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Risk Factor of Newly Opened Restaurants in the New Normal: Basis for Risk Management Plan

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Abstract:

Restaurants and foodservice businesses were some of the first economic activities severely impacted by the COVID-19 pandemic. Dining in restaurants virtually stopped overnight in cities and states as social distancing guidelines took effect (Bauer, 2020). The coronavirus pandemic is forcing the restaurant industry to look into a different business model that would embrace the "new normal" setting (Forés, 2020). Descriptive design was used to determine the degree of the risk factors newly-opened restaurants in the new normal at Bacolod City as basis for risk management plan, where a total of 130 Owners will answer a research made survey instrument and the data gathered will be subjected to SPSS with frequency count, percentage, mean and Mann-Whitney U test as statistical tools and descriptive and comparative will be used as analytical schemes. Results revealed that degree of risk factors of newly-opened restaurants in the new normal on the areas of financial risk, competitive risk and operational risk were high degree. When grouped according to variables type of ownership, type of restaurant, size and location, degree of risk factors of newly-opened restaurants in the new normal in all areas of financial risk, competitive risk and operational risk revealed high degree across categories. No significant differences were found on the degree of risk factors of newly-opened restaurants in the new normal on the area of financial risk and operational risk when respondents were grouped and compared according to variables. In addition, no significant differences were found on the degree of risk factors of newly-opened restaurants in the new normal on the area of competitive risk when respondents were grouped and compared according to type of ownership, type of restaurant, size. On the other hand, significant difference was found on the degree of risk factors of newly-opened restaurants in the new normal on the area of competitive risk when respondents were grouped and compared location. according to location. Therefore, it was recommended that location needs to be considered as it is an important aspect in putting up a business. Thus, owners must look for a good location which is accessible to consumers such as near business centers in order to have a good target market. Finally, all restaurants are experiencing the same problem due to COVID19 pandemic, they are struggling to operate, strictly complying to the health and safety protocol, but are still doing their best to serve its customers, maintain their employees and sustain their business operation.

Keywords: New Normal, Management Plan, Restaurant, Risk Factor

Introduction:

Restaurants and foodservice businesses were some of the first economic activities severely impacted by the COVID-19 pandemic. Dining in restaurants virtually stopped overnight in cities and states as social distancing guidelines took effect (Bauer, 2020). The coronavirus pandemic is forcing the restaurant industry to look into a different business model that would embrace the "new normal" setting (Forés, 2020).

Data coming from the Business Permits and Licensing Division of Bacolod City records an average of 250 Food and Beverage establishments opened in the year 2018 up to the first quarter of 2020 showing that people of Bacolod are into food and beverage business and that Bacolod city is progressive and a developing city. However due to Covid-19 pandemic, almost 40% of food and beverage establishment was declared closed by the department of Business Permit and Licensing Division. For the first time in history, the world is facing a crisis that has suspended the future of all types of restaurants, with an extraordinarily important weight on the world economy and especially on destinations with gastronomic vocation, as well as the thousands of people who work in food and beverage industry but in the best-case scenario, thousands of people will lose their jobs due to cost reductions and that, thousands of spaces, whether recently opened or older, may permanently cease operation.

The researcher as a culinary instructor and a restaurant owner has the main reason to push through this study, to determine and help his fellow restaurant owners cope the threats which affect food and beverage industry. During this time of pandemic restaurants owners are struggling to run their business because of some restrictions in health and safety protocols required by the local government officials. Covid-19 challenges the restaurant owners to think on how they will approach the new normal. Also, they are facing different problems like financial, product cost, labor or manpower and some rentals. This study will help them cope with the new normal in the food and beverage industry.

It is for the above purpose that this study was conducted to determine the threats that will affect newly opened business in the new normal and how they should cope during this pandemic crisis, and to develop rapid response strategies to help restaurants avoid the threats that could affect the operation of their business.

Objectives of the Study



This study aimed to determine the degree of the threats of Newly-Opened Restaurants in the new normal at Bacolod City from June 2020 to February 2021 as a basis for a risk management plan. Specifically, this study sought to answer the following questions.

1. What is the profile of the Newly-Opened Restaurants in terms of the following variables?
 - a. Type of Ownership
 - b. Type of Restaurant
 - c. Size
 - d. Location
2. What is the degree of threats of Newly-Opened Restaurants in the new normal according to the following areas?
 - a. Financial Threats
 - b. Competitive Threats
 - c. Operational Threats
3. What is the degree of threats of Newly-Opened Restaurants in the new normal when respondents are grouped according to the aforementioned variable?
4. Is there a significant difference in the degree of threats of Newly-Opened Restaurants in the new normal when respondents are grouped and compared according to the aforementioned variables?
5. Based on the findings of the study, what risk management plan can be formulated?

Literature Review:

Threats of Newly-Opened Restaurants. This vulnerability of the restaurant industry is likely to result from behavioral changes in response to the crises. Amid the COVID-19 pandemic, one of the distinctive behavioral changes is self-preventive practice (e.g., social distancing), which is considered crucial in flattening the infection curve (CDC, 2020). Such a practice has also been recommended by food safety authorities to maintain a space of at least 6 feet in restaurants. These critical preventive practices limited the operational capacity of restaurants, thereby resulting in an evident decrease in financial performance. Another reason of the economic devastation of the restaurant business during this pandemic is government lockdown and business shutdown orders. These stringent restrictions had led to the rapid closure of businesses, thereby resulting in billions of dollars' worth of business losses. In the US, a bailout package of \$150 billion was sought to overcome such business devastation (Ozili and Arun, 2020).

COVID-19 is a major disruptor of the tourism and hospitality industries (Gössling et al., 2020). The fear of the virus forced governments to undertake various actions to slow its spread. Borders were closed, airplanes were grounded, hotels, restaurants, conference and convention venues, and other hospitality companies had to close their premises, compulsory quarantine measures were imposed on populations, physical distancing was introduced as a recommended social behavior of people (Nicola et al., 2020). As a result of tourists' fear of the virus and governments' actions to curb it tourism demand plummeted (Dube et al., 2020) and many companies had to fire their employees due to the lack of financial resources to pay salaries (Hanson, 2020), while others went into default. The work's motivation is to demonstrate how the energy market responds to the recent pandemic outbreak and find the effects of federal support and bailout package on the energy markets. Threats of Newly-Opened Restaurants. Based on the premise of Puglisi, 2018, food quality is formed by the perceptions held by consumers, the present contribution draws on the assumption that one important key to the understanding of the food quality evaluation is the discovery of the cues used by consumers in this process. This understanding of consumers' perceptions of food quality is highly relevant because their buying decisions depend on these frames.

The situation is complicated even more according to Malina, 2019, when consumers' interpretation of quality contradicts the official definition of it; that is, when perceptions create barriers in recognizing food quality or when consumers' interpretations generate a quality perception for food products that do not qualify to receive it. Consequently, based on these assumptions of Gilmore, 2018, it is self-understood that differences in food quality perceptions appear over time and places. This complex and dynamic character of food quality requires its constant investigation to capture as much as possible its current meaning. Women make significant contributions to the food and agriculture sector in many developing countries (Food and Agriculture Organization, 2011).

A recent study by Akter et al. (2017) revealed that compared to men, women in these countries actually have the same level of access to resources, including land and production inputs. Further, the authors found that women, may, in fact, have greater control over household income. As a result, they may have relatively higher participation and more influence in household decisions compared to women in other developing countries (e.g., Achandi et al., 2018; Ragsdale et al., 2018; Sell and Minot, 2018). Despite this, the global burden of occupational diseases is continuously growing around the world, Lancet 2017, requires a growing commitment on the part of all nations. Generally, these legislative measures have especially taken into account traditional (chemical, physical or biological) risk factors. However, safety and health legislation less frequently takes into consideration the so-called "fourth group", that is the psychosocial occupational risk factors. Psychosocial hazards (PSH) have been identified as one of the key emerging risks in safety and health (Morbis, 2019).



Findings and Discussion:

This section presents the discussion of the research methodology used, the subjects and respondents of the study, the research instruments used, the validity and reliability of the instruments, the procedure for data gathering, and the statistical tools and procedure for data analysis.

Research Design

Considering the nature of the data involved, descriptive research design was used in this study. Descriptive research is valuable in providing facts in which scientific judgment may be based, providing essential knowledge about the nature of objects and persons and for closer observation into the practices, behavior, methods, and procedures, and playing a large part in the development of instruments for the measurement of many gathering instruments like questionnaires, tests, interviews, checklists, score cards, rating scales, and observation schedules, and formulating of policies in the local, national, or international level (Calmorin, 2016). Likewise, descriptive research design engages in fact-finding procedures particularly in conditions and relationships that exist, practices that prevail, beliefs that are held, processes that are going on, effects that are being felt or trends that are developing. Considering that this study aims to determine the degree of threats of Newly-Opened Restaurants, the researcher considers the descriptive research design as the most appropriate tool to use. Descriptive research design is valuable to this present study in providing facts and scientific judgement based on assessing this study. Also, this design is appropriate for the study as to know the present situation and to determine the prevailing issues making adequate and accurate interpretation of the data.

Respondents of the Study

The respondents of the study are the 120 owners of Newly-opened Restaurants in Bacolod City in the New Normal. Since the number of the respondents are quite manageable, total enumeration was employed. No sampling technique was utilized.

Table 1. Distribution of the Respondents

Date of Registration	Population (N)	Percentage (%)
2020	70	58.33
2021	50	41.67
Total	120	100

Data Gathering Instrument

A researcher-made survey questionnaire was used in gathering the data to determine the degree of threats Newly-Opened Restaurants in the new normal from June 2020 to February 2021. The questionnaire was divided into two parts wherein Part I deals with the profile of respondents in terms Type of Registration, Type of Restaurant, Number of Employees, Location. Part II of the questionnaire is a 30-item statement for the areas, 10 for financial threats, 10 for competitive threats, 10 for operational threats which measures the degree using 5-point Likert scale rating with 5 as always, 4 as often, 3 as sometimes, 2 as rarely and 1 as almost never.

Validity

Validity is defined as the extent to which a concept is accurately measured in a quantitative study. Research validity in surveys relates to the extent at which the survey measures right elements that need to be measured. In simple terms, validity refers to how well an instrument as measures what it is intended to measure (Heale & Twycross, 2015).

The research instrument was subjected to face validation where three experts were asked on their opinion about whether an instrument measures the concept intended. The jurors are professionals and known to be competent and expert in this field.

The first validator holds a Doctor of Philosophy Major in Business Management, former Dean of SHTM La Consolacion College Bacolod and a restaurant owner. Second validator holds a degree a Master's Degree in Business Administration and has been with STI West Negros University for 4 years as an Administrative Assistant at the Office of Vice President for Communications and Academic Support Services. The third validator holds a Master's Degree of Business Administration, visiting lecturer in Universitas Mahasaraswati Densapar, Bali Indonesia and a Cafe owner.

The researcher ensured that the items reflect the desired construct hence suggestions and recommendations of the jurors will be noted and thoroughly incorporated. As to the appropriateness of the items in the questionnaire, each juror was requested to rate the instrument using the validation criteria created by Carter V. Good and Douglas E. Scates. The interpretations are as follows:

Excellent (4.21 – 5.00); Very Good (3.41 - 4.20); Good (2.61 – 3.40); Fair (1.81 – 2.60); Poor (1.00 – 1.80).
The validity index was 4.41 which is interpreted as "Excellent" making the instrument valid.



Reliability

According to Bueno (2016), Reliability refers to the consistency of the scores or answers from one administration of an instrument to another, and from one set of items to another. To test the reliability of the questionnaire, the researcher used Cronbach's Alpha. Cronbach's Alpha provides an indication of the average correlation among all of the items that make up the scale. (Abad, et al., 2015). Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability (Glen, 2014). A "high" value for alpha does not imply that the measure is unidimensional. Reliability coefficient of 0.70 to 1.0 is considered "acceptable" in most research situations.

The dry-run respondents were the 30 managers/owners of Excellent (4.21 – 5.00); Very Good (3.41 - 4.20); Good (2.61 – 3.40); Fair (1.81 – 2.60); Poor (1.00 – 1.80) in Talisay City and Silay City.

The computed reliability value was 0.903 interpreted as "Excellent" making the instrument reliable.

Data Gathering Procedure

After establishing the validity and reliability of the instrument, the researcher wrote a letter to the Managers/Owners of Newly-Opened Restaurants asking permission for the conduct of the study. Upon approval, the researcher set a schedule for the data gathering with the letter request to restaurant owners and managers. In the conduct of the study, the researcher explained the purpose of the study personally and administered the questionnaire to the respondents to guide them carefully in answering and giving the needed data, and retrieved the questionnaires. The respondents were assured of the confidentiality of the data gathered. The Statistical Package for Social Sciences (SPSS) was used in the processing of the encoded data.

Analytical Schemes

In accordance with the objective of the study and the statement of the problem, the data that the researcher gathered were subjected to tabulation, statistical analysis, and interpretation. The data obtained were analyzed using descriptive and comparative analytical schemes.

Objective No. 1, which is to determine the profile of the Managers/Owners in terms type of registration, type of restaurant, size, location descriptive analytical scheme was used.

Objective No. 2, which is to determine degree of threats of Newly-Opened Restaurants in the new normal according to the areas, financial threats, competitive threats, operational threats, descriptive analytical scheme was used.

Objective No. 3, which is to determine the degree of threats of Newly-Opened Restaurants in the new normal when the respondents are grouped according to the aforementioned variables, descriptive analytical scheme was also used.

Objective No. 4, which is to determine whether or not a significant difference exist in the degree of threats of Newly-Opened Restaurants in the new normal when the respondents are grouped and compared according to the aforementioned variables, comparative analytical scheme was utilized.

Statistical Tools

For the analysis of data, the following statistical tools were utilized depending on the nature of the problems and hypotheses of the study.

Objective No. 1, which is to determine the profile of the Managers/Owners in terms type of registration, type of restaurant, number of employees, location frequency count and percentage were used.

The use of percentages is a way of expressing ratios in terms of whole numbers. A ratio or fraction is converted to a percentage by multiplying by 100 and appending a "percentage sign" % while a percentage frequency distribution is a display of data that specifies the percentage of observations that exist for each data point or grouping of data points. It is a useful technique of expressing the relative frequency of survey responses and other data Weisstein, (2021).

Objective No. 2, which is to determine degree of threats of Newly-Opened Restaurants in the new normal according to the areas, financial threats, competitive threats, operational threats mean was utilized.

According to Bruce & Bruce (2017), the most basic estimate of location is mean, or average value. The mean is the sum of all the values divided by a number of values. Mean, also known as arithmetic average, is defined as the value of which we get by dividing the total of the values of various given items in a series by the total number of items. Its main use consists of summarizing the essential features of a series and enabling data to be compared.

The mean range and interpretation shall be as follows:

Mean Score Range

Verbal Interpretation



4.50	-	5.00	Very High Degree
3.50	-	4.49	High Degree
2.50	-	3.49	Moderate Degree
1.50	-	2.49	Low Degree
1.00	-	1.49	Very Low Degree

Objective No. 3, which is to determine the degree of threats of Newly-Opened Restaurants in the new normal when the respondents are grouped according to the aforementioned variables, mean will also be utilized.

Objective No. 4, which is to determine whether or not a significant difference exist in degree of threats of Newly-Opened Restaurants in the new normal the respondents are grouped and compared according to the aforementioned variables, Mann-Whitney U Test was utilized.

Mann-Whitney U test is used to determine whether two independent samples have been drawn from the same population (Panneerselvam, 2015). Mann-Whitney U test is a non-parametric alternative to the t-test for the difference between the two independent means (Johnson and Cubby, 2014). It is the test that is use to compare two population means that are not equal or equal. It is also used for equal sample size, and to test the median of two populations. If the p-value is less than or equal to 0.05 level of significance, then reject the null hypothesis. Accept the null hypothesis, if the p-value is greater than 0.05 level of significance.

Profile of the Respondents according to the variables Type of Ownership, Type of Restaurant, Size, and Location

Table 2. Profile of Respondents

Variables	Categories	Frequency	Percentage
Type of Ownership	Partnership	47	39.20
	Sole Proprietorship	73	60.80
	Total	120	100
Type of Restaurant	Café	70	58.30
	Fast Casual	50	41.70
	Total	120	100
Size	Small (less than 6 employees)	60	50.00
	Big (6 employees and more)	60	50.00
	Total	120	100
Location	Rural	88	73.30
	Urban	32	26.70
	Total	120	100

The first objective of the study is to determine the profile of the respondents in terms of the variables types of ownership, type of restaurant, size and location As shown in Table 2, most of the respondents belong to sole proprietorship obtaining 60.80% of the population. More than half of them are café restaurants obtaining 58.30% of the respondents. In addition, small and big restaurants are both equal obtaining 50% each based on the respondents. Finally, almost of the respondents belongs to named barangay obtaining 73.30%.

This implies that most of the restaurant owners are sole proprietorship since it is more simple in terms of decision making. Majority of them chose to run a cafe due to the trend in this period of time, easy to operate and most especially it requires a small capital to start with. Also students, young professionals and professionals now a days are coffee lover. The respondents belong to the small and big in terms of size have the equal percentage because cafe and fast casual restaurants does not require a lot of manpower. Lastly most respondents belong to named barangay since some named barangays are located in a business area, and near the schools and offices and are having a large population.

Full-service restaurants are characterized as typically including in-premise table-service and payment made after the meal is consumed (Canziani et al., 2016). Full-service restaurant sales have dropped more precipitously than limited-service restaurants, during the early stages of the pandemic (Grindy, 2020b). In 2019, restaurants and drinking places employment, as a proportion of all employment, was the second highest in U.S. states (U.S. Bureau of Labor Statistics).

This study adds to the literature because its timely findings can help other independent restaurant operators navigate the continually evolving landscape of the COVID-19 pandemic. The study's focus on independent restaurant operators is beneficial as they often face different challenges than their chain restaurant counterparts. Independent restaurants'



relatively smaller scale, and frequently more challenging cash flows, can limit their business options and ability to remain financially solvent.

Degree of Threats of Newly-Opened Restaurants in the New Normal according to the following areas Financial Risk, Competitive Risk, and Operational Risk

Table 3. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Financial Risk

Items	Mean	Interpretation
To what degree do you experience the following....		
1. Funds to pay for loans and debts.	3.63	High Degree
2. Capital to cover initial expenses.	3.67	High Degree
3. Actual sales volume versus projected.	3.69	High Degree
4. Cash flow to finance operating costs.	3.81	High Degree
5. Actual operating cost versus projected.	3.69	High Degree
6. Change in economic condition.	3.64	High Degree
7. High cost of raw material.	3.58	High Degree
8. Shift in the hierarchy of social needs.	3.57	High Degree
9. Collection of loyalties and longer payment cycle.	3.79	High Degree
10. Depreciation of assets.	3.77	High Degree
Overall Mean	3.68	High Degree

The degree of Threats of newly opened restaurants in the new normal on the area of Financial Risk, item 4 "cash flow to finance operating cost obtained the highest" mean of 3.81 interpreted as high degree, while item 8. "Shift in the hierarchy of social needs" got the lowest mean of 3.57 interpreted as high degree. In general, degree of Threats of newly-opened restaurants in the new normal on the area of financial risk is high degree.

This Implies that cash flow to finance operating cost get the high degree because of the effect of pandemic. Movement of people is limited since people need to stay at home to control the spread of virus. Restaurant also need to adjust dine in capacity in response to the 50% capacity of dine in costumers as mandated by the government.

This vulnerability of the restaurant industry is likely to result from behavioral changes in response to the crises. Amid the COVID-19 pandemic, one of the distinctive behavioral changes is self-preventive practice (e.g., social distancing), which is considered crucial in flattening the infection curve (CDC, 2020). Such a practice has also been recommended by food safety authorities to maintain a space of at least 6 feet in restaurants. These critical preventive practices limited the operational capacity of restaurants, thereby resulting in an evident decrease in financial performance. Another reason of the economic devastation of the restaurant business during this pandemic is government lockdown and business shutdown orders. These stringent restrictions had led to the rapid closure of businesses, thereby resulting in billions of dollars' worth of business losses. In the US, a bailout package of \$150 billion was sought to overcome such a business devastation ([Ozili and Arun, 2020](#)).

Table 4. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Competitive Risk

Items	Mean	Interpretation
To what degree do you experience the following....		
1. Implementation of effective pricing strategies	3.78	High Degree
2. Presence of other food establishment in the area.	3.77	High Degree
3. Brand Reputation Management or Branding	3.89	High Degree
4. Market share.	3.89	High Degree
5. Marketing efforts.	3.99	High Degree
6. Shift in customer preference.	3.99	High Degree
7. Advertising campaign of competitors.	3.85	High Degree
8. Product Distinction or Differentiation	3.71	High Degree
9. Implementation of Up to date marketing strategies..	3.91	High Degree
10. Competitor's aggressive marketing efforts	3.87	High Degree
Overall Mean	3.87	High Degree

Table 4 on the degree of Threats of newly-opened restaurants in the new normal on the area of competitive risk revealed the highest mean of 3.99, interpreted with high degree on item "5 marketing efforts" and item 6 "shift in customer preference.", while item 8 "Product Distinction or Differentiation." got the lowest mean of 3.71, interpreted as high degree. In general, degree of Threats of newly-opened restaurants in the new normal on the area of compititive risk is high degree.

This implies that in this time of pandemic, restaurants are having a hard time marketing their product. Thus, efforts should be doubled with the use of different platforms in marketing, in order to improve their business income. When



COVID19 hit, customer preference shift to healthier lifestyle, and are they choose to order food online with door to door delivery or take away in for them to be safe.

The situation is complicated even more according to Malina, 2019, when consumers' interpretation of quality contradicts the official definition of it; that is, when perceptions create barriers in recognizing food quality or when consumers' interpretations generate a quality perception for food products that do not qualify to receive it.

Consequently, based on these assumptions of Gilmore, 2018, it is self-understood that differences in food quality perceptions appear over time and places. This complex and dynamic character of food quality requires its constant investigation to capture as much as possible its current meaning. Women make significant contributions to the food and agriculture sector in many developing countries (Food and Agriculture Organization, 2011).

Table 5. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Operational Risk

Items	Mean	Interpretation
To what degree do you experience the following...		
1. Adjusted business hours.	3.95	High Degree
2. Skeletal schedule of staff	3.98	High Degree
3. Volume of supplies and raw materials	3.95	High Degree
4. Strict Compliance to health and safety protocols	4.13	High Degree
5. Dining capacity for dine-in customers	4.17	High Degree
6. Availability of equipment used in the operation	3.90	High Degree
7. Food safety compliance in the dining area based on the government compliance.	4.08	High Degree
8. Alternative purchase preference (online,dine-in,take-out,delivery)	3.99	High Degree
9. Variety of payment method (cash or contact-less payment)	4.02	High Degree
10. Social media campaign	4.10	High Degree
Overall Mean	4.03	High Degree

Degree of Threats of newly-opened restaurants in the new normal on the area of operational risk showed that item 5 "Dining capacity for dine-in customers" obtained the highest mean of 4.17 interpreted as high degree, while item 6 "Availability of equipment used in the operation" got the lowest mean of 3.90 interpreted as high degree. In general, degree of Threats of newly-opened restaurants in the new normal on the area of operational risk is high degree.

This implies that when food and beverage industry resume the operation there are some protocols need to follow responding to the local government unit and one of these is the seating capacity of the restaurant from original dine-in capacity down to 50% dine- in capacity to practice the social distancing. Therefore, number of costumers that can be acomudated was decreased.

Furthermore, given new dining-room capacity limitations that have been implemented across the country restaurant operators have come up with creative ways to ensure social distancing including the use of mannequins or dolls to fill up seats at unused tables, installing plastic or glass shields between tables, utilizing to-go boxes or other lightweight materials to create barriers between tables, and simply removing tables all together (Taylor and DiPietro, 2020).

Degree of Threats of Newly-Opened Restaurants in the New Normal on the areas of Financial Risk, Competitive Risk, and Operational Risk when grouped according to the variables Type of Ownership, Type of Restaurant, Size, and Location

Table 6. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Financial Risk when grouped according to Type of Ownership

Items	Partnership		Sole Proprietorship	
	Mean	Interpretation	Mean	Interpretation
To what degree do you experience the following....				
1. Funds to pay for loans and debts.	3.68	High Degree	3.59	High Degree
2. Capital to cover initial expenses.	3.77	High Degree	3.60	High Degree
3. Actual sales volume versus projected.	3.83	High Degree	3.60	High Degree
4. Cash flow to finance operating costs.	3.89	High Degree	3.75	High Degree



5. Actual operating cost versus projected.	3.66	High Degree	3.71	High Degree
6. Change in economic condition.	3.60	High Degree	3.67	High Degree
7. High cost or raw material.	3.53	High Degree	3.60	High Degree
8. Shift in the hierarchy of social needs.	3.38	Moderate Degree	3.68	High Degree
9. Collection of loyalties and longer payment cycle.	3.87	High Degree	3.74	High Degree
10. Depreciation of assets.	3.83	High Degree	3.73	High Degree
Overall Mean	3.70	High Degree	3.67	High Degree

Degree of Threats of newly-opened restaurants in the new normal on the area of financial item 4 "cash flow to finance operating costs," got the highest mean of 3.89 and 3.75 as assessed by partnership and sole proprietorship respectively interpreted with high degree, while item 8 "Shift in the hierarchy of social needs." got the lowest mean of 3.38 interpreted as moderate degree as assessed by respondents with partnership owned restaurants.

This Implies that cash flow to finance operating cost got the highest mean because it focuses the activities in terms of financial aspect which also includes the investing and financial activities. And it is a very serious matter in the business component. Partnership is more risky than sole proprietor ship because you don't have the total control in terms of decision making since you need to share ideas to your co-owner and sometimes it leads to arguments and sometimes may lead to mismanagement.

However, large firms are known to deploy a wide range of strategies to protect their business models and products from adverse regulation, while simultaneously building and preserving market dominance and profits (Baron D., 2018). In order to understand the ways in which companies in the food industry act to maximize profits and power, it is critical that the public health community has the tools to monitor and analyze the full range of strategies used.

Table 7. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Competitive Risk when grouped according to Type of Ownership

Items	Partnership		Sole Proprietorship	
	Mean	Interpretation	Mean	Interpretation
To what degree do you experience the following....				
1. Implementation of effective pricing strategies	3.77	High Degree	3.79	High Degree
2. Presence of other food establishment in the area.	3.60	High Degree	3.88	High Degree
3. Brand Reputation Management or Branding	3.66	High Degree	4.04	High Degree
4. Market share.	4.06	High Degree	3.78	High Degree
5. Marketing efforts.	4.09	High Degree	3.93	High Degree
6. Shift in customer preference.	4.02	High Degree	3.97	High Degree
7. Advertising campaign of competitors.	3.96	High Degree	3.78	High Degree
8. Product Distinction or Differentiation	3.43	Moderate Degree	3.89	High Degree
9. Implementation of Up to date marketing strategies..	3.77	High Degree	4.00	High Degree
10. Competitor's aggressive marketing efforts	3.87	High Degree	3.86	High Degree
Overall Mean	3.82	High Degree	3.89	High Degree

As shown in Table 7, Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Competitive Risk when grouped according to type of ownership, got the highest mean of 4.09 on item 5 "Marketing efforts." As assessed by partnership restaurants and the mean of 4.04 on item 3 "Brand Reputation Management or Branding" as assessed by sole proprietorship, both interpreted as high degree while item 8 "Product Distinction or Differentiation" got the lowest mean of 3.43 interpreted as moderate degree as obtained by partnership respondents.

This Implies that they need to attract the costumers through the the use of different strategies to advertise their products in order to hype the customer to patronize the product. Thus, co-owners should help each other, plan well and agree with each other in order to create a good marketing plan.



In this study, (Vijaya Nagarajan, 2018), focus on the market strategies used by processed food and beverage manufacturers with concentrated and substantial market power (hereinafter dominant food companies). Many of these dominant food companies are transnational in nature, at least from a production and consumption perspective. However, there are several cases where particular companies are dominant in only one national market. In addition, it is important to highlight that markets have geographical boundaries, and regulatory agencies typically interpret market power as being confined within these boundaries (Gary Sacks, 2019).

Table 8. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Operational Risk when grouped according to Type of Ownership

Items	Partnership		Sole Proprietorship	
	Mean	Interpretation	Mean	Interpretation
To what degree do you experience the following....				
1. Adjusted business hours.	4.15	High Degree	3.82	High Degree
2. Skeletal schedule of staff	4.17	High Degree	3.86	High Degree
3. Volume of supplies and raw materials	4.13	High Degree	3.84	High Degree
4. Strict Compliance to health and safety protocols	4.23	High Degree	4.05	High Degree
5. Dining capacity for dine-in customers	4.40	High Degree	4.01	High Degree
6. Availability of equipment used in the operation	4.06	High Degree	3.79	High Degree
7. Food safety compliance in the dining area based on the government compliance.	4.15	High Degree	4.03	High Degree
8. Alternative purchase preference (online,dine-in,take-out,delivery)	3.94	High Degree	4.03	High Degree
9. Variety of payment method (cash or contact-less payment)	3.94	High Degree	4.07	High Degree
10. Social media campaign	4.13	High Degree	4.08	High Degree
Overall Mean	4.13	High Degree	3.96	High Degree

Degree of Threats of newly-opened restaurants in the new normal on the area of operational risk when grouped according to type of ownership showed that the highest mean of 4.40 was obtained by item 5 "Dining capacity for dine-in customers." as assessed by partnership respondents, and 4.07 on item 9 "Variety of payment method (cash or contact-less payment)" as obtained by sole proprietorship, while the lowest mean of 3.94 on items 8 "Alternative purchase preference (online,dine-in,take-out,delivery)" and 9 "Variety of payment method (cash or contact-less payment)" as obtained by partnership and 3.79 on item 6 "Availability of equipment used in the operation" as obtained by sole proprietorship, all interpreted with high degree.

This implies that partnership owned cafe and fast casual restaurant were greatly affected by the dine in capacity control as set by the Local government unit in respond to COVID19 protocol. With this, partnership owned restaurants have felt the decrease in the number of customers accommodated.

Table 9. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Financial Risk when grouped according to Type of Restaurant

Items	Café		Fast Casual	
	Mean	Interpretation	Mean	Interpretation
To what degree do you experience the following....				
1. Funds to pay for loans and debts.	3.64	High Degree	3.60	High Degree
2. Capital to cover initial expenses.	3.66	High Degree	3.68	High Degree
3. Actual sales volume versus projected.	3.64	High Degree	3.76	High Degree
4. Cash flow to finance operating costs.	3.81	High Degree	3.80	High Degree
5. Actual operating cost versus projected.	3.67	High Degree	3.72	High Degree
6. Change in economic condition.	3.51	High Degree	3.82	High Degree
7. High cost or raw material.	3.41	Moderate Degree	3.80	High Degree
8. Shift in the hierarchy of social needs.	3.54	High Degree	3.60	High Degree
9. Collection of loyalties and longer payment cycle.	3.86	High Degree	3.70	High Degree
10. Depreciation of assets.	3.79	High Degree	3.74	High Degree



Overall Mean	3.65	High Degree	3.72	High Degree
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Statistics on Table 9 revealed that the degree of Threats of newly-opened restaurants in the new normal on the area of financial risk when grouped according to type of restaurant, obtained the highest mean of 3.86 on item 9. "Collection of loyalties and longer payment cycle." as assessed by the respondent with café restaurants, and 3.82 on item "Change in economic condition." As assessed by fast casual both interpreted with high degree, while item 7 "High cost or raw material." got the lowest mean of 3.41 interpreted with moderate degree as assessed by café restaurants.

This implies that since café had been a trend and there is numerous café in the city, owners should gain the trust of the customer, through satisfying needs and wants in order to gain costumers loyalty. While with longer payment cycle the suppliers will collect the payment in longer terms in this way the restaurant could use the money for other transaction.

Table 10. Degree of Threats of Newly-Opened Restaurants in the New Normal on the area of Competitive Risk when grouped according to Type of Restaurant

Items	Café		Fast Casual	
	Mean	Interpretation	Mean	Interpretation
To what degree do you experience the following....				
1. Implementation of effective pricing strategies	3.74	High Degree	3.84	High Degree
2. Presence of other food establishment in the area.	3.79	High Degree	3.74	High Degree
3. Brand Reputation Management or Branding	3.84	High Degree	3.96	High Degree
4. Market share.	3.91	High Degree	3.86	High Degree
5. Marketing efforts.	4.04	High Degree	3.92	High Degree
6. Shift in customer preference.	3.93	High Degree	4.08	High Degree
7. Advertising campaign of competitors.	3.86	High Degree	3.84	High Degree
8. Product Distinction or Differentiation	3.69	High Degree	3.74	High Degree
9. Implementation of Up to date marketing strategies..	3.94	High Degree	3.86	High Degree
10. Competitor's aggressive marketing efforts	3.74	High Degree	4.04	High Degree
Overall Mean	3.85	High Degree	3.89	High Degree

Data presented in Table 10, showed that the degree of Threats of newly-opened restaurants in the new normal on the area of competitive risk when grouped according to the type of restaurant, as assessed by fast casual respondents item 6 "Shift in customer preference." got the highest mean of 4.08 and as assessed by café item 6 "Marketing efforts." got the highest mean of 4.04 both interpreted with high degree, while item 8 "Product Distinction or Differentiation" obtained the lowest mean of 3.69 as assessed by café respondents and items 2 "Presence of other food establishment in the area." and 8 "Product Distinction or Differentiation" with the mean of 3.74, all interpreted with high degree.

This Implies that people now a days shift to healthier lifestyle. Many households prefer to cook foods at home to making sure that what they prepared are more nutritious which can help strengthen the immune system of their family and to avoid getting infected by COVID19.

The pandemic has also changed consumer behavior in choosing food. Consumers seek to protect themselves and improve their immune system, and are concerned about changing their food consumption habits, bioactive ingredients, and nutritional content (Galanakis, 2020; Rizou et al., 2020; Zinoviadou et al., 2015).

However, such health gains are not automatic and depend on progressive public policy for equitable distribution throughout society. There are potential health risks with trade and investment liberalization, including strong theoretical reasons to believe that trade and investment liberalization will lead to the spread of sugar-sweetened carbonated beverages and other unhealthy dietary products through increased imports, foreign direct investment, and advertising (David Stuckler, 2018).

Conclusion:

Most of the restaurant owners in Bacolod City are sole proprietorship since it is more simple in terms of decision making. Majority of them chose to run a cafe due to the trend in this period of time, easy to operate and most especially it requires a small capital to start with. Also students, young professionals and professionals now a days are coffee lover. Lastly most respondents belong to named barangay since some named barangays are located in a business area, and near the schools and offices and are having a large population.

Due to COVID 19 pandemic, movement of people became limited since people need to stay at home to control the spread of virus. These affected the financial stability or cash flow to finance operating cost of most businesses



especially restaurants as average sales decreased. With these owners need careful planning as to how finances will sustain the operation.

Restaurants are having a hard time marketing their product. When COVID19 hit, customer preference shifts to a healthier lifestyle, many households prefer to cook foods at home, and some choose to order food online with door to door delivery or take away in for them to be safe. Thus, efforts should be doubled with the use of different platforms in marketing, in order to improve their business income. Innovation such as the use of social media platform should be given attention in order for them to market their product.

When food and beverage industry resume the operation there are some protocols need to follow responding to the local government unit to ensure the safety and security of all employees and customers such as temperature check, scanning the backtrack and spraying sanitizer or alcohol and the seating capacity for dine-in customers reduced to 50% dine- in capacity to practice the social distancing. Hence, cost for operations increased while number of costumers that can be accommodated decreased.

Grouping variables do not affect assessment of respondents in terms of financial Threats. Restaurants suffer due to pandemic with high expenses but with low sales. This is mainly due to lesser dinning capacity, limited movement of people, as well as purchasing of materials. All restaurants have the same agony during this covid19 pandemic. Regardless of type of business, ownership and size, restaurants are having hard time and are having the same dilemma in terms of promoting their products during this pandemic. While Location is really important and an advantage because knowing that named barangays are usually situated in business areas here in the city and they are more accessible. In addition, named barangays have bigger lot areas and are situated in business areas around Bacolod City which makes it more accessible compared to numbered barangays which makes location a higher Threats for them.

Finally, all restaurants are experiencing the same problem due to COVID19 pandemic, they are struggling to operate, strictly complying to the health and safety protocol, but are still doing their best to serve its customers, maintain their employees and sustain their business operation.

Recommendations:

In the light of the findings and conclusions derived from the study, the following recommendations and plan of actions were formulated.

High degree on financial Threats due to limited movement of people resulted to less income. Therefore, owners and general managers need careful planning and must think of innovative strategies to reduce overhead expenses and operational cost and increase cash flow.

High degree on competitive Threats emphasizes the shift in customer preference which appeared to be alarming to restaurant since customers are now preferring healthy and homemade foods to ensure their health and safety, also office based costumers prefer to order bundled meals which are more affordable. Thus, owners and general managers must adopt new innovation of foods in order to cope with the demands of their consumers such as considering comfort food, party platters, or group meals and packed meals which are healthy but budget friendly. Also efforts must be doubled with the use of different platforms in marketing, in order to improve their business income. Innovation such as the use of social media platform like creating pages through Facebook, Instagram, tweeter and accounts on YouTube and tiktok which many consumers especially younger ones are fond of using, or advertisements through radio or television to promote their products.

Operational Threats revealed to be high degree mainly due to the threat of COVID19. Owners and managers boost revenue streams and maximize workforce and provide alternative way to reach customers. Also, they must promote upselling, reduce expenses and maintain loyalty costumers. In addition, Local Government Units must secure restaurant establishments' strict compliance of health and safety protocols in order to stop the spread of the virus, while owners and general managers must strictly implement the safety protocol and employees, and community members must also follow with the safety protocol before entering and within the area of the establishment not only to protect themselves but also others through proper wearing of face mask, face shield and the use of alcohol as a major requirement.

Location needs to be considered as it is an important aspect in putting up a business. Thus, owners must look for a good location which is accessible to consumers such as near business centers in order to have a good target market. All restaurants and other business establishments are having hard time and are having the same dilemma in terms of promoting their products during this pandemic. Department of tourism must formulate ideas to promote local food and beverage industry and help restaurant owners through seminars and forums on how to lessen the Threats that may affect their business.

In this time of pandemic health, safety and security of the consumer are the main priority of the government and all sectors in order to mitigate the Threats of covid19. And as observed, many businesses had opened this new normal.



Hence, Department of Trade and Industry must see to it that documents submitted by the restaurants owners are updated, complete and have passed the qualification set by the department before issuing or renewing business permit.

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