

Exploring the challenges of restaurants in Capiz

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Abstract: This type of qualitative study was conducted in the province of Capiz aimed to explore the challenges among restaurants. Through qualitative research involving face to face interviews with 25 restaurant owners, the study sought answers to questions regarding challenges of the restaurant owners. The seasonal ingredient availability, changing consumer preferences, economic fluctuations, and the delicate balance between profitability and authenticity, emerge as significant challenges. These factors necessitating strategic planning, and understanding of market dynamics. Restaurants challenges emerged from five subthemes: menu innovation customer satisfaction, adaptation to evolving consumer preferences, economic fluctuations and financial strain, economic fluctuations and financial strain, balancing profitability with quality and authenticity, sustainability challenges and profitability. In general, the study highlights the complexity of the restaurant industry in Capiz and highlights the challenges faced by restaurant owners.

Keywords: Challenges, Qualitative research

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INTRODUCTION

The tourism industry in Capiz province, Philippines, has experienced a remarkable upswing, propelled by its diverse attractions and unique offerings. As the acclaimed Seafood Capital of the Philippines, Capiz's reputation for mouthwatering culinary delights, featuring the freshest catch from its coastal waters, has drawn food enthusiasts from far and wide. Beyond gastronomy, the province boasts enchanting caves, historical landmarks narrating centuries of culture, and pristine beaches that collectively appeal to a broad spectrum of travelers.

This multifaceted allure has not only positioned Capiz as a haven for seafood connoisseurs but also as a holistic destination for those seeking cultural immersion, adventure, and relaxation. The concerted efforts to showcase the province's rich culture and resources have contributed to a significant boost in tourism, making Capiz an increasingly popular choice among domestic and international travelers eager to experience the diverse treasures this region of the Western Visayas has to offer. The province's diverse offerings, encompassing seafood feasts, cave exploration, historical discovery, and beachside leisure, make it an enticing addition to any traveler's bucket list. Whether one's palate craves the freshest catch of the day or the desire is to embark on an adventure that transcends the dining table, Capiz emerges as a holistic destination that caters to a range of interests, ensuring a fulfilling and memorable travel experience in the Philippines.

In a specific locale, restaurants encounter a myriad of challenges that influence their operational dynamics. Fierce competition among dining establishments, escalating operating costs, and the complexities of adhering to local regulations constitute formidable hurdles. Staffing issues, including recruitment and retention, pose continual difficulties, while shifts in consumer preferences can impact the popularity of certain cuisines. However, successful restaurants strategically navigate these challenges. Establishing a unique value proposition, maintaining unwavering quality and consistency, and embracing a robust digital presence are key success strategies. Moreover, community engagement and adaptability to evolving trends

play pivotal roles. Sustainability in the restaurant industry of this particular place hinges on factors such as environmental responsibility, financial stability, cultural sensitivity, prioritizing employee well-being, and a commitment to innovation. Achieving equilibrium among these elements is essential for restaurants to not only endure challenges but also to thrive in a competitive and ever-changing culinary landscape.

The restaurant industry is recognized as encountering obstacles in achieving sustainable development. According to Yoon et al. (2020), sustainability stands out as a primary trend in this sector, known for its significant resource consumption. Persistent issues such as substantial waste generation, as highlighted by Pirani and Arafat (2014), and an increase in carbon footprint, as indicated by Filimonau, Lemmer, Marshall, and Bejjani, (2017), persist despite global efforts towards eco-efficiency. In the present state of the restaurant industry, business owners have begun to acknowledge the burden they carry to mitigate the environmental issues correlated with their business operations (Filimonau et al, 2017).

Having the increased pressure of being environmentally responsible, restaurant owners are analyzing their current strategies, where some are turning to digital solutions to facilitate more sustainable practices (Vo-Thanh, Zaman, Hasan, Akter, and Dang-Van, 2022). In pursuit of meeting a sustainable agenda, there have been studies in the restaurant sector that have exhibited the use of modern and state-of-the-art, digital solutions.

This study captured the interest of the researcher since in recent years, the importance of sustainability in the restaurant industry has gained significant attention. Consumers are increasingly concerned about environmental issues, leading to a growing demand for sustainable dining options. Restaurants are now expected to implement practices that minimize their environmental footprint, such as reducing waste, sourcing local and organic ingredients, and conserving energy and water.

These practices not only appeal to eco-conscious customers but also contribute to the operational efficiency and cost-effectiveness of the business. Despite the potential benefits, many restaurant owners and managers in Capiz face challenges in adopting and maintaining sustainable practices. Factors such as limited access to sustainable resources, financial constraints, and lack of awareness or expertise can hinder their efforts. Moreover, the competitive nature of the industry necessitates innovative success strategies to attract and retain customers, maintain high service quality, and achieve profitability.

Statement of the problem

The study aimed to describe the challenges of restaurants in Capiz. Understanding these challenges would involve gathering data through surveys, interviews, and observations of local restaurant owners, employees, and customers. The study also analyzes market trends, economic data, and regulatory frameworks to provide a comprehensive overview of the operating environment for restaurants in Capiz.

LITERATURE REVIEW

Challenges among restaurants

There are many challenges in the restaurant industry. Hotel and restaurant managers, as well as the restaurants themselves, face a lot of challenges in their normal and daily operations. These challenges can be due to various reasons. As urbanization widens its reach across the country, people work longer hours and have less time to spend in the kitchen. This phenomenon forces people to either order food delivery or opted eating out more frequently (Schaefer, 2021).

The restaurant industry caters to the fundamental needs and desires of individuals, namely food and beverages. This sector offers numerous opportunities for success if effectively managed. However, various challenges can impact a restaurant's success, including internal issues like poor management, service quality, and product standards, as well as external factors such as economic, political, and health-related issues. Key attributes valued by restaurants include the freshness and taste of food, with price and convenience also playing significant roles in local food consumption. Customer satisfaction is positively influenced by both personal and functional service factors (Alhelalat, 2017).

The cost of operations can directly impact the quality of a restaurant, emphasizing the importance of managing expenses reasonably (Zhong and Moon, 2020). Understanding how customer satisfaction evolves, considering factors like the physical environment, perceived price, and consumer emotions, is crucial for restaurant success (Ali and Amin, 2014). Atmosphere emerges as a vital driver of positive experiences across all types of restaurants. Effective actions and plans must be implemented to address these challenges, and management strategies play a pivotal role in shaping the future prospects of a restaurant.

The management of restaurant staff is crucial for both profitability and guest satisfaction, although providing the necessary attention can be challenging. Research on human resource management for restaurant staff, encompassing various employees, has yielded eight key points. First, the importance of work-life balance is highlighted, addressing work stress and potential burnout resulting from extended and unsocial work hours. Second, the determinants of satisfied staff, with a focus on the significant role of staff empowerment. Third, the relationships between satisfied staff and contented guests, leading to potential correlations between staff attitudes and profitability. Fourth, the critical role of staff training. Fifth, the challenge of qualified staff turnover, which may lead to the employment of casual staff and non-nationals, introducing instability. Sixth, the advantages and disadvantages of a diverse staff with various cultural backgrounds. Seventh, the role of staff in creating positive and negative incidents. Lastly, the issue of staff theft, which can be mitigated through attention and fair compensation for their efforts (Ryan, 2015).

Inventory management is a very big and important issue. Keeping track of raw material and kitchen inventory is a tough task that needs to be managed well in order to maintain the smooth and sustainable operation of the restaurant. Running out of stock for raw material or kitchen inventory can cause problems, such as customers not being satisfied when their order can't be granted due to missing inventory. Always keeping a minimum amount of all supplies in inventory is a must, and can help avoid such a problem (McColl Kennedy, 2015).

Establishing and maintaining relationships with customers can be challenging but is highly beneficial. Interactions between customers and employees present valuable opportunities to understand and cater to the customers' needs, enhancing their overall experience. Positive relationships between customers and employees contribute to memorable experiences, fostering customer loyalty (Hur, 2015). The quality of relationships among employees and customers is closely linked to restaurant quality.

Richard Teare emphasizes the importance of creating an organizational atmosphere that supports efforts to improve quality and enhances communication between employees and customers. The personalities of restaurant staff play a significant role in maintaining good relationships with customers. Selecting employees with suitable personalities for customer interaction, along with other selection techniques, helps reduce turnover and improves customer satisfaction by ensuring the right and qualified staff are in place (Teare, 2015).

Various factors within a restaurant, such as the utilization of utilities like water and electricity, can contribute to increased costs. Excessive water consumption, leading to additional expenses, is a potential concern. Additionally, the type of light bulbs used can impact electric costs. While efforts to reduce utility costs are essential, it may be challenging

for the restaurant's image to attempt water conservation. To address electricity costs, adopting more efficient light bulbs is a viable option. However, it's crucial to consider that such bulbs might alter the restaurant's internal environment and ambiance, which can be a key feature. Balancing cost reduction with maintaining the desired restaurant atmosphere poses important challenges (Mealey, 2018).

Kim and Hwang (2012) and Zhang and Kim (2014) delve into the impact of menu innovativeness on customer satisfaction and loyalty, highlighting the moderating roles of environmental factors and service quality, respectively. Additionally, research by Wang and Mattila (2017) and Chen and Hu (2013) explores menu layout aesthetics and its influence on food selection and customer satisfaction. Further investigations by Nguyen and Park (2020) and Smith and Patel (2018) examine the role of menu innovation in building brand equity and enhancing customer loyalty, particularly within chain restaurants.

Moreover, studies by Lee and Choi (2018) and Li and Kim (2019) shed light on the effect of menu labeling on perceived healthiness, service quality, and perceived value, contributing to understanding customers' preferences and satisfaction. Furthermore, research by Liu and Yang (2016) and Park and Yoo (2016) explore the impact of menu innovation on fast-food and casual dining restaurants, respectively, elucidating its significance in various dining contexts. Overall, these studies collectively underscore the crucial role of menu innovation in shaping customer perceptions, satisfaction, and loyalty across diverse restaurant settings.

Smith and Jones (2018) and Brown et al. (2019) delve into the impact of changing consumer behaviors on menu offerings and service delivery, emphasizing the need for flexibility and responsiveness. Similarly, research by Lee and Kim (2020) and Garcia et al. (2017) explores the role of technology adoption in meeting changing consumer demands and enhancing customer experiences.

Additionally, studies by Chen and Patel (2016) and Wang et al. (2018) investigate the effects of demographic shifts and cultural influences on consumer preferences, guiding restaurants in tailoring their offerings accordingly. Moreover, research by Johnson and Nguyen (2019) and Taylor et al. (2021) examines the importance of sustainability and health consciousness in shaping consumer choices, urging restaurants to align their strategies with emerging trends. Overall, these studies collectively underscore the significance of adaptation strategies in catering to evolving consumer preferences and maintaining competitiveness in the restaurant industry.

Aghion and Howitt (1992) explored the effects of economic fluctuations on innovation and growth, while Bernanke (1983) examined how economic downturns lead to financial strain in firms. Gertler and Gilchrist (1994) studied the impact of credit market imperfections on small businesses during economic downturns. Minsky (1986) provided insights into financial instability and its cyclical nature. Reinhart and Rogoff (2009) analyzed the long-term effects of financial crises on economic performance. Schularick and Taylor (2012) investigated the relationship between credit booms and financial crises.

Mishkin (1991) discussed the link between monetary policy and financial stability. Fazzari, Hubbard, and Petersen (1988) looked into financial constraints and corporate investment. King and Levine (1993) explored how financial development impacts economic growth, which can be strained during economic fluctuations. Bernanke, Gertler, and Gilchrist (1996) examined the financial accelerator effect in business cycles. Kiyotaki and Moore (1997) analyzed how credit cycles amplify economic fluctuations. Claessens, Kose, and Terrones (2011) studied the interplay between financial cycles and economic cycles. Jorda, Schularick, and Taylor (2013) researched the global nature of financial cycles and their economic implications. Blanchard and Simon (2001) looked into the stabilization of economic fluctuations in the modern era.

Sohn and Min (2015) which revealed that effective cost management strategies, such as flexible pricing, efficient resource allocation, and strategic partnerships, are essential for businesses to navigate economic uncertainty. By proactively managing costs and revenues, restaurants can maintain profitability even in challenging economic conditions. Tse and Tan (2015) found that perceived authenticity positively influences restaurant profitability. However, there is a delicate balance between maintaining authenticity and profitability. Restaurants must carefully manage operational costs while preserving their unique identity and offering high-quality experiences to customers to ensure sustained profitability.

METHODOLOGY

Research design

Qualitative research design utilized in the conduct of this study. Using Merriam's (2002) basic interpretive qualitative methodology to "understand how participants make meaning of a situation or a phenomenon", this research design allows not only a better understanding of human learning, but also learning within disability sport, since interpretivism reveals "the experience and meaning of disability in our culture in richer terms than normally achieved" (McMaster, 2012).

Locale of the study and respondents

This qualitative research focuses on understanding the success strategies, sustainability practices, and challenges faced by restaurants in Capiz. Qualitative research is centered on how individuals interpret their experiences, construct their worlds, and derive meaning from those experiences. It relies on words as data, describing events through coded and thematic qualitative data.

To explore the challenges among restaurants in the province of Capiz, this study will utilize restaurant owners who are officially registered by the Local Government Unit (LGU).

Research instruments

Utilizing qualitative research interviews to delve into participants' perspectives and experiences within the industry. The aim is to gain access to their insights, feelings, and social contexts. To facilitate this, a researcher-designed interview guide containing a series of questions and prompts was developed. This guide serves as the primary tool for gathering qualitative data essential for the study's objectives. Before implementation, the interview guide underwent approval by the advisory committee and was subsequently piloted with six participants who met the study's criteria. The piloting process highlighted the need to translate the interview guide into Hiligaynon to ensure its relevance and accessibility to participants in their common language and context. The translation was conducted by a language expert. Following translation, the research instrument was administered to twenty-five (25) participants, enabling the collection of data on their experiences, perspectives, and aspirations within the restaurant industry in Capiz.

Data analyses procedure

Data was gathered through the respondent's interview. The data gathering timeline spanned approximately 2 months. Interviews were conducted depending on the availability of the participants, including Saturdays when they are convenient. By this, Tesch (2013) mentioned that qualitative data is acquired in a place as well as time settings that are convenient for the participants thereby rendering the study to fit in to the progressive, responsive, emergent and interpretative nature of qualitative research (Tesch, 2013). In this study, the data gathering

was executed in the setting of the participants and the time that is responsive and convenient to the participants. The following steps were taken by the researcher to gather the data.

FINDINGS AND DISCUSSION

Challenges or obstacles the owners of restaurants in Capiz encountered

Menu and innovation

The first major theme in the third problem statement is Menu Innovation and Customer Satisfaction. Eighteen (18) out of twenty-five (25) participants have expressed that their reliance on menu innovation is crucial to attracting and retaining customers. Specifically, Menu Innovation and Customer Satisfaction, as shared by Participant 5, and Participant 6, expose them to the utilization of local ingredients.

As Participant 5 shared:

If I look back, ma'am, one of the biggest challenges in our business is the pandemic and sustaining the availability of quality seafood, and coping with the changes in the prices of ingredients, but somehow we still make a profit.

As Participant 6 shared:

We really felt the difficulty during the time of the COVID-19 pandemic, especially in managing our business in terms of providing delivery service, ensuring the welfare of our employees, and maintaining the supply of quality ingredients like our chicken, pork, and beef.

The responses obtained from Participant 5 and Participant 6 shed light on the challenges faced by their respective businesses during the pandemic. By inference, Participant 5 highlights the importance of maintaining the availability of quality seafood despite the challenges posed by the pandemic. Moreover, Participant 6 expressed that ensuring the continuity of essential services such as delivery, as well as the welfare of employees, and the consistent supply of quality ingredients like chicken, pork, and beef, were critical aspects of navigating through the difficulties brought about by the COVID-19 pandemic.

By analysis, it becomes evident that menu innovation and customer satisfaction play pivotal roles in the resilience and adaptability of restaurants, especially during challenging times such as the COVID-19 pandemic. Essentially, they serve as driving forces behind maintaining competitiveness, attracting customers, and ensuring long-term sustainability in the restaurant industry. Based on the gathered responses from the restaurant owners on the province of Capiz, it was revealed that seasonal fluctuations in ingredient availability can significantly impact the operations of restaurants in Capiz.

Seasonal fluctuations in ingredient availability can hinder menu innovation and customer satisfaction. Limited availability of key ingredients may restrict the variety of dishes a restaurant can offer, potentially leading to decreased customer interest and revenue. Moreover, reliance on seasonal ingredients may result in inconsistent dining experiences for customers, impacting their likelihood of returning. Restaurants struggle to attract and retain customers if they cannot consistently offer diverse and appealing menu options. This impedes growth by limiting revenue potential and hindering the establishment of a loyal customer base. Additionally, the inability to adapt to seasonal changes in ingredient availability stifles culinary creativity and prevent restaurants from distinguishing themselves in a competitive market.

Research on menu innovation and customer satisfaction has produced valuable insights across various dimensions. Studies by Kim and Hwang (2012) and Zhang and Kim (2014) delve into the impact of menu innovativeness on customer satisfaction and loyalty,

highlighting the moderating roles of environmental factors and service quality, respectively. Additionally, research by Wang and Mattila (2017) and Chen and Hu (2013) explores menu layout aesthetics and its influence on food selection and customer satisfaction.

Further investigations by Nguyen and Park (2020) and Smith and Patel (2018) examine the role of menu innovation in building brand equity and enhancing customer loyalty, particularly within chain restaurants. Moreover, studies by Lee and Choi (2018) and Li and Kim (2019) shed light on the effect of menu labeling on perceived healthiness, service quality, and perceived value, contributing to understanding customers' preferences and satisfaction. Furthermore, research by Liu and Yang (2016) and Park and Yoo (2016) explore the impact of menu innovation on fast-food and casual dining restaurants, respectively, elucidating its significance in various dining contexts. Overall, these studies collectively underscore the crucial role of menu innovation in shaping customer perceptions, satisfaction, and loyalty across diverse restaurant settings.

Adapting to evolving consumer preferences

Nineteen out of twenty-five participants have expressed that staying abreast of evolving consumer preferences is crucial for their businesses' success. They emphasized the importance of understanding and responding to shifting trends in consumer tastes and demands. Specifically, the adaptation to evolving consumer preferences in the restaurant industry as shared by Participant 2, and Participant 3 expose them to monitoring and responding to market trends.

As Participant 2 shared There are times when I think that some other restaurants are copying our most popular product. I have observed that our chicken wings have become famous, and many other restaurants have added chicken wings to their menu.

Moreover, as Participant 3 shared:

It's quite challenging for us because the ingredients for our milk tea come all the way from Taiwan. It's difficult for us to acquire them, but we make sure that once our stocks run low, we place orders. The taste is really different when it comes from Taiwan.

It becomes evident that adaptation to evolving consumer preferences is crucial for maintaining competitiveness and relevance in the restaurant industry. Restaurants sometimes failed to adapt to evolving consumer preferences can lead to declining sales and market share for restaurants in Capiz which result in decreased food traffic, lower customer retention rates, and ultimately hindered revenue growth.

This is supported by the study conducted by Studies by Smith and Jones (2018) and Brown et al. (2019) delve into the impact of changing consumer behaviors on menu offerings and service delivery, emphasizing the need for flexibility and responsiveness. Similarly, research by Lee and Kim (2020) and Garcia et al. (2017) explores the role of technology adoption in meeting changing consumer demands and enhancing customer experiences.

Economic fluctuations and financial strain

The third major theme in the third problem statement is economic fluctuations and financial strain. Eighteen (18) out of twenty-five (25) participants have expressed that economic fluctuations and financial strain is a significant challenge in the restaurant industry. They emphasized the importance of maintaining financial stability and adopting flexible business strategies to navigate these challenges. Specifically, the economic fluctuations and financial strain in the restaurant industry, as shared by Participant 1, and Participant 2, highlights the need for adaptive management practices and innovative solutions to sustain operations during periods of economic uncertainty.

Participant 1 shared:

We also serve fish, but sometimes we struggle when it is not available in the market. The increase in fish prices is also a challenge for us because there are times when it becomes very expensive.

Moreover Participant 2 shared:

Honestly, the biggest difficulty for us is the rising prices of spices. This has been challenging because we also had to increase the prices of our products.

The responses obtained from Participant 1 and Participant 2 provide valuable insights into economic fluctuations and financial strain. By inference, Participant 1 highlights the importance of maintaining consistent quality and affordability despite rising costs. Moreover, Participant 2 expressed that listening to customer suggestions and adapting the menu accordingly is crucial.

Fazzari, Hubbard, and Petersen (1988) looked into financial constraints and corporate investment. King and Levine (1993) explored how financial development impacts economic growth, which can be strained during economic fluctuations. Bernanke, Gertler, and Gilchrist (1996) examined the financial accelerator effect in business cycles. Kiyotaki and Moore (1997) analyzed how credit cycles amplify economic fluctuations. Claessens, Kose, and Terrones (2011) studied the interplay between financial cycles and economic cycles. Jorda, Schularick, and Taylor (2013) researched the global nature of financial cycles and their economic implications. Blanchard and Simon (2001) looked into the stabilization of economic fluctuations in the modern era. Finally, Brunnermeier and Sannikov (2014) provided a comprehensive model of macroeconomic fluctuations and financial instability. These studies collectively contribute to understanding the multifaceted impact of economic fluctuations on financial strain.

Balancing profitability with quality and authenticity

The fourth major theme in the third problem statement is balancing profitability with quality and authenticity. Eighteen (18) out of twenty-five (25) participants have expressed that balancing profitability with quality and authenticity is a major challenge. They emphasized the importance of maintaining high standards despite economic pressures. Specifically, the feedback provided by Participant 1 and Participant 4 highlights the significant impact of rising ingredient costs on this balance.

According to Participant 1

When the prices of supplies started to increase, we did not raise our selling prices.

We continued using the same ingredients. At RML, we only increase our prices every 2-3 years, and when we do, we only add around three to four pesos.

The responses obtained from Participant 1 and Participant 4 provide valuable insights into the challenges of maintaining quality and authenticity amidst economic pressures. By inference, Participant 1 highlights the importance of keeping ingredient quality consistent despite rising costs. Moreover, Participant 4 expressed that managing employee levels and customer service is crucial during economic fluctuations.

By analysis, it becomes evident that balancing profitability with quality and authenticity requires strategic adjustments and a focus on core values to sustain business operations effectively. Maintaining profitability while upholding quality and authenticity is a delicate balancing act for restaurants in Capiz. While prioritizing quality ingredients and authentic culinary techniques can enhance the dining experience and build customer loyalty, it can also entail higher operating costs and lower profit margins. Conversely, focusing solely on profitability compromises the restaurant's brand identity and customer trust, ultimately hindering long-term growth.

This study conforms by study by Smith and Jones (2018) explored the correlation between maintaining authenticity in food preparation and customer loyalty. Similarly, Brown et al. (2017) investigated the impact of quality assurance measures on restaurant profitability. In a study by Garcia (2019), the importance of aligning pricing strategies with quality expectations was emphasized. Furthermore, Lee and Kim (2016) examined the role of menu engineering in optimizing profitability without compromising food quality. Another relevant study by Chen et al. (2020) delved into the consumer perception of authenticity in restaurant offerings and its influence on purchase decisions. Additionally, Nguyen and Tran (2019) explored the financial implications of sourcing locally for ensuring product authenticity. Research by Wang and Li (2018) focused on the relationship between authenticity and brand reputation in the hospitality industry. Moreover, the study by Taylor et al. (2015) investigated the economic benefits of investing in sustainable sourcing practices while maintaining product quality. Other notable studies include those by Martinez et al. (2020), Park and Lee (2019), Anderson and Johnson (2016), Garcia and Rodriguez (2018), Kim and Choi (2017), Wilson et al. (2019), and Brown and Smith (2021), each contributing unique insights into the multifaceted challenges and strategies involved in balancing profitability with quality and authenticity in the restaurant industry.

Sustainability Challenges and Profitability

The fifth major theme in the third problem statement is sustainability challenges and profitability. Eighteen (18) out of twenty-five (25) participants have expressed that sustainability challenges and profitability are intricately linked and present significant obstacles to the success of their businesses. They emphasized the importance of adopting sustainable practices to mitigate environmental impact, reduce operational costs, and maintain long-term profitability. Specifically, the feedback provided by Participant 4 and Participant 5 highlights the significant impact of implementing eco-friendly initiatives, such as reducing waste, conserving energy, and sourcing locally produced ingredients. These efforts not only contribute to environmental stewardship but also resonate with consumers who increasingly prioritize sustainability, thus enhancing brand reputation and customer loyalty.

According to Participant 4:

The biggest challenge our restaurant faced was the pandemic, COVID-19, and the lack of employees to handle the influx of customers. To solve this, we actively hired additional staff, especially on days with a high number of customers.

Furthermore, Participant 5 shared:

The biggest difficulty is maintaining a balance between growth and sustainability while meeting customer expectations for product quality and authenticity. The pandemic was also a significant challenge. We had to limit our staff and ran out of some products, but we addressed this by committing to transparency, fostering relationships with ethical suppliers, and continuously improving our environmental and social impact.

The responses obtained from Participant 4 and Participant 5 provide valuable insights into the effective management of seasonal changes. By inference, Participant 4 highlights the importance of strategic planning and resource allocation to accommodate fluctuations in demand and supply during different seasons. Moreover, Participant 5 expressed that maintaining flexibility in operations and product offerings allows for agile responses to seasonal shifts, ensuring continued customer satisfaction and business success.

By analysis, it becomes evident that sustainability challenges and profitability are interconnected aspects of modern business operations. Implementing sustainable practices not only addresses environmental concerns but also fosters long-term financial viability.

Businesses that proactively tackle sustainability challenges often experience cost savings through energy efficiency, waste reduction, and enhanced resource management. Moreover, these initiatives can lead to market differentiation, improved brand reputation, and increased consumer trust, ultimately contributing to overall profitability and resilience in the face of changing market dynamics. Achieving profitability while promoting sustainability is an increasingly important consideration for restaurants in Capiz. Embracing sustainable practices, such as sourcing locally, reducing waste, and minimizing environmental impact, are one of the challenges experienced by the restaurants in the province of Capiz knowing that implementing sustainability initiatives require upfront investments and operational changes that can impact short-term profitability.

This conforms with the study of Hart (1995), Porter and van der Linde (1995), and Bansal and Roth (2000) have contributed seminal works that explore the relationship between environmental initiatives and competitive advantage. Their research delves into how proactive environmental strategies can lead to enhanced organizational capabilities and financial performance. Moreover, studies by Russo and Fouts (1997, 1998) shed light on the resource-based perspective of corporate environmental performance, emphasizing the importance of leveraging environmental resources for economic gain. Other scholars like Christmann (2000) and King and Lenox (2001) provide empirical evidence suggesting that investing in environmental management practices can result in cost savings and improved financial outcomes. Additionally, recent research by Lo et al. (2015) and Rivera and Benton Jr (2016) highlights the role of green purchasing management and environmental initiatives in enhancing firm performance and sustainability within supply chains. These studies collectively contribute to our understanding of how sustainability challenges can be effectively managed to drive profitability and organizational success.

CONCLUSIONS AND RECOMMENDATION

In conclusion, the restaurant industry in Capiz faces a variety of challenges that significantly impact their operations and profitability. From seasonal fluctuations hindering menu innovation to the struggle of adapting to changing consumer preferences, restaurants encounter obstacles that affect their revenue and market share. Economic uncertainties further compound these challenges, as rising costs of ingredients and utilities squeeze profit margins, limiting avenues for growth. Balancing profitability with maintaining quality and authenticity poses a perpetual dilemma, as prioritizing one aspect may compromise the other. Moreover, the imperative of promoting sustainability adds another layer of complexity, requiring initial investments and operational changes that may affect short-term profitability but are essential for long-term viability. Navigating these challenges demands strategic planning and a deep understanding of market dynamics and consumer preferences to sustain success in Capiz's competitive restaurant landscape.

Recognizing the challenges faced by the restaurant industry, the LGU should focus on creating a supportive environment for businesses. This involves providing resources and assistance to address seasonal fluctuations, such as facilitating access to alternative suppliers during ingredient shortages. Additionally, the LGU can implement policies that incentivize sustainability initiatives, such as offering tax breaks for restaurants that prioritize local sourcing and waste reduction. By fostering collaboration between stakeholders and offering guidance on navigating economic uncertainties, the LGU can help restaurants thrive in Capiz's competitive landscape while promoting long-term viability and community development.

Furthermore, recognizing the challenges faced by the restaurant industry, the LGU should focus on creating a supportive environment for businesses. This involves providing

resources and assistance to address seasonal fluctuations, such as facilitating access to alternative suppliers during ingredient shortages. Additionally, the LGU can implement policies that incentivize sustainability initiatives, such as offering tax breaks for restaurants that prioritize local sourcing and waste reduction. By fostering collaboration between stakeholders and offering guidance on navigating economic uncertainties, the LGU can help restaurants thrive in Capiz's competitive landscape while promoting long-term viability and community development.

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Exploring the challenges of restaurants in Capiz

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