

Social compact needed to restore SA's restaurant, fast food industries

 By [Craig Schwabe](#)

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Many people believe that the Covid-19 situation in South Africa is different to that of other parts of the world. Initially, we saw a slow increase in the number of confirmed cases after the government lockdown of the country, which was soon after the first cases were diagnosed in South Africa.



We also saw a fairly small percentage of fatalities in relation to the number of confirmed cases. However, we have learnt that South Africa is in no way different to the rest of the world and that this pandemic can have a second spike and continue to impact dramatically on the economy of this country. This would especially impact the restaurant and fast food industries and there is no way that we should allow this to happen.

A key objective of restaurants and fast food outlets in South Africa leading into Level 2 of Covid-19 lockdown will be to get food into people's hands. This will have to be done using whatever means possible to ensure the survival of restaurants and fast food outlets in the short to medium term.

The industry is only expected to generate a fraction of their monthly turnover initially. The old saying used to be – “get bums in seats” but with regulations, sensitivity of customers to infection and concerns for employee safety, this is not part of the “new normal”.

In all things, there is a need for a partnership or social compact between the key players, and in the restaurant and fast food industries, this is equally the situation if it is to remain viable. Customers want to have the freedom to be able to enjoy a meal within an atmosphere that they love and feel safe in. They want to know that the restaurant and fast food outlets are doing everything that they can do to ensure their wellbeing.

This includes clear communication through the use of signboards, as an example, to tell people what the restaurant or fast food outlet is doing to protect their customers and their employees.



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Restaurants must manage Covid-19 compliance

Customers in the “new normal” will be far more conscious of their wellbeing and how much they spend on buy-out food. As a consequence, they will be far more aware of the quality and service that they receive from restaurants and fast food outlets. They will want to see consistency in the quality and pricing of food as well as the speed and efficiency with which it is provided to them. The way that regulations to Covid-19 compliance measures are managed, will also influence the decisions of customers to dine out or stay at home.

The sort of measures that customers would want to see restaurants and fast food outlets implementing includes having someone at the front door of the restaurant to guide them to their seats while in fast food outlets people being guided to queues to ensure social distancing. In South African society there is often a lackadaisical approach to the wearing of masks and social distancing even though it is regulated by government.



It is the responsibility of restaurant and fast food outlet management to ensure that their employees and customers are social distancing, wearing masks and informing them under what conditions they may remove their mask.

The sanitising of employee and customer hands is not a “nicety” but a “necessity”. This means that the applying of hand sanitiser must be done properly to ensure that it effectively covers the hands to disinfect the person. Other precautionary measures that are being implemented in restaurants include plexiglass dividers between serving staff and customers.

The proper sanitising and washing facilities used by customers (e.g. disposable wipes, table, chairs, door handles and toilets) and employees (e.g. supplies, cutlery, crockery, etc.) alike must be done on a regular basis and effectively communicated to patrons. The bottom line is simply this, customers want to know that the management of restaurants and fast food outlets are taking Covid-19 seriously and are in control of the situation at their facilities.

Changing environment of restaurants and fast food outlets

There is a high likelihood that new innovative approaches that are already being implemented internationally and locally will become more prominent in the restaurant and fast food industry in South Africa. This includes the “no touch” approach where there is no contact between serving staff and customers. This will mean that the use of card machines will become something of the past as digital payment apps on a customer's mobile phone are used to make payments.

Restaurants and fast food outlets will also need to look at a whole range of aspects relating to their business in the immediate future. This may include looking at whether their facility is optimally located in relation to where their target market is. Unfortunately, many brands will need to be thinking about the rationalisation of restaurant and fast food outlets in order for them to remain viable. Only a few brands will be looking at opportunities that arise as restaurants or fast food outlets close, in order to take up that space and expand the network.

There is a strong likelihood based on international experience that restaurants and fast food outlets will be looking at changing the characteristics of their premises in the immediate future. This will include looking at facilities that are much smaller and more focused in terms of how they service the needs of customers. It will also involve reconfiguring the restaurant layouts to allow more people to be seated considering social distancing regulations.

More and more, the need for outdoor seating facilities will become something of the future. With service options such as drive throughs, curbside, walk-in and delivery aspects becoming more prominent, the design of restaurants will also need to change. The changing of the characteristics of restaurant and fast food outlets in terms of their size, service mechanisms and menu items will need to be considered in relation to the geographic area where they are located.



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Craig Schwabe 3 Jul 2020



Restaurant management practices must change

Restaurants and fast food outlets will need to focus much more on the management of their revenue and costs. One of the lessons that has been learned within the industry is that the funds allocated to reserves for periods of low demand, seasonal fluctuations, and environmental impacts such as this pandemic, will have to be increased. The potential consequence of this is that the cost of restaurant and fast food meals will have to increase, especially as the full impact of South Africa's downgrade and economic recession begins to bite.

There is also no doubt that restaurant and fast food management will look much closer at their business interruption cover in their insurance. Recent judgments against insurance companies in not honouring their client's business interruption claims has resulted in the industry being called “disingenuous” and there is a high likelihood that the cost of this insurance will increase to ensure that future pandemics are effectively financed.

More effective management of costs in the restaurant and fast food industries will also mean that their staff compliments will change. A more likely scenario will be that the number of people employed in this industry will decrease per unit. This will especially become the case as the industry becomes more automated through the use of kiosks and digital apps to do ordering.

Restaurants and fast food outlets will focus more on staffing according to the business needs that they have, which will include considering the size of the facility, level of demand and the type of food that they serve. The use of virtual or “ghost” kitchens for servicing the delivery market will also result in a decline in the size of facilities.

This is the “new normal” and as a consequence management of restaurants and fast food outlets will need to ensure that their staff are properly trained in managing customers within this Covid-19 environment. They must also be equipped with personal protective equipment (PPE) such as masks, visors, disposable gloves, hand sanitiser and facilities to wash their hands on a regular basis.



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It is not only the employees that need to know that they will be safe when working but customers also need to know that they will not be at risk of infection from staff serving them at restaurants and fast food outlets.

Restaurants and fast food outlets should therefore follow strict protocols in terms of taking the temperature of the employees and completing information relating to their health situation. This is needed to reduce the risk of infection closing down a restaurant or fast food outlet but in the situation that a facility does become infected there is no choice but for them to close down for two weeks and to re-establish the health environment.

Another lesson learnt is to safeguard the supply chain in the restaurant and fast food industries. There is no doubt that with the lockdown, the supply of produce will have been impacted and in some instances, suppliers will have had to close down. The international perspective is that the supply chain will ultimately recover but that this will take some time.

The industry needs to retrospectively look at mechanisms by which the impact of the supply chain going down will be minimised under similar circumstances in the future. This also provides the opportunity for the industry to look more carefully at all aspects of the supply chain from a cost, quality, technology and efficiency perspective.

Being vigilant now will enable planning for the future

How long the Covid-19 pandemic will be with us in South Africa is hard to say. All South African citizens hope that within the foreseeable future we will see the unlocking of our country so that we can get back to a lifestyle that is closer to the one we knew before. This normalisation will be exacerbated by the economic situation that the country finds itself in. There is much that we have learnt about ourselves and how we did business during the last five months or so.

Wherever we are heading, we have to be vigilant about the potential impact that Covid-19 could have on the restaurant and fast food industry in the coming months. For the industry, its customers and employees, as well as suppliers to benefit we must be accountable to each other. The restaurant and fast food industry must manage the compliance to Covid-19 regulations and the changes that it is bringing, so that it can plan for the future.

ABOUT CRAIG SCHWABE

Craig Schwabe is a geospatial specialist at Africascope, and focuses on the use of accessibility methods in the optimizing of government services and retail outlets. Over more than 12 years he has assisted companies in the motor industry as well as the financial and retail sectors with optimizing their retail networks. He has been an advisor to the South African government on the optimizing of government services and co-authored the Guidelines for improving geographic access to government service points.

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