Social Distancing, Quarantine and the Role of Technology in Keeping Food Services Running

In a sense, it's not the Covid-19 itself that's threatening to uproot the normalcy of everyday life—rather it's the social distancing and quarantine measures that have done it. When you look at the Coronavirus infections in Australia, we're far better off and much more successful with containment with most other countries. The Australian government is being applauded for the efforts in containing the virus, in flattening the curve and reducing the infection rates, thankfully. Much of this success in containing the virus can be credited to the social distancing and quarantine measures that were implemented from the moment the news about the Coronavirus in China hit mainstream media. Since then, we've had increasingly stringent controls on social gatherings and intermingling of people—which has eroded away the foundations of the commercial sector—the hospitality industry most of all.

There can be no hospitality business if people aren't coming out that a business can be hospitable to. Restaurants, take away food services and hotels are all in lockdown because it's too risky to allow them to function—they work fundamentally by serving huge crowds at the same time. As it stands, nearly [78% of all businesses](#) working in the food industry had to make changes to their workforce. The same reports also indicate that 43% of all businesses in the sector had to lay off the staff *and* took major hits to revenues/profits during this time. None of this is surprising really, because there was nothing else to expect—people can't go out and there is no one to serve.

Existing Solutions for Food Businesses

Interestingly enough, this is a great time for food delivery businesses as [online food order frequencies surged](#) during the lockdown. This is also a fairly understandable shift in dynamics—after all, if people can't go out to eat—they can at least order in and it's turned out to be quite lucrative for food delivery services. There are complications on that front also because food delivery platforms are now charging higher for their services, exploiting the monopoly they've found themselves holding suddenly because of the quarantine measures. Uber Eats was called out by the Franchise Council of Australia recently because of its exploitative pricing strategies and was [urged to slash its prices](#) to minimise the financial pressures on customers/business owners.

Despite the problems with existing food delivery platforms, there are few options left for restaurant owners besides moving to something like Uber Eats. If you, as a restaurant owner, aren't delivering food—you're missing out because the demand for food [is still quite high despite the pandemic](#). People are still ordering in and a lot of new restaurants are trying to shift their business models from dine-in to deliveries—much to their financial success. Ultimately, things aren't looking too bad even if food delivery platforms are overcharging for their services.

Lessons to Take Away From This Dynamic

From what we can tell, even with a lockdown in place, the food business is thriving and businesses are making a lot of money even if they have to lay people off. Much of this can be put down to the increasing implementation of technology in the food industry and the availability of online food delivery platforms. Restaurants aren't the only businesses shifting to these new business models—supermarkets, grocery stores and other food retailers are all bringing the food to people instead of people coming to them. This is the new norm and dynamic of the food industry in Australia—and it's not too bad if you know how to make the most of the situation.

The solution here, as with all business problems, is to figure out a way to maximise your profit margins. Fundamentally, there are two basic ways to do it—you either reduce your costs or increase your revenues. Thankfully, tech innovation has given all business owners in the retail food industry a chance to do both. Given the fact that the chokehold at the final stage of the value chain will hold up all other intermediary food service points—technology allows us to continue making sales and thus sustain production across all points of the chain. Let's take a look at how that can happen:

1. The Role of Food Delivery Platforms

There are a lot of examples in Australia right now of businesses using online food delivery platforms to help generate greater revenues. Now that more people are shifting to food delivery—before the epidemic 60% of all Australians preferred ordering through a food delivery platform—this number has quite likely increased by now. Forming associations with a platform like Uber Eats can be immensely beneficial for business owners because it's one of the best user-business interfaces in the country right now.

Working with Deliveroo or Uber Eats can also help you cut down the costs of maintaining a delivery fleet. While Uber Eats and Deliveroo are charging a fair bit of money for their services, it's possible that the cost cuts and the higher revenues might offset the service charges. You won't have to hire more people, you can afford to keep around the essential staff and continue generating greater attention from clients looking for new options on these platforms.

2. Changing Business Models

Recently, Dominos announced that online deliveries had sky-rocketed even before the lockdown was initiated. They identified a trend in consumer behaviours, that [they were calling "cocooning"](#) where customers wanted to stay at home and eat with their families. This spike in the number of online deliveries has actually reversed the employment trends in the company, where Dominos is considering hiring more people to meet demand.

While Dominos already had a well-established online ordering platform, businesses who've shifted to online orders are reporting higher revenues as well. Many businesses report that they have been far more successful working with their customised online ordering platforms, because they give them greater control over how the customer views them. As more businesses move into places like Uber Eats, having a tailored online order system could do wonders to preserve your consumer base and perhaps increase it as well.

3. Changing Inventory Management Methods

This particular consideration applies to restaurants, as much as it applies to places like supermarkets. As you change your business models, you'll likely encounter new obstacles where an uncertain supply chain might require you to stock up to avoid production hold-ups as the existing situation evolves. As we transform our business models to serve these new consumption behaviours, we will likely observe different ordering patterns, seasonal effects, and possible variations at both the supplier and the consumer end.

This means that businesses need to ensure that their supply chains and inventories are optimised to meet the challenges that will very likely surface very soon. We've already observed that people began panic buying when the pandemic surfaced, leading to shortages in the market—a shortage that impacted all the stakeholders in the industry. In these uncertain times, it's probably best to ensure that you devise flexible inventory management processes and possibly automate your inventories to reduce lags in your supply chain.
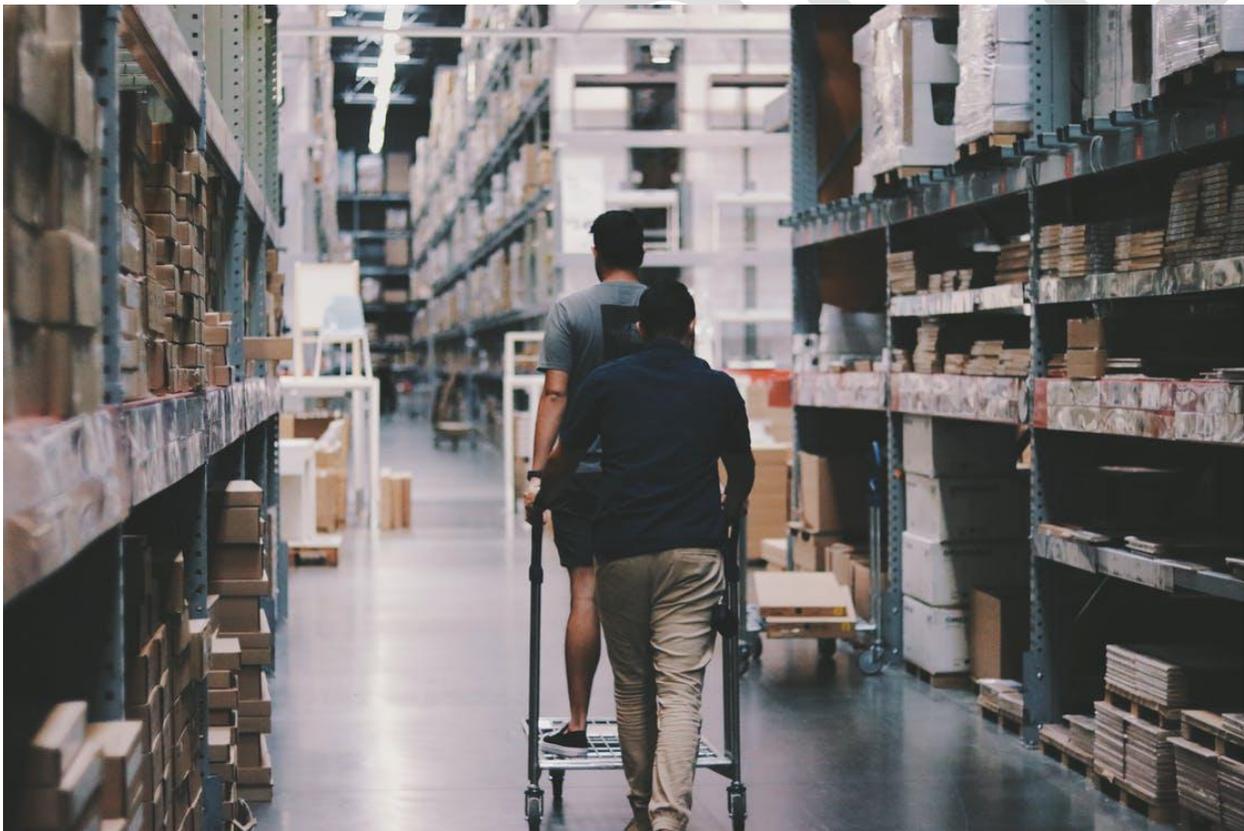
Concluding Remarks

As time goes on, it will become easier for us to assess what these new consumer dynamics mean for businesses in the food industry. Until such a time comes when vaccines for the Covid-19 roll out, there's no guarantee for whether these lockdowns will continue. At this moment, all businesses need to look to the short run and capitalise on existing opportunities to respond to the demands of the market. This is only possible through constant monitoring and tweaking to

existing organisational processes to meet the consumers head-on as they demand an increasing amount of flexibility from their service providers.

While trends seem to indicate that online food ordering services are the best ways for businesses to thrive, there's no telling how long these trends will continue. Taking every day as it comes is perhaps the best piece of advice anyone can provide, especially given how the rest of the world has responded to the epidemic so far. The Australian food industry has done exceptionally well, whether we consider the international food traders or the domestic food industries. It's entirely possible that we're witnessing a change in the processes that characterise the functioning of the food industry.

One thing is for certain though—technology has only improved food service provision capabilities. In the absence of automated order management systems and online food delivery platforms, these gains were likely impossible to realise.

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