COVID-19: An update since our last note

Living in and adapting to a fluid environment seems to be the new normal. This week's focus is on the restaurant industry only.

South African restaurants have a reputation for excellence

It is the only African country that has seen its eateries make it onto the list of Top 50 Restaurants in the World, with two restaurants receiving this honour in 2019. South Africa also has the largest market for food and drink in Sub-Saharan Africa and in January this year, was forecast to see the revenue of restaurants, bars and canteens grow from US$5.83 bn in 2019 to US$6.7 bn in 2023.

The Restaurant Association of South Africa (RASA) estimates that the sector employs 800 000 people, and that a substantial portion of these individuals are unskilled. While home delivery services offer some relief to restaurants now that these are allowed again, the high commission these services charge (20% to 30%) is seen as prohibitively expensive for some. Many restaurants have received little in the form of financial relief, while still being expected to pay rentals. Those that do not offer home delivery or take away options, have effectively been left stranded. In terms of the current risk-managed approach to managing COVID-19 in South Africa, sit-down dining will only resume at alert level 1. Many restaurants lack the working capital to reopen, and locally the industry is not expected to reach full capacity for the next 18 months.

Restaurant survival, in a post-COVID-19 world, will need to adapt to a new normal
As our understanding of how the virus spreads increases, there is also a new appreciation of the role of air conditioning and airflow in enclosed spaces and how these contribute to the spread of the disease. With most dining experiences lasting more than an hour, and given that a 5-minute face-to-face conversation is enough for an infected individual to infect others, it seems clear that we cannot go back to the way things used to be.

The future of dining: the end of shared spaces and the rise of robot waiters?
- Buffets and self-service stations are likely to become a thing of the past. Expect shared spaces to be minimised in the restaurant of the future.
- Many eateries are using clear shields to isolate diners, either individually or through dining pods that are designed to isolate families from the rest of the patrons.
- Some restaurants are using mannequins or teddy bears to "fill seats" and enforce social distancing, effectively leaving some tables empty. In Lithuania, these mannequins are being used to show garments by fashion designers.
- With concerns about airflow in enclosed spaces, expect a rise in outdoor venues and dining.
- Locally, a restaurant owner in Pretoria has resurrected the concept of the "roadhouse", and Cape Town is reportedly getting a drive-in movie theatre again.
- Menus are being replaced by digital apps and ordering.
- In South Korea and Spain, there has been the rise of robot waiters and barmen.
- Any remaining communal items, like salt cellars and pepper shakers, can be expected to be cleaned more frequently.
- Restaurants may collect and keep the details of their diners for some time, to enable contact tracing.
- In future, restaurants may aim to diversify their income streams, offering on-premise dining alongside take aways and delivery services, to help and ensure their future viability.

Remaining profitable while ensuring social distancing, will be one of the biggest challenges to the industry
In the immediate future, however, a key determinant of the outcome restaurants face will be whether restaurants can convince their patrons that it is safe to dine out. Without this reassurance, we are unlikely to see a wide-spread return to restaurants as an acceptable form of entertainment.

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Researcher: Adri Saayman, MPhil Futures Studies, Research Associate for the Institute for Futures Research, University of Stellenbosch, Head of Public Relations at PSG.