

Operations of Milk Tea Stores in Imus Cavite amidst COVID19: Economic Impact Analysis

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Abstract: This study aims to determine the economic impact of the Coronavirus Pandemic (Covid-19) to the milk tea stores in Imus Cavite. In this study, the researchers used percentage and frequency to analyze the data to apply the descriptive form of research. The respondents of this study are the owners and employees of the DTI-registered stores. Milk Tea is mostly popular to Gen-Z or Millennials. Moreover, milk tea is not a necessity during the pandemic as perceived by the respondents, but there are still loyal customers that patronize the products. This study further aims to know the store owner's response to COVID-19's impact to the store operations. Based on the findings, the researchers suggest strengthening the implementation of the health protocols and preventive measures to ensure safety of both employees and customers and create promotions to boost sales amidst COVID-19 pandemic.

Keywords: milk tea stores, economic impact, health protocols, COVID-19 pandemic.

1. INTRODUCTION

Milk tea houses are one the places where people go to savor cold drinks and other treats, work and socialize also. These places are also amongst the worst affected by the expansion of COVID-19, and soon being forced to close their businesses since the pandemic has started.

Last March 16, 2020, President Duterte stated the first implementation of "Enhanced Community Quarantine" throughout the whole island of Luzon, after attempts to prevent the spread of the novel coronavirus strain by closing the capital's borders failed. "Everyone will stay at home, leaving their houses only to buy food, medicine and other basic necessities for survival in the coming days," said President Duterte.

Cavite, Philippines is one of the leading places that has the highest cases of coronavirus. In addition to endangering public health, economic instability, social instability endangers the possible long-term effects in the livelihoods and well-being of the people in Cavite. The pandemic is having a significant influence on labor markets, economies, and enterprises, causing widespread commercial disruptions.

Employers in the restaurant and hospitality industry, are facing extreme challenges. They not only need to lay off staff, close their shops, change operation to delivery only, but they also need to protect their employees from covid in the workplace.

According to OECD (2020), there have been unforeseen strains on food systems from the Coronavirus pandemic, posing a variety of urgent problems. However, those problems were largely limited to developed countries. According to (Sustainability, 2021) The recent health challenges caused by COVID-19 escalated fast and translated due to the limits established by most governments to stop the spread of this epidemic, the world has entered a financial depression. This unexpected and worldwide felt pandemic has affected the tourism industry and the restaurants are badly affected.

Studies have shown that the coronavirus pandemic had a big impact in businesses like Milk Tea stores according to the owners they are determined to survive. To adhere to quarantine regulations, dine-in services were either restricted or prohibited but according to (Nepomuceno, 2020) the article shows that Milk Tea store owners have shown determination to survive the Covid-19 pandemic, and are able to do so due to delivery apps that were implemented before this epidemic began, some store owners say that without these apps, their shops would have been closed long ago.

During the first phase of the pandemic, previous studies have been conducted, which then gives us the room for making a study that will tackle about the economic impact of the pandemic to the milk tea stores in Imus, Cavite, this time in the second phase of the on-going pandemic. Pursuing this study gives us the advantage of giving guidelines and a reliable study about the changes in the economical aspect to the future food related businesses and studies. On the other hand, this study gives us the disadvantage on providing information only about the economic aspects of a whole business.

The researchers chose this study to analyze the approach of the owners and the status of the milk tea stores in Imus, Cavite.

Background of the Study

The study will be beneficial to look back on and see how this historical pandemic economically affected the food industry businesses specifically the milk tea stores, as the result of the COVID-19 outbreak. How can owners come up with solutions when faced with specific possible dangers to their business?

The study aims to determine the impact of Covid-19 particularly the influence to the economic status of the selected milk tea stores and how people in Imus, Cavite will eventually be back patronizing their products.

Conceptual Framework

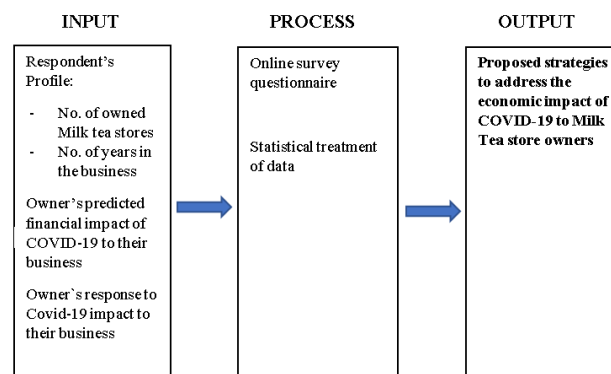


Figure #1: IPO Method

IPO model will be used to determine the economic impact of COVID-19 on Milk Tea store owners in Imus, Cavite.

The Input includes the Profile of the respondent, financial impact of COVID-19 anticipated by the owner and the owner's response to COVID-19 impact for their business. The Process on the other hand includes the dissemination of online survey questionnaire and statistical treatment of data.

Lastly, the output is a set of strategic proposals that could help address the economic impacts of COVID-19.

Scope and Delimitations of the study

This study will be focused on the economic impact of COVID-19 to Milk Tea store owners in Imus, Cavite. The researchers will give online questionnaires to the owners of the stores.

Statement of the Problem

General Objective:

The study aims to investigate and determine the economic impacts of COVID-19 to Milk Tea stores business and propose strategies to address the said impact based on the result of the study.

Specific Objective

1. To determine the profile of the respondents.
2. To analyze the economic impacts of COVID-19 Pandemic on Milk tea store owners in Imus, Cavite.
3. Based on the data, offer methods for mitigating the economic impact of COVID-19.

This study specifically aims in answering the problems:

1. Respondents' demographic profile in terms of:
 - Years of experience in the industry as a whole
 - Number of owned Milk Tea stores
2. What is the predicted financial impact of COVID-19 on owner's business?
3. What is the owner's response to COVID-19 impacts to their business?
4. What strategies can be proposed to address the COVID-19 impacts to their business based on the result of the findings?

2. REVIEW OF RELATED LITERATURE

Milk tea was invented by Han-Chieh Liu and Hsiu Hui Lin in Taiwan in the 1980s.

The popular Milk tea was discovered by adding fruits and other toppings, such as tapioca pearls, to different types of teas with milk.

In the 1990s milk tea started to become popular throughout Asia, and eventually reaching stardom in the US and Europe in the 2000s. The flexibility of the toppings and flavors that customers could choose, turned milk tea into a global phenomenon. Market value reached \$2.4 billion in 2019 and forecast shows the market will reach more than \$4 billion by 2027.

Many in the restaurant and hospitality industries are facing great uncertainty as the result of the pandemic.

Big restaurants are now operating at small capacity, or delivery only to preserve their resources. Some establishments are making ready to cook or ready to eat boxes for customers. The lack of social distancing and group gathering restrictions have also affected hotels, leaving rooms and ballrooms empty. Some hotels, such as Makati Shangri-La, have temporarily closed.

According to Chriscaden (2020), the COVID-19 crisis has not only threatened public and workers' health and safety, but also food security and employment. Adhering to workplace safety measures, as well as guaranteeing access to work and the preservation of labor rights is important during this time.

Assistance should be extended in the form of health care coverage and income support for those severely affected. Other forms of support can also be extended to employees and employers, including cash allowances, initiatives in food relief, employment retention and recovery support, and aid of finance for businesses.

According to Francis Lim, Tipple Café's chef-partner, required two months to get into the new takeout rhythm when quarantine restrictions were imposed. They only have a certain number of items that can endure the takeout process. In accordance to the new normal they need to plan human resources, arrange transportation, and ensure that their staff were working in COVID-free zones.

Many restaurants have closed, some permanently, while others are waiting for the finish line to arrive. Restaurants, on the other hand, are fighting back hard. There are a lot of life in it because so many people's lives are on the line. Even if it was simply for the sake of their staff, several firms have remained open.

Revenues plummeted, particularly in the early months of paranoia. They called the numbers devastating and in a very bad financial situation as well. The situation they are in is as if they are beginning from scratch right now.

Comparing the sales today from before the Covid-19 started, the owners said that the sales were good before this epidemic occurred. Their daily sales ranged from PHP 8,000 to PHP 12,000 before the pandemic but now they are lucky to get PHP 2,000 to PHP 4,000. While this is just enough to pay all their operational costs, one of the owners emphasizes that the key thing is that they can exist while still employing people.

Demand and supply- during this pandemic most of the people wants to be secured on their homes and they preferred to buy things online which affects the demand of the products, some restaurants needed to change their production specifically on how they will cook their menu items and spend a lot of time to learn how to age goods and recalibrating their recipes due to the months wherein dining in was prohibited. For the supply they also need to make sure that they will sustain the availability of their product for their consumers.

Income and employment- The income is the most affected in this time because the daily profit changes every day, it could be just enough to cover up the operational cost and might not meet the ends. Inclined with this is the manpower, the business will need to decrease its staff for them to provide salary for the staffs.

Businesses are facing recessions but are still operating, a sign of optimism for an industry that has to recover despite the challenges.

To maintain the business, it is necessary to secure the health of the employees through social distancing, wearing personal protective equipment, wiping down equipment and surfaces religiously, limiting diners, and changing working conditions.

It is imperative that all staff members learn these new protocols and, most importantly, are encouraged to report suspected or confirmed cases in their family or circle of friends.

They must advise their manager if they have been in recent contact, so they can undergo quarantine as necessary.

Company owners and their managers also need to review and update their contingency plans to ensure that they operate at their optimal level during this crisis. Organizations may already have existing plans, but these are probably centered around single events, such as case like terrorist attacks but this situation is extremely different.

The fact must be accepted that employees will at some point become exposed to the virus. They must be quarantined to prevent the virus from spreading. In an event, the infection causes many workers to go under quarantine, then normal operations cannot continue, managers will need to either reduce service operations or customers be reduced. Employees must only be allowed to return to work, after they have fully recovered or after they have finished their quarantine period.

3. METHODOLOGY

Research Design

The researchers will use Quantitative research to get the statistical information that will be gathered from the staff and owners of milk tea stores in Imus, Cavite. The information will be centered around the influence the pandemic is having on the new operational strategies. The data gathered will be used in completing the study and with the help of descriptive method, the researchers will be able to summarize the statistical data.

Participants of the study

The researchers will conduct an interview with surveys or questionnaires through an online platform, the participants are both the staff and the owners of the selected milk tea stores, out of the 29 Milk tea stores that are selected, estimated that each store has 2-3 respondents including the owner, our study ranges from 52 to 60 respondents from the population as per advised of the statistician.

Research Instrument & Data Gathering Procedure

The researchers will be using Google Forms to conduct an online survey as the main data gathering procedure of the study that will be given to the respondents. This is a data gathering method that combines set of fixed open questions with a chance of the researchers to clarify further questions on a certain subject. Since quantitative method of research design is used in the study, the use of survey and questionnaire will be efficient and will be accessible and easier way to answer. Before the online survey, the respondents will be oriented on the goal and intention of the researchers in the study and will be asked to sign the approval given by the researchers to meet the accurate requirements of the study and will make sure that the information collected will be documented with their consent and conducted solely for academic purposes only. The survey will be collected with the use of Google Forms, and it would take 10-15 minutes for the respondents to answer.

The participants have their own will in answering and choosing their own words on questions given. The researchers will prepare an interview questionnaire.

Research Locale

The researchers will be gathering the data from the staff and owners of the selected DTI-registered milk tea stores in Imus, Cavite, Philippines with the method of Purposive sampling. This form of non-probability sampling relies on the researcher's own judgment when choosing respondents. According to the list of the Municipality of Imus, there are twenty-nine (29) DTI-registered milk tea stores that are DTI-registered within the area.

Data Treatment and analysis

The researchers will interpret and analyze the data gathered after the interview with the use of percentage and frequency. The frequency and standard deviation of the respondents' demographic profile will be arranged from the data gathered from the collected questionnaires. Weighted mean will enable the researchers to determine the common factors in the operations of the milk tea stores that changed in the event of the pandemic.

4. RESULTS AND DISCUSSIONS

Profile of Employees/Owners

Table 1. Number of years in Milk Tea Business

	Frequency	Percent	Valid Percent	Cumulative Percent
1-2 Years	38	63.33	63.33	63.33
3-5 Years	21	35.0	35.0	98.33
6-9 Years	1	1.67	1.67	100.0
Over 10 Years	0			
Total:	60	100.0	100.0	

Table 1 shows that 38 out of 60 or 63.33% of the stores' employee/owners have been in the business for 2 years and below. While 1 out of 60 or 1.67% of the milk tea stores employees/owners have been in the business for 6-9 years. The result indicates that most of the Milk tea stores employees/owners in Imus Cavite have been in the business for 1-2 years.

The owners and employees seem to be new to the Milk Tea Business since Milk Tea businesses just began to become a trend in 2019. Milk tea has been around since 2008 in the Philippines, but it was not a big of a deal and as stated in **Yummy PH** that Milk tea made a comeback in 2019 to embrace the millennial traditions, giving the way to invest in small personal business that is easy to manage.

Table 2. Number of stores they operate

	Frequency	Percent	Valid Percent	Cumulative Percent
1-3 Stores	49	81.7	81.7	81.7
4-6 Stores	7	11.7	11.7	93.4
7-9 Stores	2	3.3	3.3	97.7
Over 10 Stores	2	3.3	3.3	100.00
	60	100.00	100.00	

Table 2 shows that 49 out of 60 or 81.7% have 1 to 3 stores. While 2 out of 60 or 3.3% have above 10 stores. The result indicates that most of the Milk tea stores owners in Imus Cavite have only 1 to 3 stores.

This is because the Milk tea stores in Imus Cavite are in the business for over 3 and 5 years and they afforded to open several branches accordingly.

Most of the Milk Tea store operated ranging from one to five years and has three maximum numbers of branches with an initial capital of not more than one hundred thousand Pesos. (Savellano, 2021)

Economic Impact of the pandemic to the stores

The second part of the study determines the economic impact of the pandemic to the milk tea stores in Imus Cavite, in terms of the following: Operating status of the stores, changes in the trading system of the stores, severity of impact of the pandemic according to the owners and employees, and lastly; financial impact.

Table 3. Operating Status of the Milk Tea Stores

	Frequency	Percent	Valid Percent	Cumulative Percent
Temporarily closed some stores	4	6.7	6.7	6.7
Permanently closed some stores	0	0	0	6.7
Temporarily closed some stores while other stores are permanently closed	2	3.3	3.3	10.0
All stores are still operational	54	90.0	90.0	100.0
Total:	60	100.0	100.0	

Table 3 shows that 54 out of 60 or 90% of the stores are still fully operational. While 2 out of 60 or 3.3% of the stores are temporarily closed but the other branches or location are operational. The result indicates that most of the Milk Tea stores in Imus Cavite are still fully operational up to this date.

To conclude this result, most of the Milk Tea Shops in Imus, Cavite are still operating by following the health and safety protocols that are implemented by the government to prevent occupational exposure to the Covid-19 virus.

The threat of COVID-19 resulted to health crisis and disaster in the economy, but many Filipinos are still being resilient and resourceful in meeting ends in this pandemic. Milk Tea stores have been relying on delivery services and if were not for them, many stores would close. (Nepomuceno, P 2020)

Table 4. Changes in trading system of the stores (Multiple Answers)

	Frequency
Switch to take-away only	47
Reduced trading hours	43
Switch to cash less payment only	5
Introduced delivery service	34
Added some merchandise items	33
Reduced menu	6
Not using reusable cups	6

Table 4 shows that 47 responses switched to take-aways only while 5 responses switched to cash less payment only. In conclusion, it indicates that most of the Milk tea stores employees/managers in Imus Cavite have implemented changes in their operations to improve their health and safety protocols and to lessen the transmission of the virus to their products onto the costumers.

The researchers found out that the respondents did not focus on implementing cash-less payment because not all their customers have the luxury to access online payment and they still prefer paying in cash or actual money.

Employers in the restaurant and hospitality industry, are facing extreme challenges. They not only need to lay off staff, close their shops, change operation to delivery only, but they also need to protect their employees from covid in the workplace.

Table 5. Severity of impact of the pandemic to the Stores

	Frequency	Percent	Valid Percent	Cumulative Percent
Severe	45	75.0	75.0	75.0
Significant	3	5.0	5.0	80.0
Moderate	11	18.3	18.3	98.3
Minor	0	0	0	98.3
Positive	1	1.7	1.7	100.0
Total:	60	100.0	100.0	

Table 5 shows that 45 out of 60 or 75% of the stores felt the severity of the impact of pandemic while 1 out of 60 or 1.7% have felt positive impacts. The result indicates that most of the Milk Tea stores in Imus Cavite are severely affected by the Covid-19 pandemic. In conclusion to this table the pandemic has a moderate impact to the Milk Tea stores in Imus Cavite. And according to **Chriscaden, K (2020)**, The worldwide economic and social crisis caused by the pandemic is affecting tens of millions of people and are at risk of falling into poverty to extreme poverty. Minus the means to earn daily wage during lockdowns, many families are not able to eat regularly, for majority, no income means no food

Table 6. Financial Impact of the pandemic

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 10,000 Pesos	13	21.7	21.7	21.7
10,000 – 19,999 Pesos	26	43.3	43.3	65.0
20,000 – 39,999 Pesos	21	35.0	35.0	100.0
40,000 – 59,999 Pesos	0	0	0	
60,000 Pesos or More	0	0	0	
Total:	60	100.0	100.0	

Table 6. Shows that 26 out of 60 or 43.3% of the stores lost about 10,000 to 19,999 Pesos of revenue. While 13 out of 60 or 21.7% of the stores lost about less than 10,000 Pesos in revenue mark up. The result indicates that most of the Milk Tea stores in Imus Cavite are financially affected by the pandemic. In conclusion to this table the daily sales of a Milk Tea stores in Imus Cavite were different before this pandemic takes over.

Informal economy workers are the most likely to be affected because most of them lack social protection and access to quality health care that led them to have a decreased productivity to make income. **Chriscaden K. (2020)**

Nepomuceno, P (2020) stated compared to now, the owner of HelloKitTea said that sales were very good before Covid-19, as their regular customers patronize their products still.

Table 6.1 Business conflicts and effects

	Frequency
Future Business Viability	54
Immediate Cash flow	31
Inability to Pay Rent	44
Inability to pay wage	38
Health of key staff	47
Future increase in prices	46
Personal and Family health	42
Threat to supply chain	29
Staff retention	21
Mental Health Stress	17
Increase in crime rates	2

Table 6.1 shows that Future business viability was perceived by the respondents that has the greatest effect on their business while increased in crime rates has the least effect on their business. In conclusion to this table the Owners and staffs are looking forward to the future viability of their business.

Uy, S (2020) stated in a Rappler article that most of the Food businesses chose to stay open and continue to operate for their business to survive, they are just waiting for this pandemic to end so that they can operate normally again and it also stated that there are a lot of life in the line that will be affected if they close down, they continue to operate even if it was simply for the sake of their staff.

Table 7. Changes in consumer behavior

	Frequency
Long-term social Distancing	58
Increased focus on hygiene	51
Less eating out-of-home	36
Decreased consumer confidence	40
Increased demand for delivery	16
Wage stagnation	25
Increased in Health-led Purchases	25

Table 7 shows that Long-term social distancing has the highest frequency as perceived by the respondents while increased demand for delivery services has the least. In conclusion, it stated that personal health would be the top priority of the consumers by applying the health and safety protocols in order to prevent the spread of Covid-19 virus. And according to **World Health Organization (2020)** by applying the physical distancing, it would minimize by having contact between potentially infected individuals and healthy individuals.

Table 7.1 Business retainment

	Frequency
1-3 months	30
4-6 months	12
7-9 months	4
10-12 months	9
Up to 2 years	4
Longer than 2 years	1

Table 7.1. Shows that 30 out of 60 or 50% store operations will go back to normal in 1-3 months. While 1 out of 60 or 1.7% store operations will go back in 2 years and above. The result indicates that most of the Milk Tea stores in Imus Cavite believes that they will achieve to work on a normal operation in 1 – 3 months this is because people are now embracing the era of dining system, which is the “New normal” in the food industry, business owners implemented the use of delivery services and customers prefer this set-up especially in the situation of pandemic.

5. CONCLUSION

1. To determine the profile of the respondent.

The researchers concluded that most of the Milk Tea Stores in Imus, Cavite have been in the business for 1-2 years, which reveals that majority of the respondents are new in the industry. The study further reveals that most of the respondents are operating 1-3 Milk Tea stores.

2. To analyze the economic impacts of COVID-19 Pandemic on Milk tea store owners in Imus, Cavite factors:

2.1 Operating status of the Milk Tea Stores.

Based on the result of the survey, the researchers concluded that all Milk Tea stores they own are still existing and operational amidst COVID-19 pandemic. While some stores are temporarily closed due to the increasing number of COVID-19 infected.

2.2 Changes in trading system of the stores.

The researchers concluded that majority of the respondents have switched to take-away mode of service while others have reduced trading hours in compliance to the health protocols set by the government.

2.3 Severity impact of the pandemic to the stores.

The study reveals that most of the Milk Tea Stores in Imus, Cavite are severely affected as perceived by the respondents. While others perceived a moderate impact to their business.

2.4 Financial impact of the pandemic

The researchers concluded that from the result of the survey the respondents stated that due to the pandemic, the highest amount that they lost during the pandemic are about 10,000 to 19,000 Pesos.

3. Based on the data, offer methods for mitigating the economic impact of COVID-19.

The researchers concluded that long term social distancing was perceived to be the major changes in the consumer behavior while majority of the respondents believed that store operations will go back to its normal operations in 1-3 months' time. health and safety by altering safety measures.

6. RECOMMENDATIONS

Based on the findings in this research, the researchers arrived with the following recommendations:

- [1] We encourage the Milk Tea store owners to pursue cashless payment such as G-cash, debit card and other payment methods in lieu of cash payment. This is beneficial to both employees and consumers to prevent the spread of the virus.
- [2] We likewise encourage store owners to continue using disposable cups to mitigate the spread of COVID-19 virus and other food contamination issues.

- [3] Offer wider choice of products to attract more market and offer home delivery to address the travel restrictions of consumers to boost the revenue of the business.
- [4] Maximizing the utilization of social media as a medium to promote their business is also recommended as most of the people are now engage in social media brought about by the pandemic.
- [5] To the future researchers, conduct a bigger scope of study by adding more variables to get a more detailed and concrete result.

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