

Bringing life back to the restaurant industry - talking challenges and changes

 By [Robin Fredericks](#)

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Over the last 18 months, the restaurant industry, just like that of the tourism and travel industries, has suffered major blows from the Covid-19 pandemic, which has seen many businesses close down.



Source: Sandra Seitamaa via [Unsplash](#)

From being vibrant, energetic operators, the restaurant industry is now facing challenges and new demands that they didn't originally sign up for.

These have comprised operational challenges, staffing challenges, supplier challenges, marketing challenges and landlord challenges.

Speaking during the recent Franchising for Africa virtual conference, hosted by the Franchise Association of South Africa (Fasa), Wendy Alberts, CEO of the Restaurant Association of South Africa (Rasa), explored the challenges the industry has faced and the changes the industry has had to make to adapt to the 'new normal'.

Challenges

The impact on turnover has been massive, said Alberts.

"If one has to look at loadshedding, financial losses incurred by the pandemic and restrictions on time throughout the various levels of lockdown has been difficult to survive," said Alberts. "In the last 18 months, we have had to make ourselves experts in the various fields that we weren't knowledgeable in."

These operational challenges have also affected staff.

Staff have faced being put on unpaid layoff without notice, some with notice, reduced hours, reduced salaries, different types of wage structures, delayed payments or deferred payments, the inability to work or put on short time or rotational shifts and also dealing with issues of staff shortages.



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In terms of supply, third party delivery services have been a challenge too. Alberts said that the industry is heavily reliant on being able to use suppliers to bring turnover, but with structures within food chains becoming compromised, it ends up costing too much to keep those services on operator databases.

This then also impacts the customer.

"We have seen that there has been a complete and utter change in the restaurant experience. The energy in the restaurants have changed, and we've moved into a space where we had unengaged customers that are nervous about the virus."

Alberts said that customers have been feeling the distance between staff and the ability of operators and owners to provide previous industry experience. "Customers are learning new behaviours; they're cooking at home; they're heading off to the supermarket for ready-made meals."

These on-site meals have also become problematic, said Alberts. "We have had to look at new ways of packaging our foods, at creative ways to market our businesses.

"We've also got massive marketing challenges such as marketing costs that don't always work. For instance, we put a marketing brief out, but then we are faced with further restrictions – it's difficult to put a marketing plan out by constantly having an ongoing threat where we are shut down, changed, remodelled or diverted to different types of trading hours and restrictions."



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Then there are the relationships with landlords that have become tenuous, said Albert. "We've looked at renewing leases, cutting leases, remodelling the position of the operation, changing it by having smaller inside spaces, more outside spaces, but this becomes more complex. Every operation needs to be individually criticised and we've had to motivate for change or

relief for assistance on every single lease."

Alberts said that these constant threats of the landlords, banks and suppliers of not being able to assist the industry, whilst also trying to keep their own businesses afloat has caused plenty of challenges.

This lack of support not only stems from suppliers or landlords, said Alberts, but from the government too. "We've simply not able to get any of the relief, which comes back to these tiresome 18 months of a real rock n' roll situation."

But even with all the industry doom and gloom, the industry has persevered.

Changes

The restaurant industry has always been resilient, capable and strong, said Alberts. "We have survived so many elements of what is challenging times Covid has brought to us."

There have been new learnings that the industry has implemented which have made all the difference, said Albert. "The industry has seen an increase in inhouse delivery and making it experiential. The industry has also changed the way in which they label products, the way they do their branding, but also not compromising on food safety or packaging."

A lot of restaurants are also remodelling their financial losses, said Albert, by simplifying operations in order to not be overwhelmed and drown in debt.



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Albert said that a lot of restaurants are also moving into residential spaces, leaving commercial properties and operating via online booking systems and advising themselves on online operations.

There has also been a movement in packaging, said Albert. "It has become very important in terms of the delivery of food, to make it more personal."

"We have also seen a lot of restaurants reduce their offering to be more simplistic in nature – they are ordering less stock, shopping from local supermarkets as opposed to top-end supplied because it is more affordable to bring in smaller holdings of stock than it is to buy bulk stock.

A lot of people are asking what the future of the restaurant industry is, said Alberts. "It is to bring life back to the restaurant and create beautiful moments for the consumer."

ABOUT ROBIN FREDERICKS

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