

ARTICLE: A Primer for Restaurants Pivoting to Online Sales during this time of Social Distancing

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Business Audit: Business Model and Payment Systems

SBU Alumnus Francesca Gist, owner of Slurp Ramen in Port Jefferson, and Associate Professor of Marketing Stacey Finkelstein collaborated on this article about what restaurants can do to react to business challenges brought on as a result of the current coronavirus situation.

Are you a restaurant that relies primarily on in-house service? Are you using tip credit as your main form of employee payment? Do you utilize cloud based services at the point of sale? What is your order mix (balance of in-house, takeout, phone orders, online orders) and what are your customers used to and open to? Fine dining restaurants can pivot to phone orders, takeout, curbside pickup in the same way as other restaurants have that aren't high end. Additionally, restaurants can act as a source of hard to find ingredients (flour, eggs, milk etc) and can offer to add these ingredients to takeout or delivery orders.

It would be wise to get touchless pay systems that take google pay, Samsung pay, apple pay, card touch pay, etc. Slurp Ramen has reduced cash payments for employee-customer safety, however, it costs the restaurant money to use cards. Some deli's have the credit card fee as a service charge. This is legal like at the gas pump with two prices, but only if it is done correctly. Most customers don't mind a 3% service charge, again, needs to be done correctly or you'll be breaking laws.

Business Audit: Cleanliness

How are you protecting employees and customers who place takeout orders? For instance, at Slurp Ramen, plastic curtains and areas emphasizing social distancing have been met with high customer praise as consumers and workers feel like the restaurant is prioritizing health and protection. Francesca added CDC signs on Covid-19 symptoms and proper handwashing at her restaurant and double checked that that her staff were continually sanitizing high-touch surfaces, (sanitizing high-touch surfaces was not necessary pre-Covid-19.) She took time to teach employees how to hand over food without touching a customer's hand. And she set up the interior of the store to keep waiting guests 6 feet away from each other too. She implemented curbside pick up and added a second phone line last week to keep up with projected phone orders.

Business Audit: Supply Chain

What happens if one of your suppliers shuts down or has reduced production. Does your distributor limit purchase quantity? Do they have the capacity to store ingredients? It's hard to tell what other supply chains will be affected as manufacturing and shipping is diverted to medical supplies and air flights that also carry cargo have greatly decreased. I have no idea how as a small business owner you figure that out. I bought 2 months worth of take out supplies and dry goods just in case.

What can be done immediately?

Companies like Door Dash and Uber Eats are receiving a deluge of requests for companies who want to utilize online delivery. Simultaneously, their employees are all working from home and thus the flow of work might be significantly slowed down, this situation may change daily. Additional considerations when signing up for online delivery service are centered around exclusivity deals. Door Dash, for instance, includes an exclusivity contract when businesses sign up for their service which means that restaurants cannot sell on another platform (such as Uber Eats). While you figure out which platform you want to go with (DoorDash itself which has the DoorDash app, or Door Dash partnered with Chow Now) or Uber Eats), a quick and easy thing to do would be to upload your menu and create an online ordering platform on your website.

In the meantime, here are some immediate things you can do:

- Fix or create your website and potentially upgrade it to feature your menu so that you can start accepting online orders
- Fix or create your google my business listing, yelp listing, facebook page, Instagram, etc.
- Make sure your business description and hours are correct on everything on the internet
- Rearrange the interior and exterior of your business for a people flow that prevents people getting within 6 feet of each other
- Set up online payments, touchless payments
- Make sure the outside of your business has signage that makes it obvious that you're open
- Make an employee schedule, (probably a triage plan for the hours you have,) explain to employees what's happening. Some may quit. That is helpful. If laying off, direct employees to the DOL rules about which day to apply since they are backed up.
- Reach out to your local chamber of commerce. The PJ B.I.D. set up a free within 11777 zip code delivery service.
- Avoid people who believe the situation is helpless. Be on the search for solutions.
- Call your vendors about the status of the supply chain. Even if they have stock, they may decrease the delivery schedule. Coca-Cola wrote and said they will have supply chain issues for their products.

- NYS of Health market place is open right now until April 15. Tell everyone. I told my employees just in case.
- Cross train your employees so you don't have skill gaps.

What can be done longer term?

Recognizing that it could take weeks/a month to setup with Door Dash or Uber Eats, you can start and manage the process of signing up with one of these companies.

Tips and Tricks

DoorDash and UberEats have a business model that focuses on increasing or enhancing existing business and not being the key driver of sales. Thus, these companies typically charge a commission of 30%. As of now, these commission fees on Door Dash are temporarily suspended, but if you are not currently equipped or have to wait to join Door Dash, these commission fees might be re-implemented. You can, however, adjust your prices in Door Dash and charge a premium over your regular menu to recoup some of these commission costs to you. Any increase should be mindful of: a) your costs and b) customer willingness to pay the slightly higher price.

How SBU can help:

If you need help adding your menu to your website or using your website to boost sales, let us know and we can find a qualified student intern who can help you complete this project. Relating back to the business audit, ask yourself: Do I even have a good website to begin with? Are they using Instagram and Facebook to do marketing? SBU students can help create social media accounts and teach them about handles and hashtags.

SBU could brainstorm with the client. Take a look at their business and suggest ideas on how to adapt. Many owners probably have no experience or feel lost in such a sudden and extensive pivot.