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Exploring the Impacts of COVID-19 and Strategies for Restaurant Operations in Phuket, Thailand

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Abstract

Amid the COVID-19 pandemic, the global tourism industry, including the renowned tourist destination of Phuket in Southeast Asia, experienced significant challenges. The restaurant sector, being a cornerstone of the local tourism economy, bore a disproportionate impact. This study aims to document the impacts of the pandemic particularly on restaurants and explore their crisis strategies in addressing these challenges. From the interviews of 20 local restaurant owners or managers, the thematic analysis reveals four-dimensional impacts: financial challenges, operational costs, government policies, and human resource management. In response to these challenges, restaurants implemented crisis strategies focusing on financial management, operational cost reduction, new marketing activities, and balancing employees' expenses and welfare. Furthermore, the study contributes to addressing the limited research on crisis management strategies in the restaurant industry by expanding the dimensions of crisis impacts and supporting existing crisis strategies in the hospitality industry. It also provides practical insights for restaurants in tourist-driven destinations to better respond to future crises, focusing on financial challenges, kitchen operations, online marketing, and customer behaviour shifts. Additionally, it enhances the understanding of crisis management in a tourist-driven economy, particularly relevant to island destinations like Phuket.

Keywords: COVID-19 Impacts, Restaurant Operations, Phuket, Crisis Management, Thematic Analysis

Introduction

Throughout history, pandemics like SARS, MERS, Ebola, Polio, and Zika (Falode et al., 2021) have profoundly impacted the global economy and society (Falode et al., 2021). The recent COVID-19 pandemic further impacted the global economy, and the tourism industry was directly and severely affected (Gursoy & Chi, 2020). While tourism is crucial for economic growth, it remains highly vulnerable to crises like COVID-19,

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leading to significant economic repercussions (Dube et al., 2021). The restaurant sector significantly contributes to the tourism industry (Brizek et al., 2021), but small and medium-sized establishments often struggle with long-term financial sustainability (Madeira et al., 2020).

The COVID-19 pandemic exacerbated these challenges, leading to a sharp economic decline in the tourism sector, with restaurants among the hardest hit (He, 2021). Financial challenges during the pandemic created uncertainty for restaurants, leading to potential closures and job losses (Gianni & Boston University, 2020). The pandemic has highlighted the vulnerability of the restaurant industry because restaurants are highly susceptible to prolonged crises (Brizek et al., 2021), with survival rates plummeting as the crisis lengthened (Bartik et al., 2020).

Phuket is recognized as Thailand's third most significant tourist destination, following Bangkok and Pattaya, and typically welcomes nearly one-third of all visitors to Thailand, according to Baker and Phongpaichit (2021). In 2019, the Tourism Authority of Thailand (TAT) recorded approximately 14 million visitors to Phuket (Tourism Authority of Thailand, 2020). The restaurant industry is a key part of Phuket's economy, contributing 14.27% of the provincial economy (Ministry of Tourism and Sports, 2022).

Previously, Phuket restaurants faced challenges from the 2004 Tsunami (Henderson, 2005) and the 2003 SARS outbreak (Wang et al., 2020). While both SARS and COVID-19 were pandemics, they differed significantly in duration, with SARS lasting around 3 months and COVID-19 persisting for nearly 3 years. The COVID-19 pandemic also brought international travel restrictions and government-imposed mobility limits, severely impacting the tourism industry (Usman et al., 2023). Unlike previous crises, COVID-19 posed long-lasting challenges and a global impact, leading to diverse effects on restaurant operations. Vickery et al. (2023) identified changes in revenue, customer behaviour, and operational challenges, while Cohen (2021) found that businesses adopted entrepreneurial coping mechanisms despite the intensified negative impacts of government interventions like lockdowns. However, little is known about the survival and recovery strategies employed by these establishments, especially in a mass tourist destination like Phuket. Therefore, as the post-COVID-19 pandemic, there is a growing need for a more comprehensive crisis management approach, including proactive planning and risk mitigation strategies beyond immediate recovery efforts.

Objectives

This study aims to investigate the specific impacts of COVID-19 on restaurant businesses and explore the crisis strategies employed by these establishments. The research focuses on individual restaurants operating in Phuket during the pandemic.

Literature review

Impacts of the COVID-19 pandemic on restaurant operations

While the hospitality and tourism industries contribute significantly to tourism revenue, they are particularly susceptible to a range of risks and crises (Dube et al., 2021)., such as political events, terrorism, health crises, financial downturns, natural disasters, and human error (Wut et al., 2021). The restaurant sector, being a key part of the local tourism economy, was especially significantly affected. The restaurant sector has faced numerous adverse effects from the COVID-19 pandemic, as outlined by Jiang and Wen (2020). These impacts can be categorised into immediate and longer-term consequences. During the COVID-19 outbreak, the restaurants faced financial strain due to limited tourism, affecting cash flow (Kahle & Stulz, 2013). Also, businesses faced employee retention issues, decreased customers, and liquidity challenges during the crisis. COVID-19 intensified existing concerns about retaining employees (McGinley et al., 2017). A recent study by Vickery et al. (2023) investigated the enduring short-term impacts of the COVID-19 pandemic on restaurant operations, focusing on revenue streams, shifts in customer behaviour, and operational challenges. In addition, government lockdowns during the COVID-19 pandemic caused the restaurant sector to face immediate cash flow disruptions (Hall et al., 2021). Lockdowns and dining restrictions globally led to closures or reduced operating capacity, impacting revenue (Fernandes, 2020). Also, social distancing policy requirements further decreased profitability and strained traditional business models (Gössling et al., 2020). These measures resulted in layoffs, particularly in the leisure and hospitality sectors (Harba, 2021). Furthermore, social distancing policies increased cleaning costs, adding financial pressure (Shahbaz et al., 2020), and government restrictions worsened the economic downturn, potentially leading to closures (Ozili & Arun, 2023).

Crisis management of restaurants

Crises are unpredictable and unavoidable events that cause negative outcomes to an organization, so crisis management is a key part of strategic management supporting business continuity (Coombs, 2019). Before the COVID-19 pandemic, restaurant operators implemented pre-crisis management by fostering a proactive approach to preventive measures while maintaining the existing operational characteristics (Pavlatos et al., 2020). It is necessary to arrange comprehensive staff training programs focused on preventive responses (Bilić et al., 2017). In addition, restaurants ensure the continuous availability of menu items and uphold the quality of operations by establishing a consistent monitoring system of the supply chain status, logistics flows, and food preparation processes (Margherita & Heikkila, 2021). Moreover, the success of during-crisis management depends on timely and well-coordinated responses to minimising the negative impacts. Adhering to preventive and corrective procedures is crucial for restaurants in crisis management (Lai & Wong, 2020). Pavlatos

et al. (2020) and Lai & Wong (2020) suggest that restaurants can freeze pay rates and replace higher-paid employees with lower-cost alternatives to control labour expenses. Negotiating payment schedules can also help manage cash flow (Lai & Wong, 2020). Additionally, using lower-cost supplies during crises is essential to maintain inventory while optimizing expenses (Margherita & Heikkila, 2021). Moreover, recent studies on crisis management in restaurants during the COVID-19 pandemic highlight the resilience and strategic adjustments (Lai et al., 2020), adapting operations (Gkoumas, 2022), seeking government assistance, and adjusted market activities (Nowacki & Nurkowska, 2022).

During the COVID-19 pandemic, restaurant operators responded to declining sales by reducing staff and sometimes closing the operations (Filimonau et al., 2020). The Phuket restaurant industry prioritised financial flexibility by maintaining cash reserves, reducing debt, and ensuring profitability amid market volatility (Ramelli & Wagner, 2020). After movement restrictions were lifted, restaurants implemented recovery strategies by rearranging seating and operational flows for customer safety, investing in touchless menus and payment systems, and emphasising cleanliness and sanitisation (Dube et al., 2021). They also modified business models (Tria, 2020) and expanded delivery services to accommodate health-conscious customers staying home (Yang, Liu & Chen, 2020). These delivery services not only sustain restaurant viability but also provide employment opportunities, minimizing the impact on employees' families (Eriksson & Dahlberg, 2022).

Furthermore, governments responded to the pandemic by launching economic relief programs to support struggling restaurant operators and unemployed workers, aiming to stimulate the economy and alleviate financial difficulties (Brizek et al., 2021). In Phuket, the restaurant industry received relief measures including grants, tax breaks, and debt repayment breaks from government agencies (Baker & Phongpaichit, 2021).

Conceptual framework

The conceptual framework aims to explore the impacts of the COVID-19 pandemic across four dimensions: financial problems (Kahle & Stulz, 2013), operational capacity (Gössling et al., 2020), government restrictions (Hall et al., 2021; Harba, 2021), and human resources (McGinley et al., 2017). It also investigates crisis strategies in restaurants based on five categories outlined by Pavlatos et al. (2020): operations, human resources, marketing, maintenance, and government.

Methodology

This study used a qualitative approach with semi-structured interview questions, focusing on the impact of the COVID-19 pandemic and management strategies used during the pandemic. Three experts validated the interview questions for relevance, accuracy, and effectiveness. To enhance the clarity of the questions, preliminary testing was conducted across three restaurants in Phuket. This process involved refining the language by substituting specialised academic terminology with more commonly used

expressions. Following these adjustments, the questions were then translated into Thai using the back-translation method. The study obtained ethical approval from the university's Institutional Review Board, and ethical conduct was maintained throughout the research process.

In this study, purposive sampling was employed to select respondents who met specific criteria pertinent to the research objectives. The sample comprised Thai or foreign restaurant managers and entrepreneurs residing or staying in Phuket, with a minimum of two years of managerial experience in the restaurant industry. The selection criteria also required that the participants be actively involved in restaurant management during the COVID-19 pandemic, ensuring the inclusion of businesses that continued operations despite the challenges posed by the pandemic. Additionally, the chosen restaurants were required to target tourists as their primary customer base and to have garnered at least 100 reviews on platforms such as Google or TripAdvisor. Moreover, the restaurants selected for the study were independent entities, not affiliated with hotels. This approach ensured the relevance and reliability of the sample in addressing the research questions.

This ensured that participants possessed relevant expertise and experience, given their significant responsibilities in established restaurants during the pandemic. Regarding the criteria, 50 restaurants were identified and contacted across three districts of Phuket. Due to limitations and availability, only 20 restaurants accepted the invitation: 10 from the Muang district, 5 from the Thalang district, and 5 from the Kathu district. Interviews were conducted from May to July 2021, each lasting about an hour. Interviewees were encouraged to share their opinions and experiences freely. Their consent was obtained to record the interviews for transcription purposes, following ethical guidelines.

Interviews concluded after 15 participants, met the saturation criterion (Silverman, 2016; Fusch et al., 2018) with no new insights relevant to research objectives (Cooper & Schindler, 2014). However, interviews were extended to include all 20 accepting restaurants to further solidify the saturation point. The study then employed thematic analysis to examine the pandemic's impact on Phuket restaurants and their strategies, aiming for a deeper understanding of the crisis (Braun & Clarke, 2019). Lastly, a categorical approach was used in the coding process (Saldana, 2021), constructing themes from general topics and ideas.

Results

Demographic profiles of respondents

Table 1 presents the demographic profiles of 20 interviewees: 11 restaurant managers with 3 to 20 years of experience, 8 restaurant owners with 3 to 17 years of experience, and 1 individual who manages his restaurant.

Table 1 Demographic Profile of the Interviewees

No.	Position	Gender	Working experience (years)	District
R1	Owner	Female	3	Thalang
R2	Manager	Male	10	Mueang
R3	Manager	Female	4	Mueang
R4	Manager	Male	20	Mueang
R5	Manager	Male	8	Mueang
R6	Owner	Female	8	Thalang
R7	Owner & manager	Male	10	Kathu
R8	Owner	Male	12	Mueang
R9	Owner	Female	4	Mueang
R10	Owner	Female	9	Thalang
R11	Owner	Female	4	Mueang
R12	Manager	Female	15	Mueang
R13	Owner	Female	15	Kathu
R14	Manager	Female	3	Mueang
R15	Owner	Male	12	Thalang
R16	Owner	Female	8	Thalang
R17	Owner	Male	6	Kathu
R18	Owner	Female	17	Kathu
R19	Manager	Male	15	Kathu
R20	Manager	Male	5	Mueang

Impacts of the COVID-19 pandemic on Phuket restaurants.

Thematic analysis identified four key categories affecting restaurants: finances, operations, government orders, and human resources as shown in Table 2. In tourist-centric Phuket, COVID-19's primary impact was financial, resulting from disrupted cash flows due to suspended tourist arrivals. All twenty participants noted cash flow disruptions linked to government movement restrictions.

Secondly, all participants agreed that their restaurants experienced operational impacts in terms of reduced customers due to changing dining behaviours. Additionally, increased expenditures on hygiene and health safety protocols were a common concern among eighteen participants, who mentioned investments in items like thermometers, hand sanitiser gel, and disinfectants. Transportation challenges for purchasing raw materials affected ten restaurants, leading to menu modifications or removals due to ingredient shortages during lockdowns. A female restaurant owner in Thalang mentioned that *"Lockdown policies make barriers for delivering raw materials, especially from another province. Therefore, we need to notify customers of the menu that can be cooked each day, affecting sales." (R16)*

Moreover, the government's COVID-19-related policies had negative impacts on Phuket restaurants. Sixteen restaurants were affected by strict movement restrictions

which caused an absence of foreign tourists and reduced local customers, making financial planning challenging. Finally, employee fear and lack of confidence during the pandemic affected restaurant service quality. This fear and uncertainty led to issues like reluctance to interact with customers, hesitation in food handling, and inconsistent adherence to safety measures.

Table 2 COVID-19 Pandemic Impacts on Restaurants in Phuket

Impacts		Respondents																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Financial	Cash flow shortage	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Sales or income decreased	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Operation	Increasing expenditures on hygiene and safety protocols	/	/	/	/	/	/	/	/		/	/	/	/	/	/	/	/		/	/
	Ingredients delivery barriers and unavailability of raw materials		/				/	/	/		/				/		/	/		/	/
Government orders	Movement restriction and social distancing policy	/	/	/	/		/		/		/		/	/	/	/	/	/	/	/	/
Human resource	Employee anxiety		/	/							/		/		/	/	/			/	
	Unvaccinated staff	/	/	/	/	/	/	/												/	

Crisis management strategies on the pandemic

The interviews highlighted four key crisis management dimensions for Phuket restaurants: human resources, marketing, finance, and operations.

The following analysis presents the human resources strategies adopted by Phuket restaurants during the pandemic, as outlined in Table 3. To begin, nineteen restaurants reduced workdays to save costs, requiring employees to take on multiple tasks through cross-training. Most restaurants avoided layoffs and hiring additional part-timers. Furthermore, rather than laying off employees, fifteen restaurants prioritise

employee welfare by offering support beyond monetary compensation. This includes providing nutritious meals during shifts and allowing employees to take food home for their families. They also provide COVID-19 prevention training and offer insurance coverage to boost employee confidence. Lastly, eleven restaurants in Phuket reduced employee wages through percentage-based cuts or adjustments based on roles or seniority. Some also placed employees on temporary unpaid leave.

Table 3 Human Resources Strategies of Phuket Restaurants during the Pandemic.

Strategies		Respondents																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Working reduction	Reducing workdays	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/		/	/
	Requiring multi-tasking staff	/	/	/	/	/		/							/		/			/	
	Laying off employee			/	/		/	/			/	/	/	/	/						
	Hire temporary workers					/		/						/	/						
Increasing employee welfare	Providing meals	/	/	/	/	/		/		/	/		/		/	/		/		/	/
	Training employee			/				/					/	/	/			/	/	/	/
	Providing insurance and vaccination		/															/			
Reducing expenses	Reducing the pay rate		/	/	/	/		/	/		/	/	/					/		/	
	Unpaid leave		/	/	/										/						

Table 4 summarises the marketing strategies employed by restaurants. Nineteen Phuket restaurants focused on online marketing as their primary strategy during the COVID-19 outbreak due to travel restrictions and social distancing measures. They also utilised food delivery services through apps to accommodate customer needs under safety protocols. In addition, seventeen restaurants shifted their marketing focus to local customers, adapting strategies and offerings to appeal to Phuket residents and nearby areas in response to reduced tourism. The last strategy is that restaurants utilised price

reductions and promotions to attract customers during challenging times, participating in government campaigns like "We Travel Together," "We Win," "Half Each," "Amazing Thailand," and "Next SHA." Seventeen participants reported employing this strategy, resulting in positive customer responses.

Table 4 Marketing Strategies of Phuket Restaurants during the Pandemic.

Strategies		Respondents																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Online and delivery	Online Marketing	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/		/	/
	Delivery service	/	/	/		/	/		/	/	/		/	/	/	/	/	/	/	/	/
	Offline marketing					/		/	/						/					/	
New segments	Marketing to local people	/	/	/	/		/	/		/	/	/	/	/	/	/		/	/	/	/
Price decreasing	New menus and services		/	/	/		/	/	/	/			/		/	/				/	/
	Reducing price on special offers			/	/		/	/	/	/			/	/	/	/	/	/	/	/	/

Table 5 illustrates that the primary operational strategy among restaurants was implementing cost-reduction practices. Fifteen restaurants eliminated non-critical expenses by prioritising essential costs like rent and salaries while reducing non-essential expenses such as marketing and unnecessary equipment purchases. Fourteen respondents mentioned limiting restaurant services by temporarily closing areas and reducing seating. Eleven respondents reduced amenities like napkin placement and water service to minimise contact during the pandemic. Additionally, thirteen participants shortened operating hours to reduce labour and utility expenses. Last, some simplified menus by focusing on high-margin items and reducing variety to optimise inventory and minimise food waste.

Table 5 Operational Strategies of Phuket Restaurants during the Pandemic.

Strategies		Respondents																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Operational cost reduction	Limiting restaurant service	/			/		/	/	/		/	/	/	/	/	/		/		/	
	Reducing amenities and service	/		/	/			/			/	/	/	/	/	/	/				
	Eliminating non-critical expenses.	/	/	/	/	/		/	/		/	/	/	/	/	/	/			/	
	Simplifying menus and products										/	/	/		/						
	Reducing operation hours		/	/	/	/	/	/				/			/	/	/	/		/	/

As depicted in Table 6, financial strategies implemented by restaurants were categorised into five themes. Firstly, restaurants prioritised reducing fixed expenses like rent and interest, with eighteen agreeing on debt restructuring to lower interest payments and twelve renegotiating rental agreements. Secondly, seventeen restaurants focused on lowering ingredient costs by reducing orders and removing short shelf-life items like seafood from menus, shifting to frozen alternatives. Thirdly, thirteen participants mentioned postponing payments for renovations and maintenance, with five requesting extensions from creditors and suppliers. Furthermore, twelve restaurants reduced advertising and promotions due to impracticality under movement restrictions and changing consumer behaviours. Lastly, only eight restaurants had prepared financial plans for any unforeseen emergencies to ensure the restaurant would remain financially stable.

Table 6 Financial Strategies of Phuket Restaurants during the Pandemic.

Strategies		Respondents																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Reducing fixed expenses	Restructuring restaurant debts.	/	/	/	/	/	/	/	/		/	/	/	/	/	/	/	/		/	/
	Negotiating the rental fee		/	/								/	/	/	/	/	/	/	/	/	/
Reducing ingredients costs	Negotiating pricing of food ingredients	/	/							/	/		/			/	/			/	
	Reducing purchase ingredients orders	/	/	/	/			/		/	/	/	/	/	/	/	/	/	/	/	/
Postponing the payment	Renovation maintenance is postponed		/	/	/	/	/	/	/	/	/	/	/		/						/
	Requesting credit extension											/					/			/	/
Reducing advertising and promotion		/	/	/	/	/	/				/	/		/						/	/
Preparing financial plans			/		/	/		/	/						/	/				/	

Discussion and Implication

Impacts of COVID-19 on Phuket Restaurants

To serve the first research objective, the thematic analysis of 20 participants highlighted COVID-19's impacts on Phuket's restaurant industry across four dimensions: financial constraints, operational issues, government orders, and employee-related issues.

Cash flow disruption emerged as a significant concern due to Phuket's tourism reliance. The pandemic led to prolonged tourism suspension, causing sales and incomes to decrease, and resulting in cash flow shortages. This aligns with previous studies (e.g., Bánáti, 2011; Kahle & Stulz, 2013; Hall et al., 2021) indicating that external crises disrupt cash flow, often leading to economic strain and closures, similar to the SARS outbreak (Tse et al., 2006). Consequently, several restaurants in Phuket were forced to shut down, some permanently. If the restaurants managed to still operate, they had to face operational challenges.

During the pandemic, restaurants in Phuket faced operational challenges due to significant declines in customers and shifts in dining behaviours. Reflecting a broader trend noted by Dube (2021) of changing dining habits amidst COVID-19, the findings confirmed that customers were concerned about health safety and economic downturns, so they preferred takeaway and budgeted meals. Also, restaurants had to increase spending on cleaning and sanitation, aligning with Shahbaz et al. (2020). This strained finances as income decreased while expenses rose. Additionally, securing raw materials became difficult due to movement restrictions, impacting supply chains as noted by Aday & Aday (2020).

Moreover, government lockdowns and social distancing policies intensified pandemic impacts on Phuket's restaurant industry by restricting customer dining and causing concerns about virus transmission. This aligns with prior research (e.g., Fernandes, 2020; Gössling et al., 2020; Kim et al., 2021; Harba, 2021; Ozili & Arun, 2023; Usman et al., 2023), which shows a significant decrease in restaurant sales income, leading to closures or reduced operations. Human resource concerns were also evident, with restaurant employees experiencing stress and anxiety about virus transmission while interacting with customers (Lund et al., 2020). This challenging work environment led to service hesitations and affected customer satisfaction levels.

Strategies applied by Phuket restaurants during the pandemic.

As the second research objective, the findings revealed four categorised strategies of Phuket restaurants in dealing with the pandemic: human resources, operation, financial, and marketing. The categories were similar to Pavlatos et al. (2020), except for the government actions. To manage human resources during the pandemic, restaurants in Phuket commonly reduce the working days of the employees, rather than laying them off. This response was unlike the previous crisis such as the Tsunami in 2004 and the SARS outbreak, which caused the layoffs (Henderson (2005). However, COVID-19 was high uncertainty, and no one could certainly predict its ending, so restaurants retain employees to sustain business as supported by Wang et al. (2020). Conversely, during the COVID-19, restaurants in Phuket realised the widespread impacts on every sector of the Phuket economy affecting the well-being of not only employees but also their families. Thus, restaurants have increased welfare benefits for employees such as providing meals to employees and allowing them to take food home to their families. This response reflects a supportive and caring work environment in Phuket, contributing to employee morale, loyalty, and retention.

Secondly, operational cost reduction practices are common responses to increased business resumption rates. Therefore, in Phuket, most restaurants managed their fixed costs during the pandemic by several approaches such as eliminating non-critical expenses, limiting restaurant services, and adjusting operating hours. This

response was similar to the SARS outbreak as businesses reduced amenities and services such as live entertainment or valet parking (Tse et al., 2006).

Apart from the operational cost reduction, Phuket restaurants extended their financial strategies on reducing other fixed costs, postponing the payment, and preparing a financial strategic plan. Phuket restaurants highlighted the financial management in terms of renegotiating rental contracts and raw ingredients procurement management. In line with Aday & Aday (2020), restaurants negotiated with suppliers to secure discounts on ingredient procurement costs, delayed payments, and reduced orders. In addition, other non-operational payments were postponed including renovation and maintenance.

Lastly, as the marketing strategies used by restaurants in Phuket, online marketing and delivery services were pivotal strategies applicable to the situation. In line with the previous studies (Eriksson & Dahlberg, 2022; Yang et al., 2020), restaurants in Phuket intended to offer takeaway menus and delivery options to alleviate the impacts of the pandemic, resulting in an increase of delivery services in Phuket area. Likewise, restaurants implemented delivery services through available commercial platforms, which supports the findings of Dube et al. (2021) and Tse et al. (2006), as the restaurants were foresighted about the long-term benefits of the platforms (Muangmee et al., 2021). Regarding Nowacki and Nurkowska (2022), restaurants adapted the marketing initiatives based on the present circumstances and expecting future customers. Restaurants in Phuket attracted local customers by integrating the government recovery campaigns, namely “We Travel Together”, “Thailand Tourism”, and “Half-Half”, into their marketing schemes.

Theoretical Implications

This research contributes to the academic community by addressing a gap in crisis management strategies within the restaurant industry, building upon existing studies (e.g., Bartik et al., 2020; Madeira et al., 2020; Gössling et al., 2020; Harba et al., 2021; He, 2021; Kim et al., 2021; Gkoumas, 2022; Nowacki & Nurkowska, 2022). The study expands on crisis dimensions, particularly highlighting financial and operational impacts such as increased hygiene costs and ingredient procurement barriers. Additionally, this research identifies parallels between crisis responses in the restaurant and hotel industries during prolonged pandemics, as noted by Pavlatos et al. (2020). Phuket's restaurants emphasised financial strategies due to the absence of tourists, unlike previous findings (Pavlatos et al., 2020), indicating a lack of government assistance. Moreover, the study builds upon Lai and Wong's (2020) crisis management framework by adapting 28 responses across four dimensions specific to the Phuket restaurant industry.

Practical Implications

This study offers practical insights for the restaurant industry in tourist destinations on handling prolonged crises like COVID-19, which differ greatly from past

outbreaks like SARS and bird flu. Financial challenges during the pandemic led to cost-reduction measures. This approach demands long-term human resource management to maintain employee motivation and retention. Post-pandemic, there is an increased need for employees with diverse skills and a shift towards service automation. Balancing business survival with employees' financial well-being fosters a supportive environment, boosting morale, loyalty, and retention, thereby strengthening crisis management.

Moreover, during crises, restaurants must maintain kitchen operations by implementing flexible inventory management, exploring alternative suppliers like local markets, adjusting menus based on ingredient availability, and employing robust inventory strategies. In addition, online marketing and delivery strategies have emerged among Phuket for engaging customers during the pandemic and are still valid post-pandemic due to the changes in customers' behaviours. Accordingly, restaurants optimise online sales by developing delivery-friendly menu items such as ready-to-eat meals or frozen products that could expand the delivery coverage. Finally, Despite Phuket's tourist-centric nature, restaurants can benefit from focusing on local customers for stable revenue. Targeting locals fosters long-term relationships and loyalty, ensuring sustained business post-pandemic.

Furthermore, crisis management in restaurants requires collaboration with authorities and policymakers for sustainable implementation. Thus, it recommends that policymakers in the Phuket tourism industry advocate support to enhance crisis management effectiveness among restaurant operators. Since staff training is essential for crisis responses, policymakers can support with tailored training programs, focusing on regulatory awareness, safety, security, and guest confidence. Additionally, technology and equipment can further enhance crisis management effectiveness. Government support can enhance industry competitiveness by leveraging digital platforms for data analytics, information sharing, and proactive management of irregular situations. Finally, government support can maximise the use of taxpayers' money by strengthening the restaurant industry, thereby contributing to the development of the national economy as a major part of the tourism industry.

Conclusion and recommendation

This study investigates the impact of the COVID-19 pandemic on Phuket's restaurant industry and explores crisis management strategies. Results from interviews with 20 restaurant owners and managers revealed four key pandemic impacts: financial challenges, operational costs, employee anxiety, and government restrictions. Restaurants responded with crisis strategies focused on reducing financial commitments, reducing operational costs, enhancing online marketing and delivery services, and supporting employee welfare during the crisis. This research contributes to existing literature and offers practical recommendations for future crises in the restaurant industry.

However, this study has several limitations. Firstly, the findings may not apply to other island destinations due to differences in location characteristics, culture, economy, and government support levels. Secondly, limited participant availability during the pandemic, caused by health concerns and restaurant closures, affected data collection. Lastly, interviewees' views on government restrictions during the outbreak may differ in normal circumstances. These limitations suggest the need for future research to validate findings especially when the tourism industry has fully resumed.

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