

# Strategies Employed by Restaurants in the Province of Nueva Vizcaya to Survive the Impacts of Pandemic

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DOI : <https://dx.doi.org/10.47772/IJRISS.2024.803089S>

Received: 16 April 2024; Revised: 14 May 2024; Accepted: 16 May 2024; Published: 20 June 2024

## ABSTRACT

Despite the challenges presented by COVID-19, the crisis became a threat and an opportunity for food entrepreneurs. For them to thrive, the use of marketing strategies is a must. The strategies they apply to attract customers, not only locally but internationally, interest and intrigue the researchers. This research led to knowing the strategies employed by restaurants located in Nueva Vizcaya, Especially on the two well-known restaurants in Bayombong and Bambang. The researchers utilized a qualitative approach and a two-part interview guide was used. Results showed that both restaurants mentioned that the pandemic played a huge role in their struggles in operation, sales, marketing, and source of suppliers. They also mentioned that social media as their marketing tool became their benefit regardless of the crisis, along with coordinating third-party delivery applications. The study showed that the challenges were derived from the informants' experiences. There were still difficulties, such as a slow and low inflow of cash, lack of operations management skills and facilities for marketing, bargaining power of the suppliers, quality service, expenses and bills incurred, and management of employees. The informants then recommended that for marketing strategy, complex options and delivery schemes of products and contingency plans in sales are recommended to prevent any other difficulties brought by the COVID-19 pandemic.

**Keywords:** Restaurant, strategies, pandemic, operations, sales, marketing, source of suppliers

## INTRODUCTION

As the economy continues to expand its scope and components, there are systems and portions of it that each does their role and provides huge contributions over the years. The economy consists of numerous distinct industries centered on service businesses. They have continued their production to provide for the people involved over the years. One of the largest industries in the Philippine economy is the food service business, wherein innovations are made to add value and serve customers to meet their demands with food and beverages (CED, 2017). Based on the Philippine Statistic Authority (2019), the restaurants and mobile food service activities industry group contributed the highest share of total revenue, amounting to PHP 643.79 billion (70.1%).

Moreover, food service businesses aim to prepare, produce, distribute, and serve food products outside their operating location (Thomas, 2022). Companies under this sector offers their dedication in creating food products and service to customers to receive constructive and proper feedback and have the business continuously grow towards success. The food sector is known to be very vibrant and lively; creativity and skills are implemented to carry out the food production process. The customers are usually in groups, such as families and friends, seeking new experiences and memories. Facilities under food service need guidance when they are operating and strategies are applied to them. In the Philippines, the food industry continues to widen its reach phenomenally, and more people become involved (Masigan, 2019). Numerous food retail forms, such as fast-food chains, kiosks, cafes, bars, and restaurants, revolve around one vital component: food and beverages. One of the forms of food retail is that it is viewed as productive and elegant. Restaurants are the largest component of the food industry, especially because these establishments consist of food service, and hospitality is applied to service provision to those who choose to be guests related to food retailers.

This global crisis threatened the Philippines and numerous challenges in sub-industries in creating ways to rise back from the pandemic. Although ironically, even if such hindrances came into the picture, food businesses have gained more popularity since the pandemic appeared and took place and has brought success to many other food entrepreneurs. The success brought by food business operators served as an inspiration to other businesses regardless of the pandemic. Their stories of success all boiled down to the implementation of strategies and adjustments to the change (Plaza, 2022).

Food has become an essential factor in choosing a location and a vital component of the travel experience. Nueva Vizcaya is bimming with heirloom recipes, food-centric festivals, olden cooking practices, and home to world-class homegrown culinary talents (Gutierrez et al., 2022). Nueva Vizcaya is most known for their products such as tupig, buko pie, pansitvizcaya, and bukopancit. More recipes and cuisines have made the public enjoy eating and consuming; the region's restaurants even received comments claiming their food, compared to the fancy restaurants in Manila, is much better and flavorful, for there is a homey ambiance (Happy Foodies, 2022). The region is considered one of the apparent food destinations in the Philippines and has gotten the chance to be featured by Restaurant A, Farm to Table, and *Biyaheni Drew*. Those shows already have a wide reach and continue to intrigue other more curious travelers and customers with what Nueva Vizcaya has in store for them. One of these successful stories is a homegrown restaurant chain called Penong's Barbecue Seafood & Grills. This restaurant was founded in the year 2004 in the city of Davao and has been a huge hit with the locals in the area due to its products and methods of cooking. With the help of social media and the internet, they could strengthen their online presence through frequent advertising, which expanded their reach to other platforms and allowed more customers to connect to their restaurant. Delivery sales also are a strategy that brings the restaurant to success. They partnered with Food panda in 2020, increasing their presence to 27 stores online and even recommending their restaurant to customers seeking new places and food.

No study has found whether restaurants in Nueva Vizcaya have been successful. Still, according to their operations, they have been operating here for many years. Restaurant A has been operating for ten long years; the place became the restaurant and pastry shop Novo Vizcayanos bring their visiting friends to. As its tagline goes, Restaurant A is the taste you proudly like to share, but surviving for ten years in this highly competitive field was not easy (Buctayon, 2020). Restaurant A in Bayombong and Restaurant B in Bambang are pioneers in the food industry in the province of Nueva Vizcaya. Restaurant B is considered a pioneer in the food industry because they are known for its food, such as *chicharonbulaklak*, grilled chicken, and meat. It is also known as the second oldest restaurant in Nueva Vizcaya. Quaddro Café is the oldest here at Bayombong Saber Inn. Restaurant A is also a pioneer in the food industry because it has been visited by well-known personalities that went to the restaurant and has been featured in the tv show farm to table. Restaurants were forced to close and cease operation immediately due to health risks. Restaurant A and Restaurant B did not cease during the pandemic, physical they closed, but through online and delivery, they were very much open. This is how both restaurants managed to operate without being physically opened to the public, and because of the thought of survival, both restaurants.

## METHODOLOGY

This study employed a qualitative-descriptive type of research and utilized on-on-one, face-to-face interview to gather data concerning the strategies used by the restaurant owners during the pandemic. The study was conducted in the municipality of Bayombong and municipality of Bambang. Purposive sampling was used in selecting the research informants. Two (2) informants were interviewed for the research study, the owner/executive of Restaurant A in Bayombong along with an employee, and the owner of Restaurant B in Bambang. All informants had been in the business for a decade, meaning they have been in operation before the pandemic. The researchers compiled the information from the data gathered and provided a summary of findings where the informants' code and answers to every question were interpreted using a story-boarding technique. These were subjected to the analysis and interpretation at the option of the university analyst.

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## RESULTS AND DISCUSSION

### Section 1. Business Profile of the Restaurants

This section provides the business profile of restaurants which is Restaurant A and Restaurant B, about the type of food service business, years of operations, seating capacity, number of employees, locality, and business hours.

#### A. Type of Food Service Business

In this study, the informants were asked about their food service operation in terms of casual dining places and restaurant ambiance. During the interview, the owner of Restaurant A answered that they are a family-oriented restaurant. On the other hand, a disclaimer was added that most of their customers labeled Restaurant A as a Fine Dining Restaurant. To quote, the owner of Restaurant A said, *"We started with the customer's impression of fine dining, but we are not, since it's a family-themed restaurant."*

On the other hand, the owner of Restaurant B classifies themselves as a casual dining restaurant since they don't have complete table appointments such as dining cutleries and tablecloths. In verbatim, owner of Restaurant B, said *"if you say fine dining may mgakubyertosyan, completeiyan."*

#### B. Years of Operations

In the interview, the key informants revealed their years of restaurant operation and how they survived. The owner and executive of Restaurant A mentioned that her business has been operating for 13 years since 2010. It was the first outlet of a white stone corporation owned by their head company. In verbatim, the owner of Restaurant A said, *"So we've been open for more than 13 years, and this is the first outlet of a white stone corporation. After this, we opened our baking commissary site."*

On the other hand, the owner of Restaurant B mentioned that her restaurant has been operating for 19 years since January 2004. She added that every year she renovates her restaurant to meet the demands of their customers. To quote, the owner of Restaurant B said, *"So saying kaya every year may renovation nanangyayari noon to fit in the demands of the customers."*

#### C. Seating Capacity

Through this interview, the researchers found that both restaurants have limited operational pre- and post-pandemic highlights. Restaurant A mentioned that they started with 60 seaters and expanded to almost 100 seaters before the pandemic, plus the function that can cater to more guests; during the time of the pandemic, they utilize a limit-service; in verbatim, the owner of Restaurant A said: *"In 2015, we expanded from a 60 sitter to 100 sitters, plus also yung capacity for function rooms."*

*Restaurant B stated that their initial sitting capacity was 16 seats and that they can accommodate up to 220 seats indoors and outside as the business grows. With the pandemic, they also utilize limited services. To quote, the owner of Restaurant B stated, "It was a 16 seater, four tables lang.....I can say now it can accommodate even during the outdoors, comfortable seating up and down and the garden 220."*

#### D. Number of Employees

It is evident during the first years of the pandemic the manpower of every working establishment has reduced their staff almost in half to retain manpower sufficient enough to continue operations of the business still. During the interview, the owner of Restaurant A answered that at the start of their early years in operation, their manpower was only at a small scale. To note, *"The number of people we began with our business having only ten employees," So, probably like 5 in the kitchen and 5 in the dining area."*

Likewise, the owner of Restaurant B mentioned that they always have been maintaining a regular line of employees during its first years of operations. In addition, they hire part-timers from outside the province and

students who want to work to earn. As the owner of Restaurant B mentioned, *“I maintain regular line employees. The rest mga part-time students, the rest contractual”*.

### **E. Locality**

In this study, the informants were asked about their location in terms of effectiveness and their target market. During the interview, the owner of Restaurant A answered that their target market is mostly locals and travelers. To quote, Restaurant A said, *“We are a community restaurant that serves the locals and also travelers en route to farther north going to Banau.”*

On the other hand, Restaurant B stated that their location will benefit them since it’s just around the center of the locals; the owner of Restaurant B stated that *“I desired to be with my mother because she has no companion here in our province since our location is effective.”*

### **F. Business Hours**

The time 8:30 PM as the closing time is essential for the customers since it serves as the last call, and arriving at or before the said time would allow the customers to be accommodated. *“Both Restaurants start operating at 9:00 a.m. and close their stores around 8:30 p.m.”* Restaurant A stated that their operating hours were constantly changing, especially during the pandemic. In verbatim, Restaurant A said, *“This is constantly changing, especially during the pandemic, but for now, we’re keeping an opening hour of 9 a.m. and closing our restaurant at 8:30 p.m.”*

On the other hand, Restaurant B mentioned the closing hours are at 8:30 PM, which allows the employees who work in the facility to clean up and go home at 10:00 PM since the owner has brought up that most of the employees live near the area are about 10% were living out of town.

## **Section 2. Business Strategies**

This section provides restaurants' business strategies, which are Restaurant A and Restaurant B. The researchers were able to come up with four themes: strategies in operation, strategies in sales, strategies in marketing, and strategies on source of suppliers. Each theme has three things that could be provided. These were challenges/experiences acquired by the informants, advantages/disadvantages, and strategies employed in their restaurant during the pandemic and new normal.

### **A. Strategies in Operation**

Operations strategy involves making decisions based on various variables, including product management, supply chain management, inventory, forecasting, scheduling, quality, and planning and management of facilities (Blogs, 2022). In this study, the two informants were asked about their restaurant's operations. The informants shared their experiences or challenges in adapting to the pandemic's changes and how they survived it. The pandemic has presented unprecedented challenges for restaurants in terms of operation. One of the major difficulties faced was the mandated closure or severe restrictions on indoor dining, which resulted in a significant loss of revenue. Both restaurants had been closed for a month and stopped all their operations. To quote, restaurant A said, *“We were closed for a month,”* while Restaurant B *“We closed for about three months during the onset of the pandemic.”*

### **B. Strategies in Sales**

Finkle (2021) states that just 43% of disaster-affected businesses restore operations. 29% of the enterprises that resumed operations failed within two years. Restaurant owners and operators cannot anticipate every potential disaster, but preparing for everyday and extreme events will provide resilience and a road of recovery to bounce back. In this study, the informants were asked about their strategies in sales in terms of how their sales from the pandemic were. During the interview, the owner of Restaurant A answered that their sales have decreased because of the limited number of guests. To survive, they needed to adapt to the changes; they profited from the tomatoes being dumped while supporting the farmers by directly buying them. They turn

tomatoes into products by making tomato sauce, ketchup, and Barbeque sauce; they earn a minimum profit, just enough to survive. To quote, the owner of Restaurant A stated that *“the key point is for us to be adaptable to the situation. What should we do? So that we can also generate profit.”*

On the other hand, Restaurant B has also been challenged with its sales because they do not have sales during the pandemic, similar to Restaurant A, where they purchased stocks. Still, an uncertain pandemic came, and their income became stagnant. They became open to losses even when it re-open. To quote, the owner of Restaurant B stated, *“I knew that it would not earn any income; it would not earn anything. It will just be; we will open for the losses. When we re-open, there’s no income and then skeletal force.”*

### C. Strategies in Marketing

According to Widyasari et al. (2021), opening a business after a pandemic has different challenges from the economic conditions before the pandemic. A new approach for restaurant business development, such as online meal ordering, is required so that dining establishments can continue operating while adhering to government rules, health protocol education, and using digital wallets as a payment mechanism can help you win over customers. With this innovative marketing approach, it is hoped that patrons will be able to trust the restaurant and feel confident visiting it again.

The key information was gathered from both restaurant owners. They believe it was tough to operate a restaurant owing to the government's protocols, rules and regulation, which they had to observe because the fines would greatly impact the capital.

However, unlike other restaurants, both were recognized for their fast food and take-out even before the epidemic. Restaurant B stated that many of their clients use the take-away meal option to be personally delivered by the staff, however due to uncertain scenarios, they had to discontinue delivery options. In verbatim, Restaurant B stated *“because one of my employees delivered, in ayosniyahabangnagmomotorsiya, sumemplangsiyasasinusundanniyangsasakyan kaya hindi ko nasilainallowma deliver.”*

### D. Source of Suppliers

In the debate over food's sustainable future, reports like "buy local" are common in periodicals and the media, bolstered by the narrative that buying "local food" delivers ecological benefits, health, and socio-economic benefits (Schmitt et al. 2017). This helped both establishments to keep their business on track before, during, and after the pandemic. They prefer and prioritize local produce, but neither have a choice but to import.

The owner of Restaurant A stated that they must cooperate with different types of transportation, specifically on trucking, that allows businesses to order their raw ingredients. To quote, the owner of Restaurant A said *“yun online through nagtra tracking kami para langmaideliveryung supplies nakailangannamin.”*

Likewise, Restaurant B also prioritized local products before outsourcing. Outsourcing has become more prevalent in the last decade, and recent statistics indicate that corporations usually outsource or buy from suppliers in developing areas to save money and reduce costs Sancha et al. (2019). As mentioned by the owner of Restaurant B *“Okay naman ang supplies madamikasi agricultural tayo.”*

Table 2: Summary of Strategies Utilized by the Restaurants

The following are the identified strategies utilized by the Restaurants’ Management based on the interview in terms of Operation, Sales, Marketing, and Source of Suppliers	
A. Operations	<ul style="list-style-type: none"> <li>• Engaging in take-out and delivery operations for efficiency</li> <li>• Innovating Menu</li> <li>• Providing shifting hours for Employees</li> </ul>

B. Sales	<ul style="list-style-type: none"> <li>• Streamlining menus that can cater to the needs of the people</li> <li>• Creating products from locally sourced ingredients</li> <li>• Renovating the establishment to enhance its appeal, thus, potentially increasing sales</li> </ul>
C. Marketing	<ul style="list-style-type: none"> <li>• Utilizing social media</li> <li>• Distributing of door-to-door flyer scheme</li> </ul>
D. Source of Suppliers	<ul style="list-style-type: none"> <li>• Engaging with third-party delivery of supplies that are out of the locality as additional back-up</li> <li>• Maintaining mutual relationships with your suppliers</li> <li>• Utilizing the local market and homegrown farm for additional sources of supplies</li> </ul>

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

The following are the conclusions drawn from the analysis and interpretation.

The study's informants shared insights on their experiences and ways they survived the impact of the pandemic. From their perspective, both pointed out that the pandemic had a massive impact on their operation, sales, marketing, and source of suppliers. In terms of their business profile, both restaurants have been in operation for over a decade together with their loyal staff that has now grown into what they consider a family that has contributed to the operation of the business following the pre, during, and post-pandemic. Utilizing the locality of both restaurants, they have been expanding their capacity to bring in people who want to experience the casual and family-oriented dining experience. Operating hours have been affected due to the changing health regulation the government has imposed; however, despite that, they still managed to continue to operate even with the different schedules they have made in their business during the pandemic.

The benefits gained from the pandemic are derived from the informants' personal experiences and strategies used to combat the impacts of the pandemic. In terms of their operation, the informants have shared their insights on engaging with take-outs and deliveries for efficient and contactless operations during the pandemic. Most informants stated that using social media as a marketing tool is beneficial to them in terms of media presence and coordination, as well as engaging with third-party delivery companies that serve as an extension of their marketing promotion. Suppliers are the pillar of the operation of a business, which is why even before the pandemic, it was already the suppliers as one of the pillars in keeping the business running. In the study, the challenges brought by the pandemic were derived from the informants' experiences. The researchers have identified eleven strategies that can be utilized for future business owners to adapt and use in building their dream businesses. The recommendation of the informants from their experiences during the pandemic is on the marketing strategy and sales.

### Recommendations

The researchers recommend the following:

1. In the wake of the pandemic, delivery services have emerged as a critical source of revenue for affected restaurants. The increasing demand for convenience and fast service has resulted in a surge in food delivery and related services. Restaurants can leverage this trend by engaging third-party delivery companies to handle orders. Alternatively, they can establish their delivery fleet, which will require

- them to invest in a training program for their delivery staff. Such a program should cover matters such as the proper use of insulated delivery bags, safe loading and unloading of food and drink orders in their vehicles, and appropriate methods for delivering orders to customers hygienically and securely.
2. To SAB-HTM-related courses, particularly in business and entrepreneurship subjects, this research can be used as a learning material for the students and teachers to gather necessary information about the topic they want to discuss and find relevant answers to their queries regarding their subject.
  3. To future researchers who would want to continue this research, this may serve as their basis and guide in crafting a more detailed research output concerning business owners' strategies during the pandemic. As they search for more information, they will be able to create and discover more strategies in the future.

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