. (Braun & Tietz 2015, 401.) The breakeven point is the number of units sold at which total revenues equal total costs (Horngren, Datar & Rajan 2015, 95) - that is, the sales level at which operating income is zero (Braun & Tietz 2015, 405).

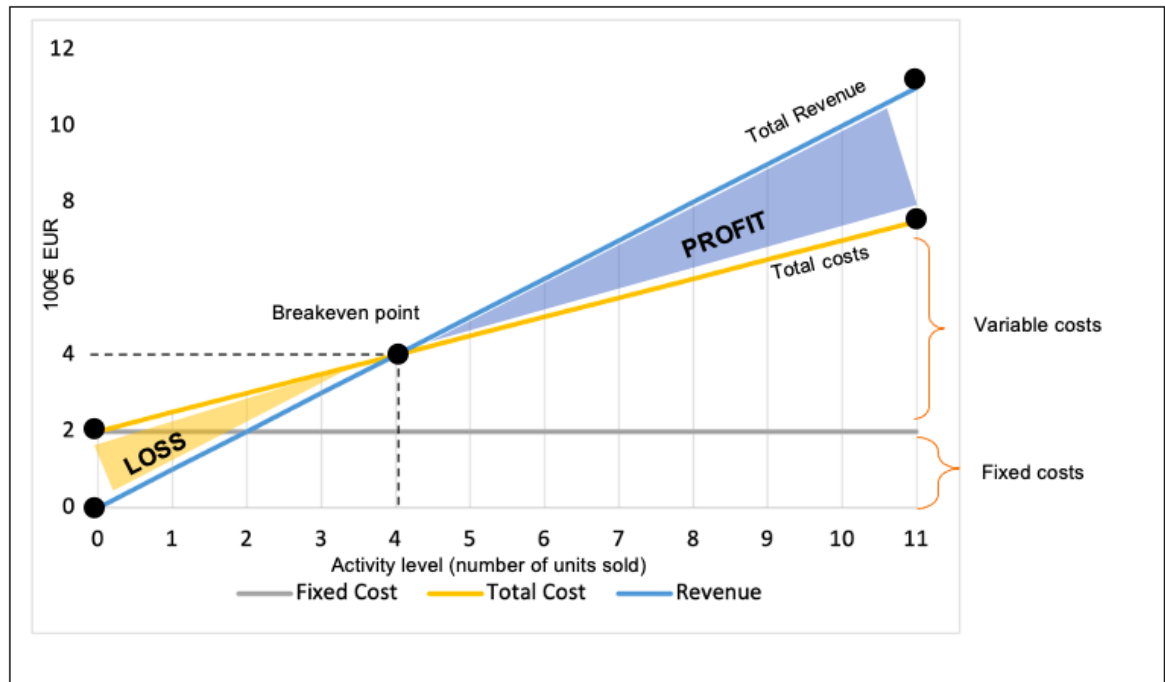


Figure 3. Cost-Volume Graph (Horngren & al. 2015, 94)

The graph shows the relationships between total revenues and total costs (Horngren & al. 2015, 94). The total costs line is the sum of the variable, which is 50 € per unit sold, and the fixed costs of 200 € fixed costs for all quantities sold within the relevant range and the variable costs. The total revenue in this graph is 100€ per unit sold. The breakeven amount is 400€, and the breakeven point is four (4) sales units. Less than four (4) units will be a loss, and more than four (4) units sold will be a profit.

2.2.4 Food Service Cost Expense

All restaurants have fixed costs, and even if a restaurant is closed, these fixed costs will continue to be incurred. When a restaurant opens for business, it will incur additional variable costs. (Pavesic & Magnant 2005, 456.)

There are four major foodservice expense categories that are important to learn. Food costs are the costs associated with the actual production of the menu items. Beverage costs are the costs related to the sales of alcoholic drinks, while non-alcoholic beverages belong to the food cost category. Labor costs are the costs of all employees necessary to run the business, including taxes. (Dopson & al. 2016, 3-4.) Food costs, beverage costs, and labor costs are considered the prime costs in the food industry (Dittmer & Keefe 2009, 15). All the expenses that neither food nor beverage nor labor is considered as other expenses. In most cases, the largest or second-largest expense category is the food costs, followed by the labor costs. (Dopson & al. 2016, 3-4.) The level and control of prime

cost play a large part in determining profit and whether the financial goal of the establishment will be met (Dittmer & Keefe 2009, 15).

Food and beverage costs are usually direct costs and can be considered variable costs. If the past sales mix, prices, proportioning, and recipe costs are held constant, the food and beverage percentage will be the same regardless of whether sales are 1000€ or 10000€. However, these variable percentages can vary to some conditions, such as if there is a discount promotion, it will change the sales mix, food costs, and sales volume. Happy hours in the lounge or discount coupons on paper cause the cost of sales to increase. (Pavesic & Magnant 2005, 457.)

Utilities are fixed costs that remain constant within the relevant range. When the volume of business increases, more gas and electricity will be needed for cooking, washing dishes, and cooling or heating the premises. Labor is another example of semi-fixed cost or cost that has both the character of a fixed and variable cost. Regardless of the slowness of business, management must schedule this minimum staff, or skeleton crew, to open the doors. The skeleton crew can handle a sizable number of customers; however, to handle the increased volume, the management must schedule additional employees in certain job categories. (Pavesic & Magnant 2005, 258.)

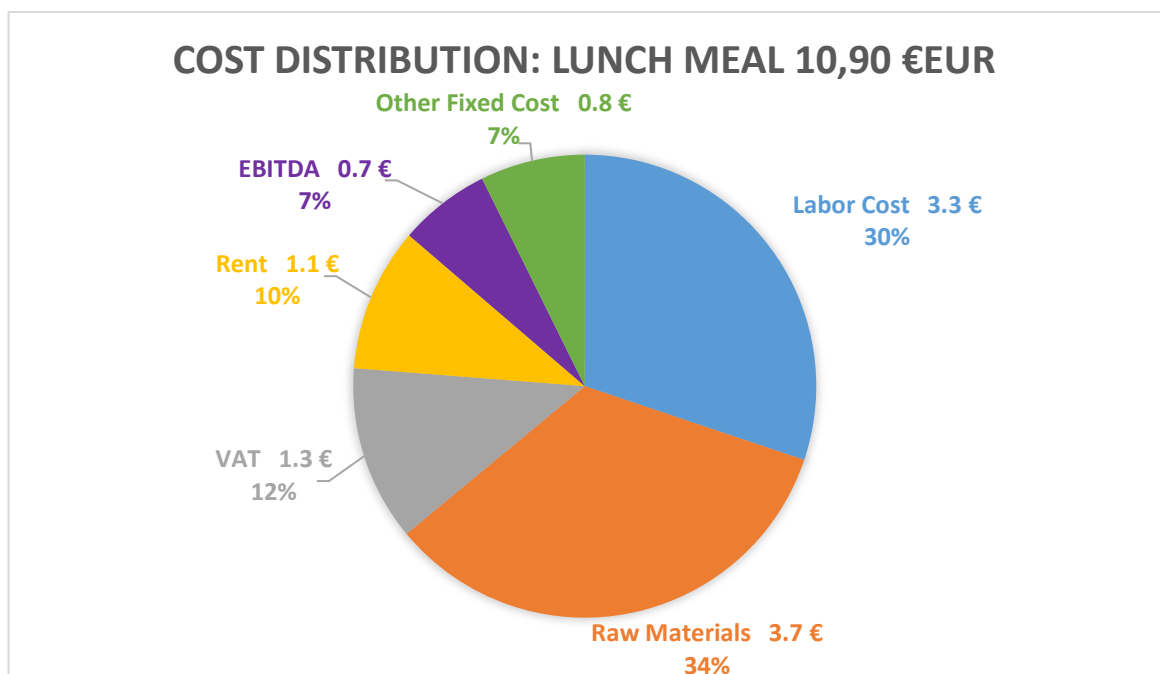


Figure 4. Cost Distribution of a 10.90€ Lunch Meal (adapted from Aittoniemi 2021)

The pie graph shows how costs are distributed for one lunch meal worth 10.90 euros. The estimated cost for raw materials takes up the highest cost, 34%, followed by labor cost, which is 30% of the lunch meal price. Fixed costs, including rent, VAT, and other costs,

are about 26% of each portion. This gives around 70 cents or 7% EBITDA or the Earnings before Interest, Taxes, Depreciation, and Amortization for each lunch meal offer. Since the amounts are rounded off, the VAT percentage, 12%, on the graph is lower than its actual percentage of 14% fixed Finnish VAT for food.

2.2.5 Cost Control in Restaurants

A cost control strategy is an essential element of any foodservice operation's planning and one of the several essential elements necessary to effectively compete in the marketplace. It must produce relevant information and be reported in a timely matter that is easily assembled and organized while keeping in mind that cost savings must be greater than its implementation. The decisions operators make every day have a significant impact on the viability of the restaurant. During economic situations of competition and slow demands, a systems approach to cost control and menu planning is essential to the success of the foodservice operation. (Pavesic & Magnant 2005, 2-3; 515.) It is an ongoing process of regulating costs and guarding against high costs and involves every stage of purchasing, receiving, storing, issuing, preparing food and beverage for sale, and training and scheduling the personnel involved (Dittmer & Keefe 2009, 42). The ultimate objective of cost control is eliminating high costs for food, beverage, and labor to ensure the profitability of the business by instituting control in every stage (Zainol & al. 2017, 183).

When developing strategies to reduce costs or for lowering overall other expense costs, breaking down other expenses into four main categories: food and beverage, labor, facility maintenance, and occupancy are useful. Fixed costs related to food and beverage operations can only be reduced when measuring them as a percentage of total sales and can be done by increasing the total sales generated. While it is necessary to eliminate wasteful labor-related expenses, any attempts to reduce the expenses related to labor too much may result in losing the best workers. Technological tools can be purchased to assist in controlling the areas of standardized recipes, purchasing, and receiving; however, at minimum, computerizing records related to taxes at all levels is important to ensure accuracy, safekeeping, and timeliness of required filings. (Dopson & al. 2016, 43; 161-162.)

2.3 Importance of Cash

An owner needs enough cash to set up and run the business. Once a business has started, the cash position must be monitored closely, irrespective of its business entity type-sole, proprietorship, partnership, or company. A business may close due to many reasons, and they are not entirely associated with failure. The main reason for failure is

that the business lacks sufficient cash or credit. Insufficient cash can lead to businesses falling behind with payments of goods or services received, which typically results in supplies being cut off. It also means that employees cannot be paid and must be laid off. Without sufficient cash, an individual or organization may become insolvent, which may result in a state of bankruptcy for an individual or liquidation for an organization (Collis & al. 2012, 39). Thus, cash is crucial to the survival of a business. (Collis & al. 2012, 30.) For instance, even if a restaurant has excellent food and service, poor financial management can put a restaurant out of business (Pavesic & Magnant 2005, 468).

The statement of cash flow helps predict whether the company will be able to meet its future cash obligations by evaluating how the company has generated and used cash in the past. It also helps managers understand if the company is generating sufficient cash from its day-to-day operating activities to enable investments in new equipment, new stores, or new businesses. In case the company is generating insufficient cash from the day-to-day operations to support the investments, the company may need to cut back on expenses or planned investments, or it may consider raising more capital by taking out loans or selling stocks. (Braun & Tietz 2015, 784-485.)

2.4 Impact of COVID-19 pandemic on restaurants

The restaurant industry is a cyclically sensitive sector that reacts quickly to economic cycles, seasonal variations, and external disruptions. The COVID-19 pandemic was one good example of an external factor that significantly impacted the industry and its developments. The development of the COVID-19 pandemic and any measures taken to mitigate it had a significant impact on the company's different markets and business. (NoHo 2021b, 32.)

Restaurants had been one of the most affected industries in Finland, following two closures and continuous restrictions since the start of the COVID-19 pandemic in March 2020, which resulted in lower turnovers, and restaurateurs having to furlough or layoff some of their employees. In the US, following the restrictions with the exemptions of take-out meals and delivery methods, online food ordering systems allowed to connect online with the restaurant owners' target market and became a necessity due to these same circumstances (Brewer & Sebbly 2021, 6).

From the study by Brizek, Frash, McLeod & Patience (2021, 5) conducted in the US, 95% of the surveyed restaurants had shifted service to options away from indoor dining, and one interviewee acquired a food truck to expand off-premises sales. Restaurants were also forced to cut staffing levels due to sales declines, and a quarter of the independent

restaurant operators surveyed were unable to reopen after nearly 60 days (about two months) of forced closure in the US (Brizek & al. 2021, 4).

2.4.1 Restaurant Online Food Delivery

Convenience is one of the main reasons for ordering food online since it saves time while having the freedom to choose from a variety of restaurants and having their payment detailed stored. The worldwide gross merchandise value or revenue was 293.6 billion US dollars in 2021 and was expected to increase to 466.4 billion dollars (about \$1,400 per person in the US) by 2026. (Statista 2021, 6.)

Online Food Delivery comprises of services that deliver prepared meals and food ordered online for direct consumption (Statista 2022). The Online Food Delivery market is segmented into two business models with different delivery methods, which are Restaurant-to-Consumer Delivery and Platform-to-Consumer Delivery. Restaurant-to-Consumer Delivery includes meals that are ordered online, which are picked up in the restaurants, and those directly delivered by the restaurant, no matter if ordered via a platform or a restaurant website. In the Platform-to-Consumer Delivery, both the online meal and delivery are carried out by a platform. (Statista 2021, 4-5.)

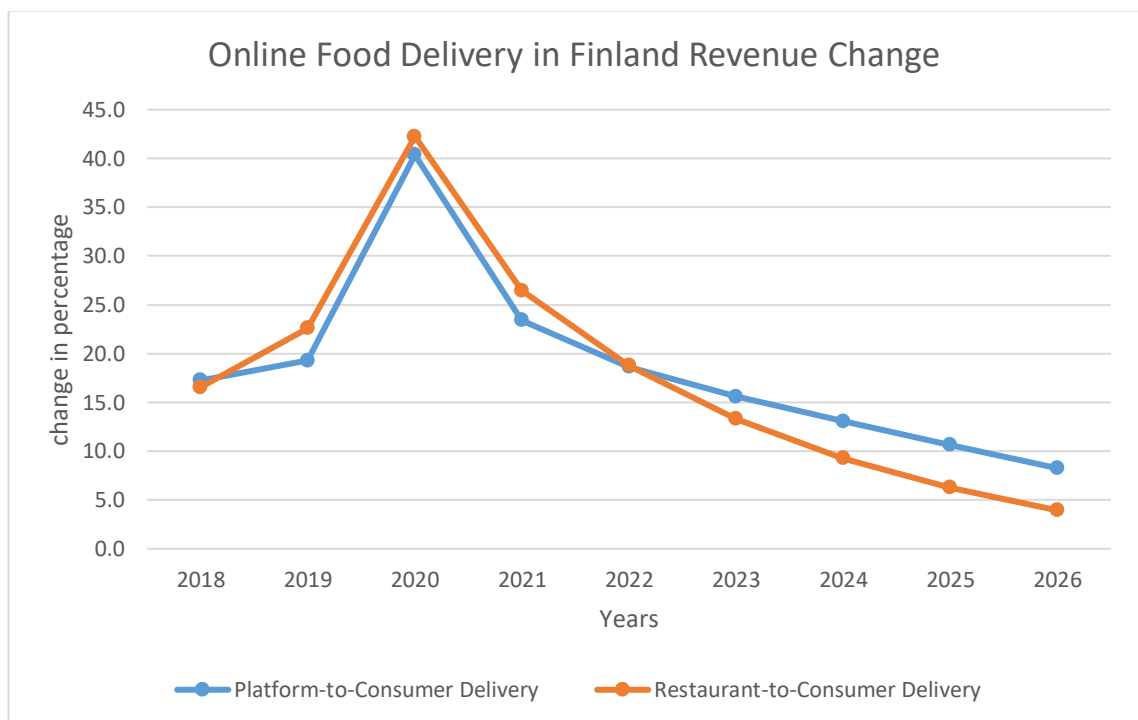


Figure 5. Online Food Delivery Market Finland- Revenue change in percentage (adapted from Statista 2022)

The line graph above shows the change in percentage of the revenue of the online food delivery market in Finland. There was a spike in the revenue during 2020, which was

around a 40% increase for both the Platform-to-Consumer and Restaurant-to-Consumer Deliveries. Statista predicted that Platform-to-Consumer Segment will have a higher increase in revenue percentage from the years 2023 to 2026 predictions. The graph only shows the change in percentage and not the actual amount of revenue. More information can be found in Appendix 4.

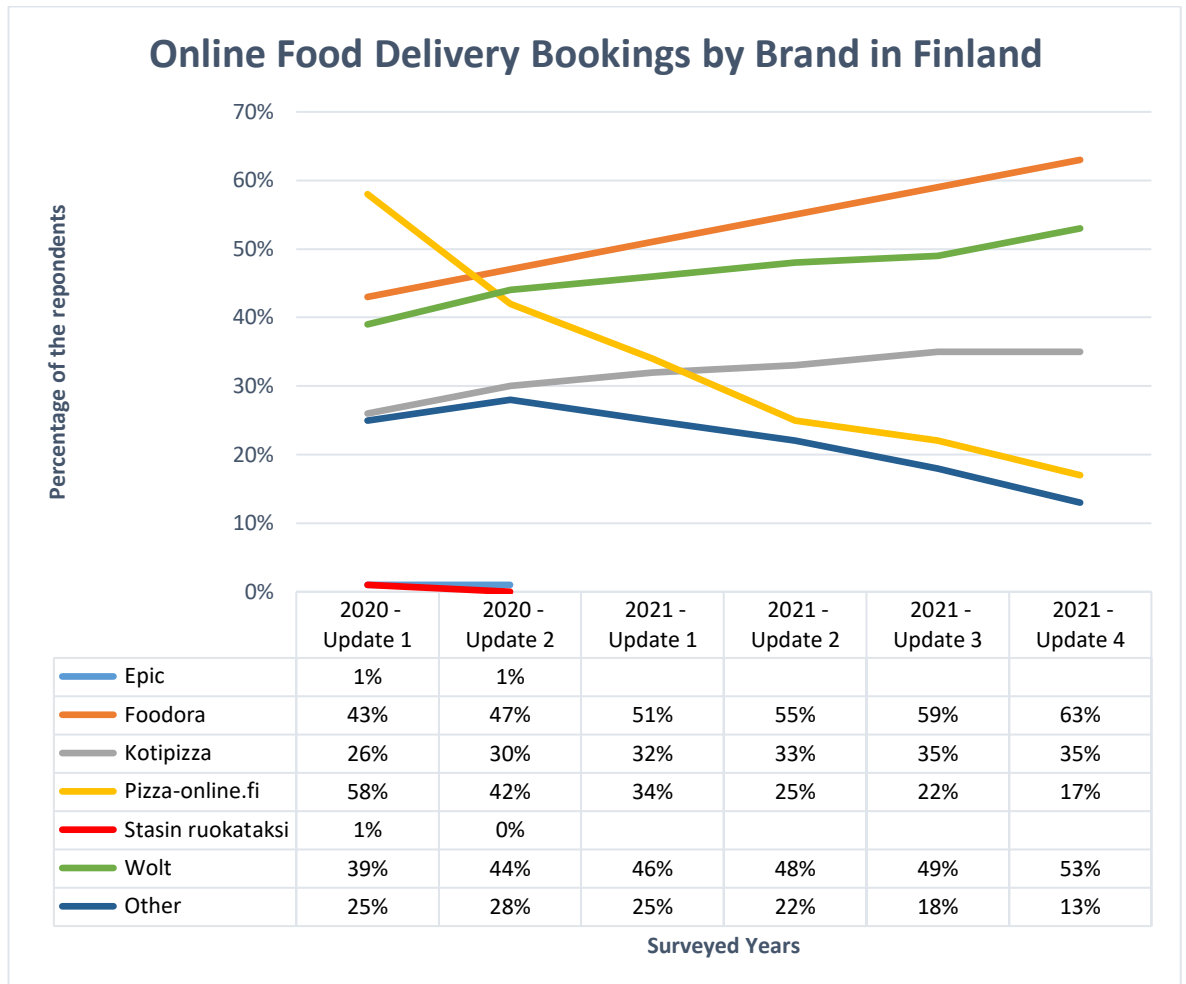


Figure 6. Online Food Service Bookings by Brand in Finland (Statista Global Consumer Survey 2022)

Figure 6 shows the results of the survey question “Which of these online providers of restaurant and food delivery have you used in the past 12 months? (multi-pick)” conducted from different periods in the years 2020 and 2021. The result was the percentage out of all the respondents that ordered restaurant and food delivery online during the surveyed periods. Additional information on the survey periods is found in appendix 3. The graph shows Foodora as the top, and most used online food delivery provider in Finland, followed by Wolt and Kotipizza.

The survey conducted by MaRa Economic Survey on 16-25 November 2021 with 1 003 respondents showed that the youngest age group, 15-24 years old, was eager to use the

food delivery services. A quarter of all the respondents planned to increase the usage of the services after the pandemic. Those living in the Helsinki metropolitan area and families with children also planned to use the transport services more than average. MaRa considered that Wolt had a dominant position in the market for restaurant food transportation, with a share of 42 percent out of all the food transported home and to work and up to 55 percent in the Helsinki metropolitan area. (Aittoniemi 2021; YLE 2021.)

Veli-Matti Aittoniemi, the deputy chief executive at MaRa, mentioned how the restaurant food transport services would not only be a phenomenon during the Corona era provided that 14% of the consumers plan to use them much more in the future than before the corona crisis. (Aittoniemi 2021.)

On the 8th of December 2021, The Finnish Hospitality Association Mara released an article announcing that the union was filing a complaint with the Finnish Competition and Consumer Authority (KKV) regarding food delivery company Wolt's pricing to find out whether its pricing terms were in line with competition law. The general terms and conditions had a clause that required restaurants to charge the same price for a meal the restaurant changes at its own point of sale. The strict pricing constraint of the contract and Wolt's commission from the restaurants, which was typically up to 30%, often resulted in food sold and transported through Wolt being unprofitable for the restaurant. (Aittoniemi 2021.) Wolt confirmed that the agreements between it and the restaurants require the same price for on-site and Wolt home delivery and denied illegal pricing. They emphasized that restaurants were able to set their prices themselves. (Yle 2021.)

2.4.2 Finnish Government implementations on restaurants

Finland was active in combating the spread of COVID-19 in the country. The table below summarizes the implementations and restrictions imposed by the Finnish Government affecting the restaurants in the Helsinki area from the 18th of March 2020 until the 31st of December 2021.

Table 3. Table Summary of Finnish Government Implementations concerning Helsinki Restaurants

Timeline 2020-2021	Finnish Government Implementations concerning Helsinki Restaurants
18 March 2020- 13 April 2020	Finland declared a state of emergency <ul style="list-style-type: none"> ○ restricted unnecessary movements ○ banned gatherings of more than ten people ○ cafes and restaurants were exempted
4 April 2020 – 31 May 2020	Closure of restaurants and ban of restaurant dining with exemption of take-away

Timeline 2020-2021	Finnish Government Implementations concerning Helsinki Restaurants
1 June 2020-	Restaurants and cafes were reopened with certain restrictions on business time, alcohol-serving time, and a limited maximum number of customers inside <ul style="list-style-type: none"> ○ half of the normal seating capacity Step up hygiene level, ensure the distance between customers, every customer had own sitting capacity
22 June 2020- 12 July 2020	Restrictions concerning the opening hours, licensing hours and number of customers were partially lifted
13 July 2020- 31 August 2020	Restrictions were completely lifted <ul style="list-style-type: none"> ▪ Continuing with keeping hygiene level, ensuring distance between customers, every customer had their own sitting capacity
1 November 2020- 30 July 2021	Temporary restrictions on food and beverage activities concerning the amount of seating, opening hours, and alcohol serving time <ul style="list-style-type: none"> ○ 75% of normal capacity ▪ Existing requirements and obligations regarding guidance, hygiene practices, safe distance in customer seating, and planning of activities <ul style="list-style-type: none"> - Restrictions were based on the epidemiological situation in the region and the main activities of the business
9 March 2021- 18 April 2021	Restaurant closure according to the epidemic situation <ul style="list-style-type: none"> ○ Meal take-aways were allowed
19 April 2021-	Stricter restriction on number of the customer seats, licensing hours and opening hours <ul style="list-style-type: none"> ○ Third of the normal capacity
23 April 2021-	Other restaurants that do not primarily sell alcohol were allowed half the normal capacity
13 May 2021-	Opening times and licensing hours gradually changed <ul style="list-style-type: none"> ○ 75% of normal capacity were allowed inside establishments ○ Customers continued to have their own seat
31 October 2021- 23 December 2021	Businesses requiring all customers to have COVID-19 passport were exempted from the restrictions
28 December 2021- 20 January 2022	Restrictions on the use of the COVID-19 passport. <ul style="list-style-type: none"> • Restaurants may open until 20.00 using COVID-passport • No other exemption from the restrictions

The Finnish Government had declared the State of Emergency as an additional measure to protect the population against coronavirus outbreak on 16 March 2020, which entered into force on 18 March 2020. The measures restricted the unnecessary movements of the people and banned gathering of more than ten people, but so far exempted cafes and restaurants from this rule. (Government Communications Department, Ministry of Education and Culture & Ministry of Social Affairs and Health 2020; Yle 2020.) However, on 28 March 2020, the Parliament approved the Government's proposition to close restaurants and ban restaurant dining with the exemption of takeaway between 4 April 2020 and 31 May 2020 (Parliament of Finland 2020a; Yle 2020).

On 1 June 2020, Restaurants and cafes in Finland were reopened to customers with certain restrictions- shortening the business and alcohol serving time as well as limiting the maximum number of customers inside the restaurant to half of the normal number. In addition, the food and beverages business had to step up their level of hygiene, ensuring

distances between customers and that every customer must have their own seat at a table or counter, however not allowing buffet tables. (Government Communications Department, Ministry of Economic Affairs and Employment, Ministry of Education and Culture, Ministry of Social Affairs & Health Ministry of the Interior 2020.) The restrictions on restaurants, cafes, and bars concerning the opening hours, licensing hours, and the number of customers was partially lifted from 22 June until 12 July 2020 and completely lifted from 13 July until 31 August 2020, with other restrictions remaining in force, such as making sure that customer had their own seats, providing customers with instructions on how to prevent the spread of communicable disease and being responsible on ensuring sufficient physical distances between customers (Ministry of Social Affairs and Health 2020c).

The restrictions concerning the activities of food and beverage service businesses, namely restaurants, bars, and cafes, were temporarily added in May 2020 into the Communicable Diseases Act, under section 58a, and were extended from 1 November 2020 to 30 July 2021 (Ministry of Social Affairs and Health 2020a; Ministry of Social Affairs and Health 2021b). The Government decided on temporary restrictions on the activities of food and beverages service businesses concerning the amount of customers seating, opening hours, and alcohol serving times, which was an addition to the existing requirements and obligations regarding guidance, hygiene practices, safe distance in customer seating and planning of activities. The amount of customer seating was restricted to 75% of the normal amount for restaurants in the regions of the Helsinki Metropolitan area. The restrictions were based on the epidemiological situation in the region and the main activities of the business. (Ministry of Social Affairs and Health 2020b.)

The Government proposed the closure of restaurants based on the epidemic situation, which started on 9 March 2021 and remained in force until 18 April 2021, still allowing meal takeaways to be sold (Ministry of Economic Affairs and Employment 2021c). Stricter restrictions regarding the opening hours, licensing hours, and the number of customer seats were imposed on regions. The new temporary amendments to the Communicable Diseases Act entered into force after the closure of restaurants and other food and beverage service businesses on 19 April 2021. One restriction concerning the number of customer seats in food and beverage service businesses in the region of Helsinki metropolitan area was limited to a third of the normal capacity but was amended and changed to half of the normal capacity for other restaurants that do not primarily sell alcoholic drinks starting from 23 April 2021. (Ministry of Social Affairs and Health 2021a; Government Communications Department, Ministry of Economic Affairs and Employment & Ministry of Social Affairs and Health 2021.)

From 13 May 2021, other restaurants were allowed to use 75% of their normal number of customers inside their establishments (Ministry of Social Affairs and Health 2021c). While the restrictions on opening times and licensing hours continuously changed, the restrictions on the 75% of the maximum capacity allowed indoors and that all customers must have their own seat remained the same, while keeping in mind the obligations set to observe general hygiene guidance and safe distance.

From 22 October 2021, businesses requiring all customers to present a COVID-19 passport were exempted from the restrictions (Ministry of Social Affairs and Health 2021d). However, restrictions for business opening times were tightened, in which premises were only allowed to be open from 05.00 to 18.00, and the use of COVID-19 passport was restricted from 24 December 2021 until 20 January 2022 (Ministry of Social Affairs and Health 2021e). As of 28 December 2021, the use of the COVID-19 passport would not exempt food and beverage service businesses from the restrictions. However, restaurants that mainly serve food were able to remain open until 20.00 only if all customers were to present the COVID-19 passport. Other than that, no other exemptions from the restrictions were allowed with the use of the COVID-19 passport. (Ministry of Social Affairs and Health 2021f.)

2.4.3 Government Financial Support

In May 2020, The Parliament accepted the Government model proposal to support restaurants for re-employment and to compensate for imposed restrictions on activities, where the amount was varied on the company-the size and scope of business in the sector (Parliament of Finland 2020b; Government Communications Department & Ministry of Economic Affairs and Employment 2020). The model proposed had two parts, one part being support for job retention and re-employment, and the other was compensation for the restriction of activities and support for inflexible running costs for companies in the food and beverage service sector. The Act was confirmed by the President of the Republic on 29 May 2020 and was entered into force on 5 June 2020. (Ministry of Economic Affairs and Employment 2020a.) The support and compensation were granted by the KEHA Centre, which provides development and administrative services for the Centers for Economic Development, Transport, and the Environment (ELY Centers) and the Employment and Economic Development Offices (TE Offices) (Ministry of Economic Affairs and Employment 2020b). By 31 August 2020, a total of 1525 applications were submitted by the food and beverage service sector for compensation caused by the restrictions on their operations, in which 212 applications had been accepted with an amount of support totaling 4.2 million euros as of 2 September 2020. Total compensation

of EUR 72.47 million had been granted to 6 257 companies in the form of mass payment. The application of support for re-employment was open for companies in the food and beverage service sector until 31 October 2020. Additionally, restaurant industries have also received support from Business Finland development support and funding, ELY Centers, and State Treasury. (Ministry of Economic Affairs and Employment 2020c.)

A new form of compensation was paid to companies that had to keep their premises closed due to an Act or an official order. About two-thirds of the total amount of compensation was estimated to be used for small and micro-sized enterprises (SMEs) and the remainder for large enterprises. The Government sent separate proposals for SMEs and large enterprises, which were meant for restaurants and other businesses that were closed from 9 March to 28 March 2021 under the Act on Accommodation and Catering Operations. The State Treasury handled the applications for compensation, which the amount was based on the company's costs in February 2021 and the share of the company's operations the closure affected, which includes 100% of payroll costs and for 70% of other costs like rent. At the same time, taking into consideration the previously granted coronavirus support and the maximum amount of aid not exceeding EUR 1.8 million as per the EU State aid rules. (Ministry of Economic Affairs and Employment 2021b.)

On 22 April 2021, the Government issued a decree on the sectors that can apply for support without providing further justification as compensation for the company's inflexible costs and payroll costs, but not for the fall in turnover. The business cost support was intended for companies whose turnover had decreased by more than 30% due to the COVID-19 pandemic. This included the sectors where the turnover has fallen by at least 10% between 1 November 2020 and 28 February 2021, compared with the corresponding period in 2019-2020. (Ministry of Economic Affairs and Employment 2021a.)

2.4.4 Financial Impacts on Food and Beverages Service Activities

In the past few quarters, the Government implemented two closures for restaurants exempting take away meals, restrictions concerning the opening hours, licensing hours, and allowed capacity, as well as imposing strict guidelines on hygiene and safety. The State supported and compensated the business for the losses the COVID-19 restrictions had incurred.

The Finnish Hospitality Association MaRa had made complaints on behalf of its member companies to the Finnish Government concerning the restrictions in the restaurant industry. In June 2021, Timo Lappi, the managing director of the association, argued that

the restrictions on opening and serving hours are in violation of the act on communicable diseases in regions in the community transmission stage of the epidemic (Teivanen 2021). And in October 2021, the Finnish Government decided to extend the restrictions on restaurants until the 15th of November 2021. He argued that the extension of the restriction was not in line with the Communicable Diseases Act and the hybrid strategy. He added that Government had left entrepreneurs and workers in the sector alone to bear the very negative consequences of the corona pandemic, and Government should take a greater account of the effects of the crisis and restrictions. (MaRa 2021a.)

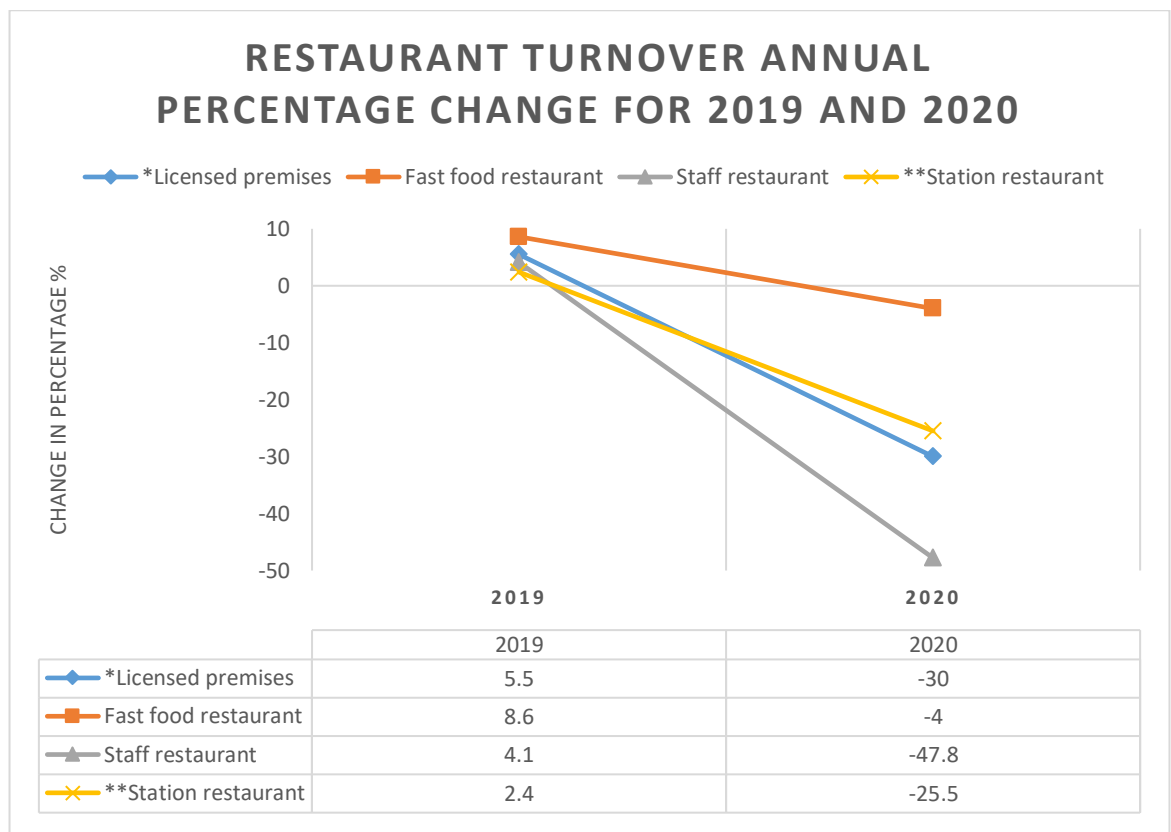


Figure 7. Restaurant Turnover Annual Percentage Change for 2019 and 2020 (data from MaRa 2021b). *MaRa estimate **Station restaurant sales excluding fast food sales

The line graph above shows the annual change of restaurants in percentage for both years 2019 and 2020. For the year 2019, every type of restaurant had a more than 2% annual increase in their turnover. Fast food restaurants had the highest increase of 8.6%, followed by licensed premises or the restaurants that primarily sell alcohol with a 5.5% increase from 2018. Staff restaurant had a 4.1% annual change and 2.4% for the station restaurants. While for 2020, every restaurant type suffered a decrease in their turnover compared to their 2019 annual turnover. Staff restaurants were the most affected, which had a drop of 47.8% in 2020 compared to their 2019 turnover. In simpler terms, the turnover of staff restaurants in 2020 was only around half of the turnover in 2019. Fast food restaurant was the least affected out of all, which only had a 4% decrease in their

2019 turnover. Licensed premises or restaurants that primarily sell alcohol were the second most affected, with a 30% decrease in their annual turnover. In comparison, station restaurants had a 25.5% drop in sales, which means that sales in 2020 were only 74.5% of the total turnover in 2019.

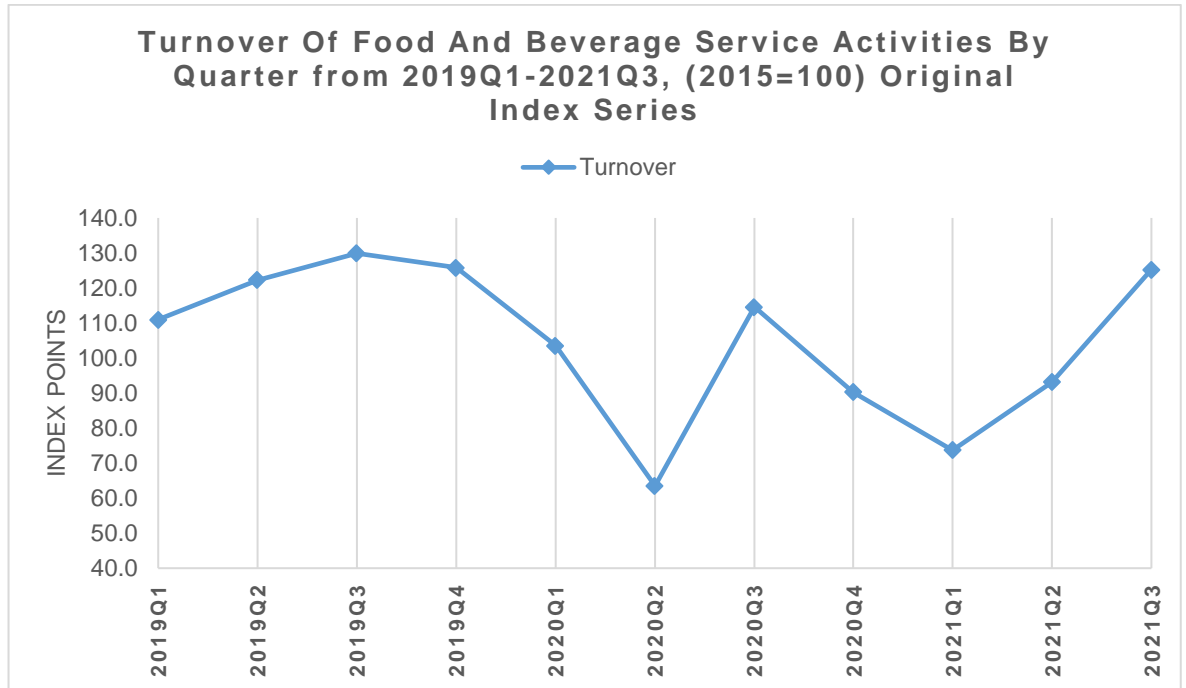


Figure 8. Turnover Of Food and Beverage Service Activities by Quarter, (2015=100) Original Index Series (data extracted from Statistics Finland 2021b)

The restrictions and social impact brought by the COVID-19 pandemic negatively affected the turnovers of the businesses in the Food and Beverages Service industry. The turnover during the 2nd quarter of 2020 was down 48% compared to the same quarter in 2019. The 2nd quarter of 2020 and 1st quarter of 2021 was the lowest since the beginning of 2019, as shown from the line graph above. Despite having low quarterly turnovers during the pandemic, the restaurants and mobile food service activities in the food and beverage industry bankruptcies instigated by the enterprises were lower compared to the year 2019. The lowest was during the 4th quarter of 2020 and the highest in the 1st quarter of 2020 before the start of the first restaurant business closure.

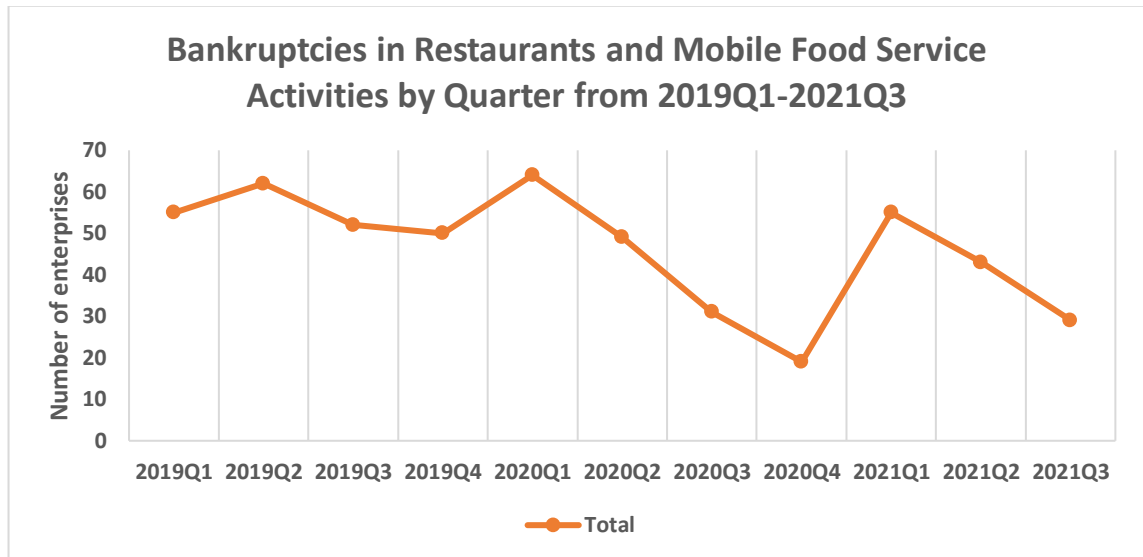


Figure 9. Bankruptcies (TOL 2008) in Restaurants and Mobile Food Service Activities by Quarter from 2019Q1-2021Q3 (data extracted from Statistics Finland 2021a)

The Finnish Government made temporary COVID-19 amendments to the Finnish Bankruptcy Act regarding the creditor's right to file for bankruptcy, which was in force from 1 May 2020 until 31 October 2020. The aim of the amendment was to temporarily suspend the use of a payment demand as grounds for bankruptcy and to determine the potential insolvency of a company by a broader review of the company's financial difficulties so that companies would have a better chance of surviving the temporary financial hardships caused by the COVID-19 crisis. (Peldan 2020; Waselius & Vääntinen 2020.) The National Enforcement Authority Finland had made temporary changes in April 2021 to enforcement legislation due to the COVID-19 epidemic and was planned to be in force until 31 December 2021. The changes gave more flexibility to the enforcement proceedings if the debtor's payment difficulties or resulting emergencies have been caused by the COVID-19 epidemic. (National Enforcement Authority Finland 2021.)

3 Empirical Research

The empirical research part explains the methodology used in this research thesis. Methodology refers to the theories of how research should be undertaken (Saunders, Lewis & Thornhill 2012, 4), which includes the methods, procedures, and techniques that are used to collect and analyze empirical data (Eriksson & Kovalainen 2016, 328). The reader can expect to understand the research design, population, sampling, data collection, and analysis, as well as the evidence of validity and relevance to the topic.

3.1 Research Design

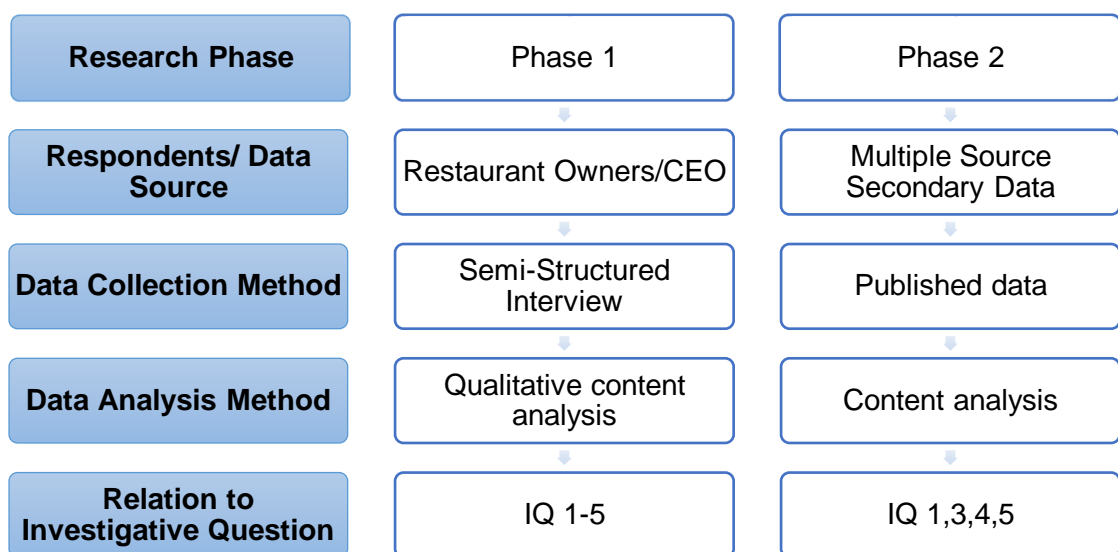


Figure 10. Research design framework

The research design is a framework for the collection and analysis of data to answer the research question (Saunders & al. 2012, 680).

The research was a multimethod qualitative study, both utilizing primary and secondary data for qualitative analysis. The first phase collected the primary data using a semi-structured interview of restaurant owners in relation to all the investigative questions. The second phase included the secondary data from multiple sources containing published data related to all investigative questions except for IQ 2. Qualitative content analysis was used to analyze the data of both phases.

3.2 Population and Sampling

This research used a sampling technique as opposed to a census considering the researcher's limited time, money, and access (Saunders & al. 2012, 258). For this research, non-probability sampling (or non-random sampling) was chosen compared to probability sampling as it provides a range of alternative techniques to select samples and

undertake an in-depth study that focuses on a small number of cases (Saunders & al. 2012, 281).

The author used purposive sampling with a homogeneous sampling strategy for this first research phase. Purposive samples cannot be statistically representative of the total population; however, it is often used with small samples (Saunders & al. 2012, 287). Homogeneous sampling focuses on one subgroup in which all the sample members are similar, for instance, a particular occupation or level in an organization's hierarchy (Saunders & al. 2012, 288). The suitable sample size for a semi-structured interview was 5-25, and it was 4-12 when considering a homogeneous population (Saunders & al. 2012, 293).

The author first used the Bisnode Selector database to gather the list of potential samples and filtered them according to the criteria before contacting them via email. She then emailed the restaurants listed in the My Helsinki Website article for Helsinki Classic Restaurants and contacted restaurant owners found on LinkedIn that fit the criteria. She also used her personal connections, who introduced and referred her to potential restaurant owners. Lastly, she personally went to restaurants and, on the spot, asked restaurant owners if they would agree to an interview. A total of 50 people/restaurants fitting the criteria were contacted.

The samples were all owners, co-owners, or CEOs of at least one restaurant located in Helsinki, whom all have significant authority in the restaurant operations. The restaurants were also established before the year 2020. Five samples were interviewed altogether. The years specified were when the interviews were taken, which was the year 2021.

The first interviewee, Interviewee 1, was the CEO of four restaurants and one wine bar in Helsinki. The restaurants, which Interviewee 1 managed, ranged from lunch to fine dining restaurants and have been on the market for decades. He had 20 years of experience in the industry and had been managing restaurants as the CEO for more than six years.

The second interviewee, Interviewee 2, had been the owner of a lunch and dinner restaurant in Helsinki for 11 years.

The third interviewee, Interviewee 3, had been managing their family lunch and dinner restaurants for almost four years.

The fourth interviewee, Interviewee 4, got full ownership of the lunch and dinner restaurant in 2017 and had been managing it for almost five years. The restaurant was established a year before the management changed and had become a family restaurant.

The fifth interviewee, Interviewee 5, had been the co-owner of a casual dining restaurant for almost five years.

3.3 Data Collection

The data collected were both primary and secondary data. The primary data were collected via semi-structured interviews with the restaurant owners/CEOs. In a semi-structured interview, the interviewer had a list of interview themes and questions (appendix 1) but was prepared to vary the order depending on the flow of the conversation. This kind of interview gave flexibility for the author to ask additional questions to explore the research question and objectives given the nature of events. (Saunders & al. 2012, 374, 681.) The average interview length was 35 minutes. The interviews were given permission to be recorded, which were then transcribed for analysis purposes. Both the records and transcriptions were deleted after the completion of this research study.

Interviewees 1-4 scheduled their interview times a few days before the actual interview, while Interviewee 5 was interviewed on the same day the author asked for an interview. The first interview was conducted via Microsoft Teams on the 9th of November 2021. The second interview was done face to face in his restaurant after lunchtime or during his free time on the 2nd of December 2021. Interviewee 3 was interviewed in her restaurant after lunchtime or the break time before they reopened for dinner time, which was on the 16th of December 2021. The interview time for interviewee four was scheduled after lunchtime or during their slow time on the 17th of December 2021. For interviewee 4, both English and the author's native language were used during the interview. The last interviewee, Interviewee 5, was interviewed on the 17th of December 2021.

The secondary data were collected from multiple sources longitudinal data types (Saunders & al. 2012, 314). These were taken from data compiled and published in industry statistics and reports (Saunders & al. 2012, 314), in this case, the NoHo annual reports, and annual financial statements. NoHo Partners Plc was the only publicly listed Finnish restaurant company that had approximately 250 restaurants, bars, pubs, nightclubs, and entertainment centers and a significant foothold in Finland as well as restaurant operations in Denmark and Norway (NoHo 2021a).

3.4 Data Analysis Methods

The author used qualitative content analysis as the method for this research data analysis. This part explains the definition, purposes, and steps required for this research method. Furthermore, the analysis applied the inductive approach for both phase 1 and phase 2 of the research.

The interview recordings were automatically transcribed using Microsoft Word for data analysis. As the initial transcripts generated inaccuracies in the transcriptions, the author had to listen to the recordings to fix and mark the important lines. Both the recordings and the transcripts were used during the analysis of the contents.

Qualitative content analysis refers to the ways of analyzing the content and meaning of the different types of qualitative data, which focuses on the content and contextual meaning of the data. Its purposes are to produce a holistic and factual and/or to provide a detailed, rich, and nuanced interpretation of the contextual meaning of the data. (Eriksson & Kovalainen 2016, 119-120.) In this method, data are presented in words and themes, which makes it possible to draw some interpretations of the results. The author also focused on the latent analysis, in which the author seeks to find the underlying meaning of the text: what the text is talking about. (Bengtsson 2016, 10.) Codes were also created inductively, where codes were created during the process and continuedly to change as the study progressed (Bengtsson 2016, 12).

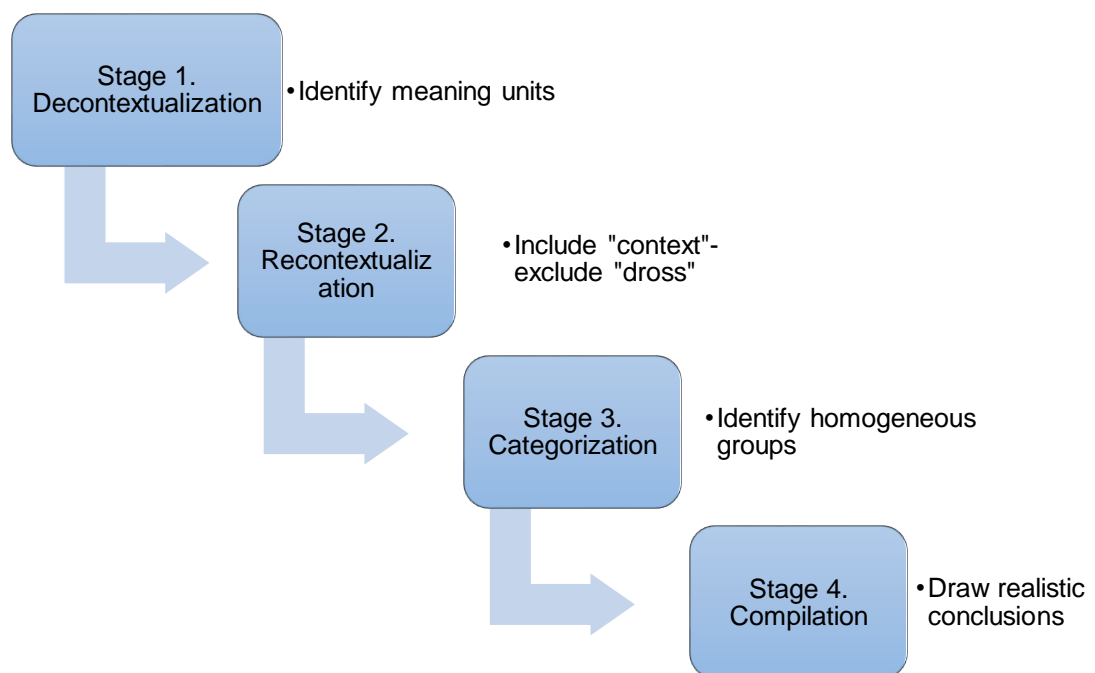


Figure 11. The four main stages of a qualitative content analysis process from planning to presentation (Bengtsson 2016, 9)

The figure summarizes the four main stages in the process of qualitative content analysis, from planning to presentation. The first stage, decontextualization, is where the researcher must familiarize herself with the data and read through the transcribed text to see the whole picture of what's going on before breaking it down into smaller meaning units. A meaning unit is the smallest unit that contains some insight the researcher needs, and each identified meaning unit is labeled with a code. In stage 2, recontextualization, the researcher must check whether all aspects of the content have been covered in relation to the aim, and all the unimportant information not in line with the aim is excluded. In the categorization process or stage 3, themes and categories are identified, where the identified themes and categories should be internally homogeneous and externally heterogeneous, which means that no data should fall between two groups nor fit into more than one group. The compilation stage begins after the categories are established. In a latent analysis, the researcher immerses herself to some extent in the data to identify hidden meaning in the text. The research must present a summary of themes, categories/sub-themes, and sub-categories/sub-headings as a table to allow the reader to get a quick overview of the results. (Bengtsson 2016, 11-12.)

3.5 Reliability and Validity

The validity of this research was ensured by having the semi-structured interview questions reviewed and approved by two senior lecturers. The questionnaires were also given beforehand and were also provided during the actual interview with the interviewees. In such a case where the interviewee agreed to be interviewed on the spot, the author gave time for the interviewee to go through the question lists provided. All respondents fit the criteria set in the homogenous sampling, in which the interviewee must be the owner, co-owner, or CEO with significant authority on the restaurant decisions and operations and that the restaurant had been established before the year 2020 or the year the pandemic started. The inter-views were also recorded to ensure that no important answers were missed out during notetaking.

To ensure the reliability or the consistency of the research, the researcher used semi-structured interviews for all interviews. Provided that there was a pandemic situation, the author asked whether the interviewee would be more comfortable answering with or without a mask on during the personal interview. Interviewees 2-5 were all interviewed in their own restaurant, which could be considered their comfort zone, but it could also propose distractions to both the interviewee and interviewer. This was mediated by doing the inter-views during their slow times, which was the time when the interviewee was not busy or had no customers. Some terms unknown or unfamiliar to the interviewees were also explained during the interview.

4 Data Analysis

This chapter explains the findings and analysis from both the primary and secondary data in relation to the investigative questions it answers. Following the research design, the author answered the investigative questions first using the primary data or the analysis of the semi-structured interviews, then the secondary data analysis consisting of qualitative analysis of NoHo annual reports and financial statements for 2020-2021.

4.1 Primary Data Analysis

The summary of the five semi-structured interviews answered investigative questions.

IQ 1. How did the COVID-19 pandemic impact and change the operations of the restaurants?

The pandemic caused by COVID-19 was sudden and unexpected, which took the restaurants by surprise. In Finland, the Government placed restrictions that limited the seating capacity of the restaurants, forced restaurants to change their opening times, and even closed their doors for months during the pandemic. The restrictions and the COVID-19 pandemic brought fear to the customers and negatively impacted customers' dining behavior. The customers became cautious when dining in a restaurant, and one interviewee mentioned how customers first observed the situation and how busy it was inside the restaurant before coming in. The number of customers and their flow were significantly lower than before the pandemic, the restaurants complained. These caused struggles and challenges for the restaurants as their sales drastically dropped, especially during the first quarter of the pandemic. Two restaurants reported a financial loss of over half of their turnover, while other restaurants operating casual and fine dining dropped around 70-80% overnight. One interviewee specifically mentioned that the tourists and people stopped coming, which caused the drop. Restaurants strongly mentioned that it was very tough with the closures and explained that they could not go at it again.

During the closures, where only the takeaway was allowed, each restaurant created new revenue streams in takeaway or collaboration. Four out of the five interviewees used different takeaway methods, including food delivery apps, food saving apps, traditional order takeaway (via call), customer pick up, holiday bags, and self-delivery methods via social media. Two midrange price restaurants never saw takeaway on food delivery services like Wolt and Foodora as profitable. Instead, they started collaborating with K-market and two unmentioned big stores. The restaurants put their products in the stores and restock the supply when needed in this collaboration method. Although the other

three restaurant interviewees were using the food delivery services, two preferred customers to order directly from them for pick up or for the restaurant to self-deliver the orders within the area since the food delivery services take commissions from the orders. They also utilized online platforms such as social media and food-saving websites/applications for takeaways. Even with added revenue streams, restaurants complained that they were never nearly enough to cover the running expenses or fixed costs such as rents, insurance, and other bills. Interviewee 2 stated that the collaboration with K-market was only "play money," which was more only to keep themselves busy while closed.

Two of the interviewed restaurants stressed using the COVID-19 pass for their indoor dining, though this had the opposite impact on the two restaurants regarding the customer's behavior. One interviewee primarily prioritized safety and hygiene. In this case, they had to constantly remind customers to mind other customers regarding safety procedures like disinfecting before coming in and using the mask. Interviewee 2 stated that customers quickly came when they implemented the use of the COVID-19 pass for all customers. However, it was different for Interviewee 3, where customers would sometimes argue to have been vaccinated even with no proof of a COVID-19 pass. Some would sometimes call if they needed a COVID pass to dine in hung up upon replying yes.

IQ 2. How did the COVID-19 pandemic affect the revenue management strategies of the restaurants?

After reopening, the interviewees said that periods during summer and autumn were busy; however, they were still lower than usual. The restrictions on the indoor seating capacity and the requirement that all customers must have their own seats made it harder for the restaurants to accommodate all indoor customers. Three interviewees managed to solve the demand and decreased capacity by building new terraces and having the customers dine outside. However, one restaurant had to put away the seats since customers would try to dine if they noticed some seats were available, even if they were not in use following the restriction.

Two restaurants made opposite strategic changes to their menu pricing, while the rest tried to keep the same menu price. Only one of five interviewees, Interviewee 1, lowered all their menu products by 5-7% after reopening from the first forced closure and then slowly increased prices from the most sold prices first. However, the third interviewee increased their offer by 2 euros following the market price. When asked about discounting, two restauranters, interviewees 2 and 5, were strongly opposed to discounting their food,

interviewee 3 removed their discount offering during a pandemic, and interviewee 4's discount offering for regular customers remained the same.

Another significant change for the restaurants was their menu offering. All restaurants' menus shrank during the pandemic but in different cases. Interviewee 1 had changed their menu mixes, such as course meals and drinks for a set price. They aimed to solidify and continuously improve their product line. Interviewees 2 and 3 had to shrink their menu; however, interviewee 3 shrank it by removing their lunch menu and only offering their dinner menu for both lunch and dinner periods, which was the more expensive set. In addition, Interviewee 3 changed their drink set, replacing them with an expensive but popular drink, giving them a more profit margin than their previous drink set. Interviewee 4 had to remove some products from the menu due to the season. Moreover, lastly, interviewee 5 only shrank their menu for takeaway, offering only the top products in food delivery services like Foodora and Wolt but keeping the same menu for dine-in offerings.

Interviewee 1 explained that they had been working on their brand, making it easier for them to add more dishes and fix the overall pricing, making customers feel like it is an affordable restaurant. However, during such an event during the pandemic, when their restaurant turned 25 years, they offered a birthday menu set. Instead of giving a discount, the birthday menu set offered a 5-course dinner for 65€ and a drink menu including champagnes and wines for all the five courses plus coffee or tea for 84 €, which total 149€. In addition, if the customer paid during the reservation on their page, the price to pay was only 135€. He also mentioned that even if the brand was affordable, if the restaurant had a premium product offering, it could be priced above the rest. It was also a limited offer done for only two months. They tried to have around a 70% sales margin when pricing their menus.

Interviewee 2 explained how he did not change anything from their food quality and even gave some customers freebies like coffee or salad. Keeping current customers was easier than finding new ones every time. This idea was possible since they had enough margin. But he specifically mentioned that the margin is very small in the restaurant business.

IQ 3. What was the role of cost control strategies in the restaurants prior to and during COVID-19?

When the pandemic started and the Government imposed the first closure for restaurants, all restaurants laid off their employees while keeping as many as possible. Interviewee 1 prioritized securing enough cash by minimizing the cash outflow and taking loans from the

bank before closure. Two pointed out how they had so much food waste due to the closure, which they had to throw or give away to employees.

The difficulties in sales made cost control critical for restaurants. Interviewee 1 stated how he had to go through and monitor the expenses weekly. While rents and insurance were considered fixed costs or running costs, they could not control them as easily as the prime costs and overhead costs. The restaurants stated how hard it was to keep up with them and were dissatisfied with how they were expected to be able to pay those costs like normal, considering how they were closed, restricted to half, and barely getting any sales.

Three restaurants had to go through all their suppliers to negotiate or terminate their contracts and change to a cheaper one but still consider the quality of their products. While the other two did not have any contract with the supplier clarifying that they bought the supplies themselves. Interviewee 3, who had five different suppliers from the beginning, changed their suppliers a few times and ended up terminating two of them, changing their way by ordering it themselves and then immediately paying the bill.

All restaurants made sure to stock their inventories more carefully and better monitor their spending on raw materials while keeping the quality in check. One restaurant re-stocked and bought the supplies according to the day's sales. As one concern was the food waste, another restaurant controlled them by preparing a certain amount first, then refilling when the customers really asked for more instead of the previous unlimited free to take salads for the customers, then reusing instead of throwing certain food like rice. While Interviewee 2 was concerned by the food waste, he did not cut them by changing the way he offers food to customers; he stated that he never reused some foods, which other restaurants did.

Interviewee 4 mentioned that he did not take any salary for himself during those difficult times to be able to pay the running costs and had even used his own funds to support the restaurant. Interviewee 3 also explained that since they were a family restaurant, they had the option to pay or not to pay themselves depending on the sales; however, at one point, they had to ask for help from the TE office (Employment and Economic Development Office in Finland).

In terms of expenses like marketing, three out of five removed their marketing expenses, while interviewee 5 emphasized how they increased their online marketing and even developed a nice platform like a website, where they published videos about their recipes and workshops. Interviewee 5 also mentioned when they were at home, they had training in restaurant management, which was very important for her.

IQ 4. What other factors contributed to the survival of the restaurants during the COVID-19 pandemic?

Interviewee 2 emphasized how he handled their laid-off employees differently than others expecting the situation to be short-term. He mentioned how he paid his employees using their holiday pay and supported them as much as possible. However, when they ran out of options because the situation took longer than expected, they went for KELA support, which he mentioned the employees already were. This decision made him lose much money, but he felt that it was good because when it was time to reopen, he was ready, and his employees were there, he mentioned.

Restaurants received additional support from different entities. Three restaurants felt that the application for Government support was easy. While the other two did not meet the criteria imposed because the restaurants were relatively small and had small rent. Four of them received the Business Finland support, while all had received some form of a tax return from the tax authorities. Interviewee 3 described that getting help from Business Finland was not easy and mentioned that if the business were big enough and had a high cost, then they would receive the support, which they did. However, they had to show all their costs and employees' payrolls. Interview 4 stated that they only received 2000 euros, which only was to cover their rent for a few months temporarily. Interviewee 1 and Interviewee 2 were given slack by the leasers regarding their rent but was only temporarily, according to the two restaurants. Interview 2 stated that restaurants that could not wait for support would find it hard to survive.

One restaurant noticed how its location affected its view on food takeaway and delivery. One owner stated that restaurants would have more takeaway orders in residential areas. It was indirectly proven by Interviewee 3, which was in a residential area, indirectly mentioning how they mostly had taken away orders, in which they had to invest in new takeaway equipment. In places like Kamppi (commercial), restaurants would only benefit from Wolt and Foodora.

Aside from the location, the financial position of the restaurant prior COVID-19 pandemic, the name, popularity of the dish, and having regular customers mattered and contributed to their survival. Two restaurants stated that they had good prior years and had enough cash to support themselves during closure and a few months of the restrictions. They also had a good credit score, making it easier for Interviewee 1 to take enough loans during the pandemic. However, Interviewee 2 said he did not take any loan and stayed away from debt as much as possible, mentioning they are still liabilities to pay in the future. Having a well-establish name and popular dishes made it easier for the restaurants to

advertise their special menu and attract the customers when they reopen. At the same time, two restaurants pointed out how they again saw their regular customers when they reopened.

IQ 5. What had been the most crucial thing to remember when operating during a crisis?

The pandemic went longer than expected, according to the interviewees. Four out of five stated that getting back from the loss would take years. However, all five restaurants had different priorities when operating during this COVID-19 pandemic. Interviewee 1 initially prioritized securing cash and then pointed out that having a solid product line and good employees was essential to be on top of the market. Interviewee 2 decided to keep paying their employees even while laid off, making it his priority to take care of them, and staying away from new to secure cash as much as possible. Interviewee 3 emphasized safety and hygiene first. Interviewee 4 focused on takeaway and self-delivery, while Interviewee 5 intensified their online marketing and made sure that the customers knew they were alive.

All restaurants, directly and indirectly, mentioned how good management skills were critical. The management skills mentioned were operational management, wage management, fiscal management, financial management, and restaurant management. Lastly, taking action, not giving up, and thinking outside the box were also helpful.

4.2 NoHo in Finland

The second phase of the research design contains the content analysis of NoHo financial statements and annual reports for 2020 and 2021 concerning restaurants located in Finland. This phase of the research gives additional information on the investigative questions of the research.

IQ 1. How did the COVID-19 pandemic impact and change the operations of the restaurants?

The start of 2020 for NoHo was excellent; however, their plan to focus on developing the business was halted after the severity of the pandemic became clear. The Group closed a few restaurants following the authorities' recommendations before the official closure order of the Finnish Government was issued, which was the closure of restaurants throughout the country from 4 April 2020 to 31 May 2020. NoHo took active measures and swiftly adapted its cost structure to the decreasing volume. The Group re-acted by quick driving down costs, balancing finances, extensive layoffs, and dismissals among personnel. (NOHO 2021b, 8; 18.)

From the beginning of June 2020, the company focused on gradually resuming its operations and financing its operations through cash flow. Restaurants, entertainment venues, and fast-casual restaurants gradually reopened in a controlled manner. (NOHO 2021b, 18.) In the summer of 2020, customer demand returned quickly when the market was normalized, and terraces were opened (NoHo 2021c, 7). Staff restaurants of the company were reopened in August. However, the lack of business travelers and tourists and the remote work recommendation effect had a significant impact on lunch and the weekday sales of the restaurants (NOHO 2021b, 18.)

The Group conducted the business in October 2020 according to the low scenario following the tightened restrictions on restaurants in Finland. In the low scenario, sales were assumed to be at approximately 50 percent of the previous year's level. However, the further tightening of regulations in November 2020 impaired the outlook for the rest of the year 2020, resulting in turnover for November and December 2020 below 40 percent compared to the corresponding period of the previous year. (NoHo 2021b, 19.)

NoHo started using the COVID-19 passport in all restaurants on 25 November; however, its usage was halted when the Finnish Government nationally restricted the use of the COVID-19 passport as of 24 December. This restriction resulted in almost all of NoHo's Finnish restaurants' closure and the laying off of almost all personnel in Finland, totaling approximately 1250 employees. (NoHo 2022, 10.)

Customer demand was strong when the restrictions were eased at the beginning of 2021; however, the tightening of restrictions November-December 2021 impacted the Group's turnover and profit for the rest of 2021 (NoHo 2022,12). NoHo stated that working capital could eat into cash assets due to the demand shock if the pandemic continued to be prolonged and imposed further restrictions. These restrictions would significantly influence consumer behavior, or if the Finnish Government decided to declare another state of emergency or closure, which would have led to a sudden stoppage of business operations. (NoHo 2022, 17.)

The Group used operating cash flow as its key indicator during those exceptional circumstances (NoHo 2022, 7). The increased efficiency of operational activities and cost savings helped the company limit the negative impact of the exceptional circumstances on its operating cash flow, which resulted in only -5.1 million EUR for the financial period 2020 (NOHO 2021b, 16). The operating cash flow in the year 2021 was 11.3 million euros (No-Ho 2022, 7).

The spread of the pandemic, the restrictions imposed by the Finnish Government on the restaurant industry to mitigate it, and the impacts on customers have had a highly negative effect on NoHo Partners' business operations and financial results (NOHO 2021b,18). All these factors increased the uncertainty of predicting business development in the near term and the longer term. NoHo also deduced that the pandemic situation, restrictions, and related news coverage may have had a major impact on consumer behavior and that the vaccination coverage had a considerable influence on the recovery of the restaurant industry. (NoHo 2022, 16.)

NoHo shifted from profit-oriented decision-making to cash flow-oriented decision-making when the COVID-19 pandemic hit and was gradually returned to profit-oriented decision-making as the COVID-19 pandemic eased and the market reopened (NoHo 2022, 41).

IQ 3. What was the role of cost control strategies in the restaurants prior to and during COVID-19?

The Group's highest fixed costs were staff expenses and business premises expenses. To manage this, NoHo negotiated a two-month rent exemption for April-May 2020 for 70% of its leases in Finland. (NoHo 2021b, 18.) NoHo received rent reductions and cut other costs significantly (NoHo 2021b, 9).

The Group immediately negotiated on the Act on Co-operation within Undertaking to adopt its Finnish operations after the Finnish Government announced implementing stricter restrictions at the end of September 2020. The negotiations were to minimize the monetary impact caused by COVID-19 and the Group's costs to correspond with the decline in volume due to the restrictions on restaurants. The negotiations were completed on 5 January 2021. It resulted in changes in the organizational structure, a reduction of fifty-five jobs, twenty-five jobs being part-time in the Group Executive Team, management, and administrative specialist positions, and part-time and full-time temporary layoffs. (NOHO 2021b, 18-19.)

NoHo performed a weekly analysis of the utilization rate of the restaurants and the development of sales to assess and track the amount of funding required by the business. It was done to ensure sufficient working capital and liquid assets to fund the operations and repay loans that fall due. (NoHo 2021c, 17.)

IQ 4. What other factors contributed to the survival of the restaurants during the COVID-19 pandemic?

NoHo negotiated a financing package with its financiers in spring 2020, which allowed the company to safeguard its ability to operate in 2020. At the beginning of 2021, they negotiated a longer-term financing solution for the post-pandemic reconstruction program. The negotiations were completed on 14 February 2021, in which the bridge financing and the current financier's existing loans were combined into one long-term financing package. The negotiated financing package was 141 million euros. (NoHo 2021b, 44.)

The company received grants and compensation from the Finnish state totaling approximately 5.1 million euros from January 2020-December 2020 (NoHo 2021b, 21) and around 4.5 million euros for 2021 (NoHo 2022, 10). Specification of government grants is found in appendix 5. Rent reductions totaled around 3.5 million euros in January-December 2020, with the majority of this total falling in April-May 2020 (NoHo 2021b, 25). In the financial period 2021, the total rent reductions were approximately 2.8 million euros (NoHo 2022, 12).

Restrictions imposed by the governments and their extensions would have had a negative impact on operations and cash flow for NoHo if the lessors did not agree to lease accommodation for the time period, which operations were restricted or prohibited by government decree, and if the losses caused by the restrictions were not at all compensated (NoHo 2022, 16).

IQ 5. What had been the most crucial thing to remember when operating during a crisis?

The biggest obstacle to sales growth in the restaurant sector was insufficient demand, but financial difficulties also play a significant role as an obstacle to growth (NoHo 2021b, 32). On 5 May 2020, NoHo Partners prepared a three-stage action plan for managing the impact of the COVID-19 pandemic, which shows what measures were used in different situations, as shown in table 4 (NoHo 2021b, 37).

Table 4. NoHo three-stage action plan (NoHo 2021b, 37)

Stage	Situation	Measures
Stage 1	Business environment in the state of emergency (lock-down)	<ul style="list-style-type: none"> • Focusing on quickly reducing expenses, laying off personnel and balancing finances
Stage 2	Restricted operating environment	<ul style="list-style-type: none"> • Resuming business in a managed and gradual manner over a period of 6-12 months. • Decisions on the resumption of business were made on a weekly basis and separately for each business location • The aim was to ensure a positive operating cash flow as the restaurant industry gradually recovers.

Stage	Situation	Measures
Stage 3	Strengthening competitiveness	<ul style="list-style-type: none"> Focus on strengthening the company's competitiveness in the post-pandemic market and strengthening the capital structure

During the COVID-19 crisis, NoHo strived for effective communications, harnessing all channels. Microsoft Teams was one of the most important channels, where status reviews and up-to-date information for higher-ups were managed and compiled so that everyone could pass up-to-date information on to their teams. The group had set up a crisis team for their employees, which employees contacted to answer all concerns related to the state of emergency. Anne Kokkonen, HR Director of NoHo, believed that a crisis always makes a person stronger or divides a person and that this crisis has strengthened them. (No-Ho 2021b, 46-47.)

4.3 Summary of the Analysis

To answer the research question "How did restaurants manage their operational activities during the COVID-19 pandemic?". both primary and secondary data were analyzed and categorized into themes.

Table 5 below shows an overview of the themes generated upon coding and categorizing the contents of the data. The author generated five themes and the codes that corresponded with them.

Table 5. Summary of the Qualitative Content Analysis

Themes	Codes
External factors	<ul style="list-style-type: none"> Restricted operational environment, Demand shock, Location of the business, Prior reputation, External entities' support, Seasonal change
Overall Impact on Business Operations	<ul style="list-style-type: none"> Negative financial impact, Increased productivity and efficiency, Disrupted growth development
Internal Management	<ul style="list-style-type: none"> Obtaining financial resources, Quality of food and service offering, Supply chain management, Cash management
Revenue Management	<ul style="list-style-type: none"> Change in menu mix and pricing, Increase in revenue streams, Off-premises sales, Changes on discount offering
Cost Control	<ul style="list-style-type: none"> Structural changes, Reducing and negotiating costs, Cost saving, Increased monitoring frequency, Covering operating costs and liabilities

During 2020-2021, restaurants were negatively/positively affected by external factors. These external factors were the restricted operating environment due to the Government imposed actions to mitigate the spread of COVID-19 and the demand shock brought by fear and restrictions. Other factors that affected the restaurants were:

- the location where they operated their business
- prior reputation, whether they had regular customers or popular dish offerings
- seasonal demand change
- external entities' support like banks, governments, and organizations

Due to the closures, restrictions, and shock in demand, restaurants suffered financial losses and negatively impacted their growth development. However, these had also made the restaurants focus on increasing their productivity and efficiency.

Restaurants focused on obtaining financial resources in any form- loans from banks, grants and compensations from Governments and organizations, own funds, and investors. They all believed that good quality raw materials must be used. However, they had different views and strategies regarding their food and customer service offerings. Every restaurant stressed the importance of understanding and improving fiscal and operational management and cash, which were crucial when dealing with crises. Supply chain management was also indirectly mentioned, which occurred when talking about keeping a good relationship with the suppliers and their distributors and retailers like the food delivery companies and supermarkets and negotiating with them.

For their revenue management, restaurants had to change their menu offerings either by shrinking or improving them. While not every restaurant changed their pricing, one increased while looking at the market price, and another mentioned they could price their menu above the rest during their 25th birthday event. At the same time, one mentioned that their price was done years before and based on their "true" costs. Only one restaurant had discounted its prices during the pandemic, while the other had to remove it. Increasing their sales volume was done by using an online platform, selling take-aways in different forms of delivery options, and collaborating with big markets. However, the majority of the restaurants interviewed had opposing views on taking orders using the food delivery service platform since they took commissions from the orders. Other forms of off-premises sales like building terraces outside were implemented to manage the demand during the summer season.

Restaurants had to be careful about their outgoing costs and secure as much cash as possible. NOHO restaurants went through some structural changes to save costs and expenses, like removing some administrative and redundant positions. All restaurants laid off most of their personnel and negotiated rents to reduce their fixed expenses. They also

tried to save costs by managing their inventory stocks better, procuring their supplies according to their sales demand, and avoiding unnecessary costs. Restaurants also tried to monitor their costs weekly to make sure they could pay off their falling due costs and maximize their utilization rate on productivity and efficiency.

5 Conclusion

All restaurants instantly identified that the closure would impact their business and decided to lay off their employees as their immediate action towards the unprecedented situation. During the closure, each restaurant came up with diverse ways to manage the challenges, whether by securing more cash or coming up with new ways to maximize and increase their revenue. Restaurants in an excellent financial position had enough cash to cover the business' running costs, and those with good credit scores could easily take out loans from the bank. Restaurant owners, who could not meet the criteria for financial support from the Government and other entities, such as small family restaurants, decided to not take any salaries for themselves and prioritized paying their payment obligations. While those who met the criteria and could apply still had to wait for the support. Those who could wait and had enough cash were able to survive.

When the restaurants were permitted to reopen, restaurants recognized the importance of having competent staff and enough cash to reopen the business. Owners/CEOs, who took care of their employees well, were ready and able to meet the demand when they reopened. Having other advantage factors like location, restaurant type, and reputation before the pandemic started also gave restaurants more leverage. In this case, commercially located restaurants usually get more office worker customers for lunch, which was affected considering the remote work recommendations. As the restrictions and pandemic prolonged, good management skills like operational, fiscal, and restaurant management were especially critical to the restaurants, especially those that employed staff. Restaurants said that their productivity and operational skills had improved considering all the challenges. Some were able to train their employees and improve their online platforms, and others could control their costs better by making more careful decisions on their purchases.

In conclusion, restaurants managed their operational activities by improving their skills and creating ways to increase their day-to-day sales and customer demand. Furthermore, monitoring cash flows and reducing and avoiding costs were critical to making sure they could pay their running cost or fixed costs obligations and current due payments. Finally, restaurants tried to keep and secure enough cash for their operational activities and their future growth.

5.1 Key Findings

The author found out how vital were management skills during the COVID-19 pandemic for the restaurants. Instead of focusing on the profits, restaurants concentrated on their

operational activities and cash flows and halted their development plans when the situation was uncertain. They tried ways to decrease the necessary costs and avoid unnecessary costs to stop cash outflow as much as possible. Leasers cooperated with restaurants by temporarily exempting or reducing the restaurants' rent payment obligations. Takeaways ordered directly from restaurants, for instance, via phone, were more preferred over orders done via platforms like Foodora and Wolt since the food delivery service companies took commissions. Even though enough cash was essential to reopen, having enough good employees to supply the demand was also seen as necessary by the restaurants. All in all, restaurants said that this crisis made it very tough for them but bettered them when operating and managing their restaurants.

5.2 Recommendations

This research was done to provide a broad view of the research question. The restaurants taken for analysis were all in the same hierarchy or group level. However, as the research was done regardless of restaurant size and wide range of restaurant types, it is recommended to research a specific type and limit the size to a certain range.

The author was initially supposed to analyze only fine dining restaurants in Helsinki; however, certain problems occurred during the data collection, such as the number of available respondents willing to participate. Focusing on lunch and dinner restaurants would be ideal since they usually have a fixed price for their lunch set.

Finally, the author recommends having a commissioning company can better provide specific information needed for the research. If the researcher does not want a commissioning company, the author recommends utilizing personal connections or personal visits to restaurants as it was easier to get respondents this way.

5.3 Reliability and Validity

The reliability and validity of the research were ensured throughout the research. Interviewees were asked the same set of interview questions at a set time they most preferred. The author made sure that no necessary data was left out and no additional data was added. The research analysis of the primary data was also supported and was consistent with the analysis of the research data and the literature review.

5.4 Further Research

As the research was conducted while the outlook of the COVID-19 pandemic was still unstable, the recommends further research when the pandemic is over, or the economic

situation is better. This way, true findings can be observed, and data from before, during, and after the pandemic can be compared.

5.5 Reflection on Learning

The author, as a bachelor's student, had learned about conducting and writing a thesis study, which is going to be useful when the author plans to get further education or a master's degree. The author was also educated on the restaurant industry and its management, as well as the impacts the pandemic had on the restaurants. The topics, though not specifically stated, revolved around managerial accounting, which was helpful for a financial management student. The author had a deeper understanding of cost, revenue, cash, and operational management in real business. This thesis was a challenge for the author; however, it was considered meaningful to complete this research.

References

- Aittoniemi, V. 2021. MaRa tekee toimenpidepyynnön Woltin hinnoitteluehdoista kilpailu- ja kuluttajavirastolle. URL: <https://www.mara.fi/ajankohtaista/tiedotteet/mara-tekee-toimenpidepyynnön-woltin-hinnoitteluehdoista-kilpailu-ja-kuluttajavirastolle>. Accessed: 31 March 2022.
- Bengtsson, M. 2016. How to plan and perform a qualitative study using content analysis. *NursingPlus Open*, 2, pp. 8-14. URL: <https://doi.org/10.1016/j.npls.2016.01.001>. Accessed: 3 April 2022.
- Braun, K. W. & Tietz, W. M. 2015. *Managerial accounting*. 4th edition. Pearson Education Limited. Harlow.
- Brewer, P., & Sebby, A. G. 2021. The effect of online restaurant menus on consumers' purchase intentions during the COVID-19 pandemic. *International Journal of Hospitality Management*, 94, 102777. URL: <https://doi.org/10.1016/j.ijhm.2020.102777>. Accessed: 15 July 2021.
- Brizek, M.G., Frash, R.E., Mcleod, B.M. & Patience, M.O. 2021. Independent restaurant operator perspectives in the wake of the COVID-19 pandemic. *International Journal of Hospitality Management*, 93, pp. 102766. URL: <https://doi.org/10.1016/j.ijhm.2020.102766>. Accessed: 7 July 2021.
- City of Helsinki 2021. Situation update on the coronavirus – Helsinki. URL: <https://www.hel.fi/helsinki/coronavirus-en/social-and-health/corona-situation/situation-update>. Accessed: 28 April 2021. Updated. Accessed: 6 December 2021.
- Cheng, C., Barceló, J., Hartnett, A.S., Kubinec, R. & Messerschmidt, L. 2020. COVID-19 Government Response Event Dataset (CoronaNet v.1.0). *Nature Human Behaviour*, 4, pp. 756–768. URL: <https://doi.org/10.1038/s41562-020-0909-7>. Accessed: 6 December 2021.
- Collis, J., Holt, A. & Hussey, R. 2012. *Business accounting: An introduction to financial and management accounting*. 2nd ed. Palgrave Macmillan. Basingstoke.
- Dittmer, P. & Keefe, J. D. 2009. *Principles of food, beverage, and labor cost controls*. 9th ed. Wiley. Hoboken.

Dopson, L. R., Hayes, D. K. & Miller, A. 2016. Food & beverage cost control: Study guide to accompany. 6th edition. Wiley. Hoboken.

Eriksson, P. & Kovalainen, A. 2016. Qualitative methods in business research. 2nd edition. Sage Publications. London.

Etemad-Sajadi, R. 2018a. Are customers ready to accept revenue management practices in the restaurant industry? *International Journal of Quality & Reliability Management*, 35, 4, pp. 846-856. URL: <https://doi.org/10.1108/IJQRM-01-2017-0007>. Accessed: 8 September 2021.

Etemad-Sajadi, R. 2018b. Restaurant Revenue Management Practices. URL: <https://hospitalityinsights.ehl.edu/restaurant-revenue-management-practices>. URL: 8 September 2021.

Fairlie, R. & Fossen, F.M. 2021. The early impacts of the COVID-19 pandemic on business sales. *Small Bus Econ*. URL: <https://doi.org/10.1007/s11187-021-00479-4>. Accessed: 6 December 2021.

Government Communications Department & Ministry of Economic Affairs and Employment 2020. Support to restaurants for re-employment and compensation for imposed restrictions on activities. Press release. 6.5.2020. URL: <https://valtioneuvosto.fi/en/-/10616/ravintoloille-tukea-uudelleentyyollistamiseen-ja-hyvitysta-toiminnan-rajoittamisesta>. Accessed: 15 October 2021.

Government Communications Department, Ministry of Economic Affairs and Employment, Ministry of Education and Culture, Ministry of Social Affairs & Health Ministry of the Interior 2020. Changes to restrictions imposed due to COVID-19 epidemic as of 1 June. Press release. 31.5.2020. URL: <https://valtioneuvosto.fi/en/-/10616/muutoksia-koronavirusepidemian-vuoksi-asetettuihin-rajoituksiin-1-kesakuuta>. Accessed: 13 October 2021.

Government Communications Department, Ministry of Economic Affairs and Employment & Ministry of Social Affairs and Health 2021. Government amended restrictions on restaurants and other food and beverage service businesses in many regions. Press release. 22.4.2021. URL: <https://stm.fi/en/-/government-amended-restrictions-on-restaurants-and-other-food-and-beverage-service-businesses-in-many-regions>. Accessed 23 October 2021.

Government Communications Department, Ministry of Education and Culture & Ministry of Social Affairs and Health 2020. Government, in cooperation with the President of the Republic, declares a state of emergency in Finland over coronavirus outbreak. Press release. 16.3.2020. URL: <https://valtioneuvosto.fi/en/-/10616/hallitus-totesi-suomen-olevan-poikkeusoloissa-koronavirustilanteen-vuoksi>. Accessed: 8 October 2021.

Grant Thornton Ireland 2020. COVID 19: Impact on the food industry in Ireland. URL: https://www.grantthornton.ie/globalassets/1.-member-firms/ireland/insights/publications/covid-19-impact-on-the-food-industry-in-ireland_final-030620.-pptx.pdf. Accessed: 20 March 2022.

Heo, C.Y., 2016. Is RevPASH the best performance indicator for restaurant revenue management. In Proceedings of the 14th Asia-Pacific Council on Hotel, Restaurant, and Institutional Education (APacCHRIE) conference 2016 (No. CONFERENCE). 11-13 May 2016. URL: <https://www.semanticscholar.org/paper/Is-RevPASH-the-best-performance-indicator-for-Heo/cf567f1ee7864d739aff296c2c994a74cc2b7a29#references>. Accessed: 5 July 2021.

Horngren, C., Datar, S. & Rajan, M. 2015. Cost accounting: A managerial emphasis. 15th ed., global ed. Pearson. Harlow.

Huefner, R. 2015. Revenue Management: A Path to Increased Profits. Second Edition. Business Expert. New York. URL: <http://ebookcentral.proquest.com/lib/haaga/detail.action?docID=2058342>. Accessed: 11 July 2021.

JOEM 2020. How do we Find a “New Normal” for Industry and Business After COVID-19 Shutdowns? *Journal of Occupational and Environmental Medicine*, 62, 9, pp. e531-e534. URL: 10.1097/JOM.0000000000001948. Accessed: 6 December 2021.

Kimes, S. E. 1999. Implementing restaurant revenue management: A five-step approach. *Cornell Hotel and Restaurant Administration Quarterly*, 40, 3, pp. 16-21. URL: <https://journals.sagepub.com/doi/pdf/10.1177/001088049904000315>. Accessed: 8 September 2021.

Kimes, S. E. 2004. Restaurant Revenue Management: Implementation at Chevys Arrowhead. *Cornell Hotel and Restaurant Administration Quarterly*, 45, 1, pp. 52–67. URL: <https://doi.org/10.1177%2F0010880403260107>. Accessed: 25 July 2021.

Kimes, S.E. 2008. The Role of Technology in Restaurant Revenue Management. *Cornell Hospitality Quarterly*, 49, 3, pp. 297-309. URL: 10.1177/1938965508322768. Accessed: 25 July 2021.

Kimes, S. E., Barrash, D. I. and Alexander, J. E. 1999. Developing a Restaurant Revenue-management Strategy. *Cornell Hotel and Restaurant Administration Quarterly*, 40,5, pp. 18–29. URL: 10.1177/001088049904000505. Accessed 18 September 2021.

Kimes, S. E. & Chase, R. B. 1998. The strategic levers of yield management. *Journal of Service Research*, 1, 2, pp. 156–166. URL: 10.1177/109467059800100205. Accessed: 18 September 2021.

Kimes, S.E., Chase, R.B., Choi, S., Lee, P.Y. and Ngonzi, E.N. 1998. Restaurant revenue management applying yield management to the restaurant industry. *Cornell Hotel and Restaurant Administration Quarterly*, 39, 3, pp. 32-39. URL: https://ecommons.cornell.edu/bitstream/handle/1813/71952/Kimes49_Restaurant_Revenue_Management.pdf?sequence=1&isAllowed=y. Accessed: 8 September 2021.

MaRa 2021a. Valtioneuvosto jatkaa ravintolarajoituksia – MaRa tekee kantelun erityisesti ruokaravintolasääntelyn jatkamisesta. URL: <https://www.mara.fi/ajankohtaista/tiedotteet/valtioneuvosto-jatkaa-ravintolarajoituksia-mara-tekee-kantelun-erityisesti-ruokaravintolasaantelyn-jatkamisesta>. Accessed: 2 November 2021.

MaRa 2021b. Ravintola- ja alkoholimyynti. URL: <https://www.mara.fi/toimiala/tilastot/ravintola-ja-alkoholimyynti.html>. Accessed: 6 December 2021.

Ministry of Economic Affairs and Employment 2020a. Act on support and compensation for restaurants confirmed entry into force on 5 June. Press release. 29.5.2020. URL: <https://valtioneuvosto.fi/en/-/1410877/laki-tuesta-ja-hyvityksesta-ravintoloille-vahvistettu-tavoitteena-voimaantulo-5-kesakuuta>. Accessed: 15 October 2021.

Ministry of Economic Affairs and Employment 2020b. Many food and beverage service sector businesses will receive compensation for restrictions on activities without an application-businesses can apply for job retention and re-employment support as of 5 June. Press release. Press release. 4.6.2020. URL: <https://valtioneuvosto.fi/en/-/1410877/suuri-osa-ravitsemisyriksista-saa-hyvitysta-toiminnan-rajoittamisesta-ilman->

hakemusta-tukea-tyollistamiseen-voi-hakea-5-kesakuuta-alkaen. Accessed: 15 October 2021.

Ministry of Economic Affairs and Employment 2020c. Ministry of Economic Affairs and Employment provides an updated report on coronavirus support to companies. Press release. 2.9.2020. URL: <https://valtioneuvosto.fi/en/-/1410877/ministry-of-economic-affairs-and-employment-provides-an-updated-report-on-coronavirus-support-to-companies>. Accessed: 15 October 2021.

Ministry of Economic Affairs and Employment 2021a. Companies in all sectors can apply for business cost support, some without further justification. Press release. 22.4.2021. URL: https://valtioneuvosto.fi/-/1410877/kaikkien-toimialojen-yritykset-voivat-hakea-kustannustukea-tietyille-toimialoille-tukea-ilman-lisaperusteluja?languageld=en_US. Accessed: 18 October 2021.

Ministry of Economic Affairs and Employment 2021b. Government proposal: new compensation to companies for closure of customer premises. Press release. 18.3.2021. URL: <https://tem.fi/en/-/government-proposal-new-compensation-to-companies-for-closure-of-customer-premises>. Accessed: 17 October 2021.

Ministry of Economic Affairs and Employment 2021c. Restaurants remain closed to customers until 18 April almost throughout Finland due to serious epidemic situation. Press release. 28.3.2021. URL: <https://valtioneuvosto.fi/en/-/1410877/restaurants-remain-closed-to-customers-until-18-april-almost-throughout-finland-due-to-serious-epidemic-situation>. Accessed: 17 October 2021.

Ministry of Social Affairs and Health 2020a. General obligations for restaurants, bars and cafes during COVID-19 epidemic continue to apply until end of February 2021. Press release. 29.10.2020. URL: <https://valtioneuvosto.fi/en/-/1271139/general-obligations-for-restaurants-bars-and-cafes-during-COVID-19-epidemic-continue-to-apply-until-end-of-february-2021>. Accessed: 15 October 2021.

Ministry of Social Affairs and Health 2020b. Increased flexibility in restrictions on food and beverage service businesses based on the epidemiological situation in the region and the main activities of the business. Press release. 29.10.2020. URL: <https://valtioneuvosto.fi/en/-/1271139/increased-flexibility-in-restrictions-on-food-and-beverage-service-businesses-based-on-the-epidemiological-situation-in-the-region-and-the-main-activities-of-the-business>. Accessed: 15 October 2021.

Ministry of Social Affairs and Health 2020c. Partial lifting of restrictions on restaurants, cafes, and bars from 13 July-remaining restrictions in force until 31 August. Press release. 18.6.2020. URL: <https://valtioneuvosto.fi/en/-/1271139/osa-ravintoloiden-ja-kahviloiden-rajoituksista-lakkaa-13-heinakuuta-osa-sailyy-31-8-saakka>. Accessed: 15 October 2021.

Ministry of Social Affairs and Health 2021a. Amendments to Communicable Diseases Act to restrict activities of restaurants and other food and beverage services businesses after lockdown. Press release. 16.4.2021. URL: <https://stm.fi/en/-/amendments-to-communicable-diseases-act-to-restrict-activities-of-restaurants-and-other-food-and-beverage-services-businesses-after-lockdown>. Accessed: 17 October 2021.

Ministry of Social Affairs and Health 2021b. Restrictions on food and beverage service businesses in effect until 30 June 2021. Press release. 26.2.2021. URL: <https://valtioneuvosto.fi/en/-/1271139/restrictions-on-food-and-beverage-service-businesses-in-effect-until-30-june-2021>. Accessed: 15 October 2021.

Ministry of Social Affairs and Health 2021c. Restrictions on food and beverage service businesses to be eased almost throughout Finland from 13 May. Press release 12.5.2021. URL: <https://stm.fi/en/-/restrictions-on-food-and-beverage-service-businesses-to-be-eased-almost-throughout-finland-from-13-may>. Accessed: 28 October 2021.

Ministry of Social Affairs and Health 2021d. Changes to restrictions on food and beverage service businesses – restrictions to be introduced in South Ostrobothnia and Uusimaa. Press release. 21.10.2021. URL: <https://stm.fi/en/-/changes-to-restrictions-on-food-and-beverage-service-businesses-restrictions-to-be-introduced-in-south-ostrobothnia-and-uusimaa>. Accessed: 9 January 2021.

Ministry of Social Affairs and Health 2021e. Restrictions on opening hours and serving of alcoholic beverages in food and beverage service businesses – use of COVID-19 passport restricted. Press release. 22.12.2021. URL: <https://stm.fi/en/-/restrictions-on-opening-hours-and-serving-of-alcoholic-beverages-in-food-and-beverage-service-businesses-use-of-covid-19-passport-restricted>. Accessed: 9 January 2021.

Ministry of Social Affairs and Health 2021f. Restrictions on food and beverage service businesses applicable in community transmission areas to be introduced in new regions. Press release. 30.12.2021. URL: <https://stm.fi/en/-/restrictions-on-food-and-beverage-service-businesses-applicable-in-community-transmission-areas-to-be-introduced-in-new-regions>. Accessed: 9 January 2021.

National Enforcement Authority Finland 2021. Temporary changes to enforcement legislation due to the COVID-19 epidemic will remain in force until the end of December 2021. URL:

<https://www.ulosottolaitos.fi/en/index/nationalenforcementauthorityfinland/currentissues/thecoronavirus/temporarychangestoenforcementlegislationduetotheCOVID-19epidemicwillremaininforceuntilendofapril2021.html>. Accessed: 7 November 2021.

NoHo 2021a. Growing and internationalizing restaurant pioneer. URL:

<https://www.NoHo.fi/en/>. Accessed: 6 December 2021.

NoHo 2021b. NoHo Partners Plc's Annual Report 2020. URL: https://www.noho.fi/wp-content/uploads/2021/04/NoHo_Partners_Plc_Annual_Report_2020.pdf. Accessed: 27 February 2022.

NoHo 2021c. NoHo Partners Plc's Financial Statements Release 2020. URL:

https://www.noho.fi/wp-content/uploads/2021/03/NoHo_Partners_Plc_Financial_Statements_2020.pdf. Accessed: 5 March 2022.

NoHo 2022. NoHo Partners Plc's Financial Statements Release 2021. URL:

https://www.noho.fi/wp-content/uploads/2022/03/NoHo_Partners_Plc_Financial_Statements_2021.pdf. Accessed: 22 March 2022.

Official Statistics of Finland 2021. Turnover of service industries. Turnover and output in services fell in March. Statistics Finland. Helsinki. URL:

https://www.stat.fi/til/plv/2021/03/plv_2021_03_2021-05-12_en.pdf. Accessed: 30 May 2021.

Parliament of Finland 2020a. Parliament decided on closing restaurants. Press release. 3.4.2020. URL:

<https://www.eduskunta.fi/EN/tiedotteet/Pages/020420restrictionstorestaurants.aspx>. Accessed: 8 October 2021.

Parliament of Finland 2020b. Parliament accepted financial support to the restaurant industry. Press release. 28.5.2020. URL:

<https://www.eduskunta.fi/EN/tiedotteet/Pages/parliament-accepted-financial-support-to-the-restaurant-industry-.aspx>. Accessed: 8 October 2021.

Pavesic, D. V. & Magnant, P. F. 2005. *Fundamental principles of restaurant cost control*. 2nd ed. Pearson Prentice Hall. Upper Saddle River.

Peldan, R. 2020. Temporary COVID-19 Amendment to the Finnish Bankruptcy Act. URL: <https://www.borenius.com/2020/04/30/temporary-COVID-19-amendment-to-the-finnish-bankruptcy-act/>. Accessed: 7 November 2021.

Perren, L., Berry, A. & Partridge, M. 1998. The evolution of managerial information, control, and decision-making processes in small growth-oriented service sector businesses: exploratory lessons from four cases of success. *Journal of Small Business and Enterprise Development*, 5, 4, pp. 351-361. URL: <https://doi.org/10.1108/EUM0000000006799>. Accessed: 14 March 2022.

Saunders, M., Lewis, P. & Thornhill, A. 2012. *Research methods for business students*. 6th ed. Pearson Education. Harlow.

Song, H.J., Yeon, J. & Lee, S. 2021. Impact of the COVID-19 pandemic: Evidence from the U.S. restaurant industry. *International Journal of Hospitality Management*, 92, pp. 102702. URL: <https://www.sciencedirect.com/science/article/pii/S0278431920302541#sec0075>. Accessed: 27 April 2021.

Statista 2021. *Online Food Delivery Report 2021*. URL: <https://www.statista.com/study/40457/food-delivery/>. Accessed: 1 April 2022.

Statista 2022. *Online Food Delivery*. URL: <https://www.statista.com/outlook/dmo/eservices/online-food-delivery/finland?currency=EUR>. Accessed: 1 April 2022.

Statista Global Consumer Survey 2022. *Online food delivery bookings by brand*. URL: https://www-statista-com.ezproxy.haaga-helia.fi/global-consumer-survey/tool/10/gcs_fin_202104?bars=0&index=0&absolute=0&missing=0&heatmap=0&rows%5B0%5D=v0353_eser_brandsdelivery&tgeditor=0&pendo=0. Accessed: 31 March 2022.

Statistics Finland 2021a. *Bankruptcies by industry (TOL 2008), 2003M01-2021M09*. URL: https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__oik__konk__kk/statfin_konk_pxt_11f9.px/table/tableViewLayout1/. Accessed: 1 November 2021.

- Statistics Finland 2021b. Turnover of service industries quarterly (2015=100), 1995Q1-2021Q2. URL: https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__pav__plv/statfin_plv_pxt_111z.px/chart/chartViewLine/. Accessed: 1 November 2021.
- Teivanen, A. 2021. Mara: Restrictions on Finnish restaurants are unlawful, despite easing. URL: <https://www.helsinkitimes.fi/finland/finland-news/domestic/19373-mara-restrictions-on-finnish-restaurants-are-unlawful-despite-easing.html>. Accessed: 25 March 2022.
- Waselius, C. & Väättinen, V.V. 2020. COVID-19 and insolvency – update on temporary amendment of insolvency legislation. URL: <https://www.wv.fi/news/2020/05/COVID-19-and-insolvency-update-on-temporary-amendment-of-insolvency-legislation/>. Accessed: 7 November 2021.
- WHO 2020. WHO Director-General's opening remarks at the media briefing on COVID-19 - 11 March 2020. URL: <https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-COVID-19---11-march-2020>. Accessed: 6 December 2021.
- WHO Regional Office for Europe 2021. Coronavirus disease (COVID-19) pandemic. URL: <https://www.euro.who.int/en/health-topics/health-emergencies/coronavirus-COVID-19/novel-coronavirus-2019-ncov#>. Accessed: 16 May 2021.
- Yeoman, I. & McMahon-Beattie, U. 2011. Revenue management: A practical pricing perspective. Palgrave Macmillan. New York.
- Yeoman, I.S. & McMahon-Beattie, U. 2017. The turning points of revenue management: a brief history of future evolution. *Journal of Tourism Futures*, 3, 1, pp. 66-72. URL: <https://doi.org/10.1108/JTF-11-2016-0040>. Accessed: 11 July 2021.
- Yle 2020. Coronavirus updates archive: 10 March - 10 April 2020. URL: https://yle.fi/uutiset/osasto/news/coronavirus_updates_archive_10_march_-_10_april_2020/11307944. Accessed: 8 October 2020.
- Yle 2021. Hospitality union files complaint with competition authority about Wolt pricing. URL: <https://yle.fi/news/3-12223050>. Accessed 31 March 2022.
- Zainol, N., Ahmad, R., Rashid-Radha, J. & Shah, M. 2017. Examining Food Wastage, Cash Handling and Cost Control Practices: The Case of Food and Beverage Outlets in

Malaysia. *International Journal of Business and Management*, 1, 2, pp. 182-188. URL: <http://doi.org/10.26666/rmp.ijbm.2017.2.28>. Accessed: 1 November 2021.

Appendices

Appendix 1. Interview Questions

RQ: "How did restaurants managed their operational activities during the COVID -19 pandemic situation?"

Theme 1. How has the pandemic impacted and changed the operations of the restaurants?

- 1.1 What were the immediate and long-term impacts of the pandemic on the restaurants' operations? Were there any good impacts?
- 1.2 What services did they have to change or adapt? And how did they?
- 1.3 How did the restaurant manage to survive two forced closures?
- 1.4 What has been the most crucial thing to remember when operating during a crisis?
- 1.5 How has the pandemic overall financially affected the restaurant?

Theme 2. How has COVID 19 pandemic affected the revenue management strategies of the restaurants?

- 2.1 What major challenges did the restaurant have on revenue management?
- 2.2 Which RRM strategies do the restaurant use?
- 2.3 What has changed on your RRM strategies?
- 2.4 Which of them will be temporary and which will remain even after the pandemic?
- 2.5 Which area in managing revenue techniques did, mostly, help in increasing revenues?
- 2.6 What has been the most important RRM technique used before and during the pandemic following the restrictions and closures?
- 2.7 What would you say was the role of Revenue management in your restaurant before and during the pandemic COVID-19?

Theme 3. What is the role of cost control strategies in restaurants before and during COVID?

- 3.1. What measures did the restaurant immediately take in the first quarter of the pandemic?
- 3.2 How did you handle the prime costs during the pandemic?
- 3.3 What additional costs did the restaurant incur, and what caused the costs?
- 3.4 What have been the major challenges when controlling cost?
- 3.5 What costs have been the easiest to control?
- 3.6 How has the pandemic changed the cost control strategies of the restaurants prior- and during COVID?
- 3.7 How would you compare the challenges before, during the pandemic, and now in the new normal?

Theme 4. What other factors contributed to the survival of the restaurants during COVID-19 pandemic?

- 4.1 What financial assistance did the restaurant receive, if any?
- 4.2 How would you describe the application for assistance and support from the government?
- 4.3 What other actions did the restaurant take to increase the survival rate of the restaurant?

Appendix 2. Statistical Data Extracted from Statistics Finland

Table 6. Turnover of Food and Beverage service activities in the service industries (2015=100) by Quarter, original index series in Finland (Statistics Finland 2021b)

	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3
Turnover	110.9	122.3	129.9	125.8	103.5	63.5	114.6	90.3	73.7	93.1	125.2

Table 7. Bankruptcies (TOL 2008) in Finnish Restaurants and Mobile Food Service Activities by Quarter from 2019Q1-2021Q3 (Statistics Finland 2021a)

Year and quarter	Sum of Bankruptcies instigated number of enterprises
2019Q1	55
2019Q2	62
2019Q3	52
2019Q4	50
2020Q1	64
2020Q2	49
2020Q3	31
2020Q4	19
2021Q1	55
2021Q2	43
2021Q3	29
Grand Total	509

Appendix 3. Survey information- Online food delivery bookings by brand

Statista Global Consumer Survey (2022)

Survey question: "Which of these online providers of restaurant and food delivery have you used in the past 12 months?"

Country: Finland

Questionnaire Language(s): Finnish, US English

Age of respondents: 18 to 64 years old

Type of respondents: residential online population

Table 8. Finnish Consumer Survey Details- year, respondents, periods

YEAR	Number of respondents	Survey time period	As of:
2020 Update 1	7282	18 Feb to 3 Apr 2020	August 27, 2021
2020 Update 2	13570	23 Jul to 2 Sep 2020	August 27, 2021
2021 Update 1	13073	8 Jan to 19 Mar 2021	January 29, 2022
2021 Update 2	12480	6 Apr to 14 Jun 2021	January 29, 2022
2021 Update 3	12381	6 Jul to 14 Sep 2021	January 29, 2022
2021 Update 4	12285	7 Oct to 15 Dec 2021	January 29, 2022

Appendix 4. Online Food Delivery Market in Finland

Table 9. Revenue in million (€) (Statista 2022)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Platform-to-Consumer Delivery	11	13	16	22	28	33	38	43	47	51
Restaurant-to-Consumer Delivery	70	81	100	142	179	213	241	264	280	291
Total	81	95	116	164	207	246	279	307	328	343

Table 10. Revenue Change in percentage (Statista 2022)

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Platform-to-Consumer Delivery	17.3	19.3	40.4	23.4	18.6	15.6	13.1	10.6	8.3
Restaurant-to-Consumer Delivery	16.6	22.6	42.3	26.5	18.8	13.3	9.3	6.3	3.9
Total	16.7	22.1	42.0	26.0	18.8	13.6	9.8	6.9	4.6

Table 11. Average Revenue Per User by Segment in EUR (€) (Statista 2022)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Platform-to-Consumer Delivery	87.25	90.72	93.59	95.94	100.25	101.27	101.08	100.55	99.89	99.04
Restaurant-to-Consumer Delivery	100.96	103.01	105.48	108.10	113.27	114.83	114.95	114.59	114.01	113.16
Total	112.94	115.54	118.40	121.33	127.07	128.75	128.86	128.45	127.82	126.88

Appendix 5. Specification of Government Grants

Table 12. Specification of Government Grants in Finland for Financial Year 2020-2021
(adapted from NoHo 2022, 31)

EUR 1 000	1 Jan.- 31 Dec.2021	1 Jan. -31 Dec. 2020
Compensation for restriction of operations/closure compensation *	1 800.0	4 192.0
Business cost support/compensation for fixed expenses **	2 500.0	0.0
Re-employment support	0.0	800.0
Development grant/Ministry of Education and Culture general grant	159.6	146.9
Total	4 459.6	5 138.9

* Includes closure compensation for medium-sized and large companies in 2021 and the compensation received in 2020 for the restriction of operations.

** Includes compensation for uncovered fixed expenses in accordance with the 2021 EU state subsidy program and business cost support.