

# Understanding Implications of Restaurants in a Post-Pandemic World: A Tourism and Hospitality Case Study for La Tasca

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## Abstract

The impact of COVID-19 has had implications for every single lifestyle and business (Sharma et al., 2022). Not only did it impact the economy, but the service industry took the brunt of it. The industries most affected by COVID-19 over the period January 2020 to January 2022 included “airlines, automobiles, energy equipment and services, hotels-restaurants-leisure, and specialty retail (Vidovic, 2022). When airlines and recreation parts of the industry did not return to pre-pandemic levels in November of 2021, the United States saw a reflection of the appeal for more local tourism (Linn et al., 2022). Local tourism, including restaurants, allows young entrepreneurs and locally owned businesses to involve more rural and cultural excursions (Xu et al., 2022). This case study explores one young entrepreneurs experience opening a restaurant post-Covid and the unexpected challenges and opportunities he endured. It identifies the support and resources needed in communities to assist local tourism entrepreneurs to ensure future success.

Key Words: COVID-19; pandemic; entrepreneurship; restaurants

## Introduction

Born in Mexico, the founder of La Tasca Restaurant, Ivan Luna, moved to Vista, Kansas in the eighth grade. Having worked in the restaurant industry since high school, he decided to go to school and obtained a Tourism and Hospitality Management degree. This degree was an easy choice because of his experience. Created to show pride for his culture and create a more authentic, homestyle restaurant in the area, La Tasca opened when it had been almost three full years since the COVID-19 pandemic began. It is important to understand the challenges that Ivan faced to assist other entrepreneurs and tourism professionals for future success. In the first year of the pandemic, restaurants suffered from reduced customer traffic due to a variety of factors including, but not limited to, lockdowns, operational challenges (i.e. staffing), and social distancing (Sedov, 2022). As of December 1, 2020, over 110,000 restaurants, or about 10% of foodservice operations, shut down either temporarily or permanently because of the COVID-19 pandemic (Sink, 2021). The rapidly changing landscape of restaurants and regulations have influenced the creation of these challenges that have yet to be addressed by tourism leaders in a post-pandemic world.

## Methods

This case study utilized a mixed-methods approach with both qualitative and quantitative data collected. First, an in-depth personal interview with the owner of La Tasca was completed to learn extensive details about his experience opening a restaurant in the aftermath of the COVID-19 pandemic. Next, structured interviews were conducted with three local restaurant entrepreneurs to gather data on their respective establishments. Each business was selected based on the common opening date being in the last six months, just like La Tasca. Finally, the creation of a quantitative survey was completed to explore consumer behavior towards dining habits since the end of the pandemic. The survey was posted in La Tasca’s restaurant and open to all restaurant patrons to fill out via scanning a QR code and completing out a Google form. Questions were developed with information gleaned from the interviews and the literature. Combining qualitative interviews and survey data provides a more comprehensive understanding of the challenges and opportunities faced by new restaurants in the Midwest.

## Literature Review

While the impact of this pandemic affected all aspects of life, the tourism and hospitality industry suffered a great loss that can still be felt today. The harsh effects of the pandemic’s impact on the industry were shown in numbers as the S&P500 stock exchange indices showed “...that the hospitality and entertainment industry (e.g., cruise lines, casinos, restaurants) in the US lost more than 70% of their market capitalization in March 2020, followed by an increase in volatility” (Lin et al., 2022). Some of these challenges include backorders on appliances, maintaining a full staff, and obtaining finances through financial institutions as many have been denied because they are a startup business in a post-COVID era (I. Luna, personal communication, December 13, 2023). On top of these challenges, the restaurant industry faces the normal challenges of being able to compete, market themselves effectively and create a desired, successful business (Nemeschansky, 2020). With an estimated population of around 20,000 people, the midwestern community of Vista, Kansas is home to a variety of restaurants that still face these lingering challenges associated with the COVID-19 pandemic. This case study primarily focuses on one immigrant’s story as he opened a new local restaurant and the journey through the pandemic implications that he had to navigate in a rural midwestern community.

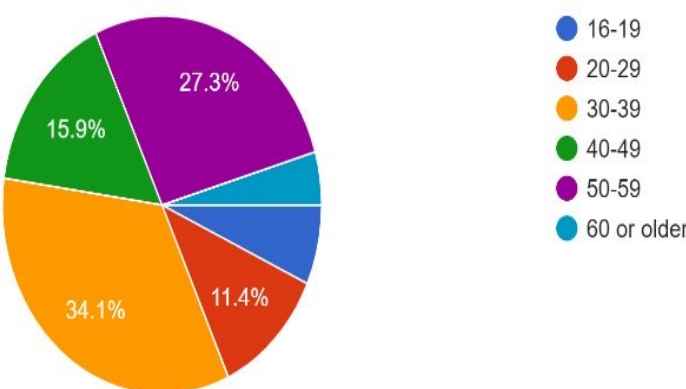
## Results

### Restaurant Owner Interview Results

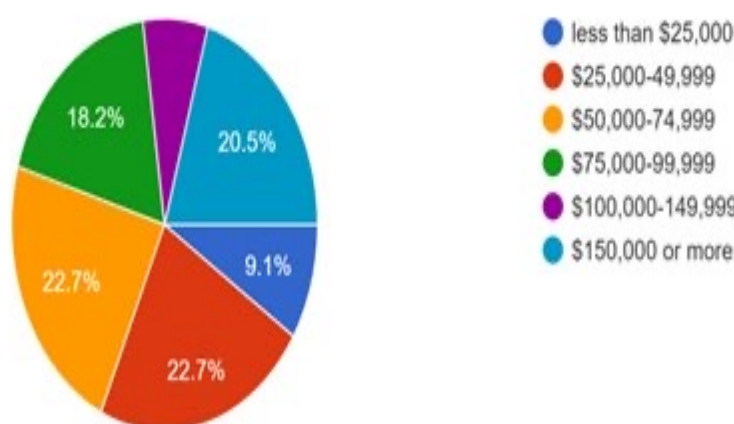
- 4 Foundational themes that face restaurant entrepreneurs backed up through structured interviews with other local entrepreneurs
- Financial Resources
    - This may take the shape of local, state, or federal grants for startup funds. Financial institutions could also work together to establish parameters that provide restaurant entrepreneurs with secure loans that protect both the lender and the entrepreneur.
  - Figuring out the supply chain is critical
    - Restaurants can be cost-intensive with large equipment orders, uniforms, dining room needs, and technology
  - Coupled with supply chains, is the delay, often times by contractors
  - Customer service and employee training
    - Turnover in the industry is already high, so tapping into what motivates the post-pandemic employee will need to be explored

### Survey Results

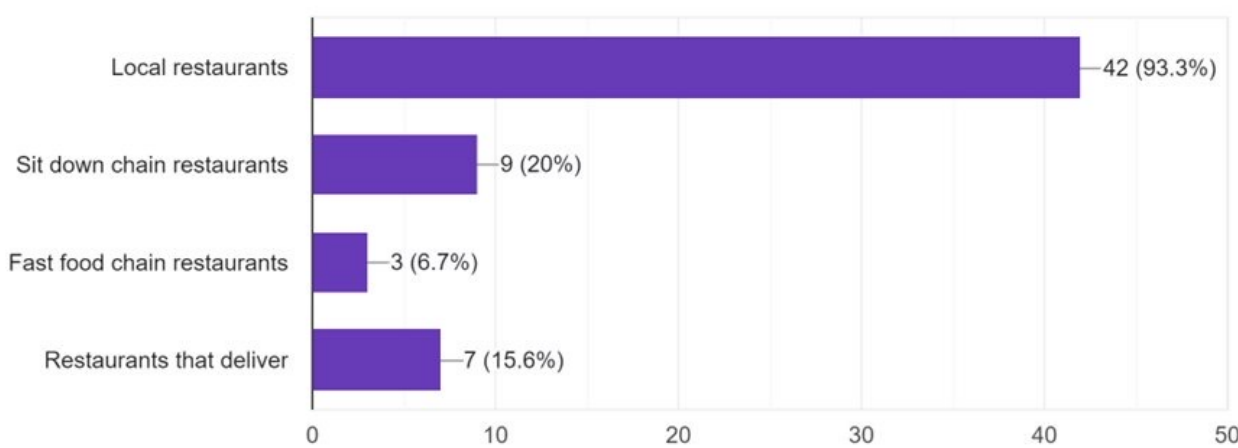
What is your age?  
44 responses



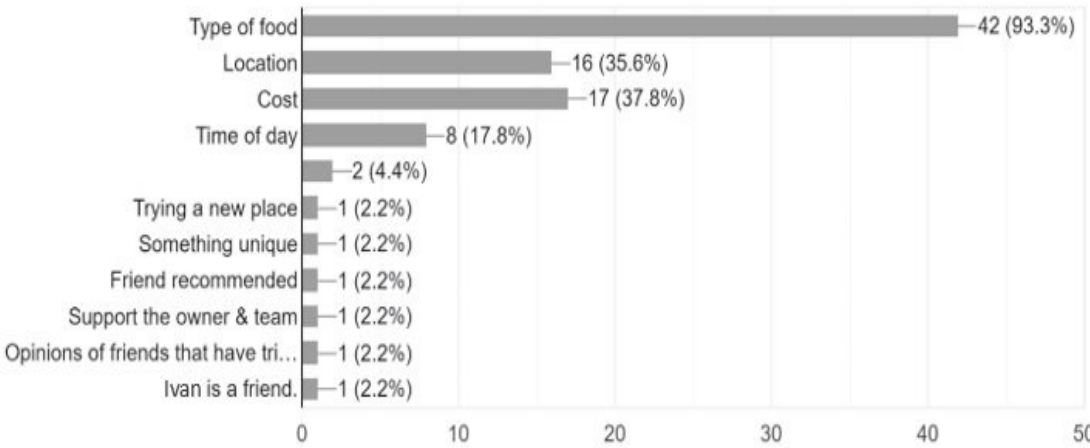
What is your annual household income?  
44 responses



Which type of restaurant do you prefer since the pandemic? (Check all that apply)  
45 responses



What factors influence your decision to try a new restaurant? (Check all that apply)  
45 responses



## Conclusion

According to IBISWorld (2024), ‘fast food restaurants in the US’ and ‘single location full-service restaurants in the US’ are both in the top five of the industries by employment in 2024. This sub-sector plays a big part of the tourism industry both before and after the COVID- 19 pandemic. Support and resources are needed for entrepreneurs and business owners to re-open or explore opening new establishments post-pandemic. This case study explored a young entrepreneur’s new restaurant pursuit and opened the door for further research to continue assisting what can be an exciting time for opportunity and growth in the restaurant industry.

From the case study research, three major recommendations are presented to support restaurant entrepreneurs. First, local or regional small business development centers and local economic development centers need to be active in supporting entrepreneurs with knowledge and tools to start a business. By working together these centers can create workshops and webinars as part of a toolkit to support local entrepreneurs. Second, working with financial institutions is a huge challenge that can be assisted with knowledge by the aforementioned centers. Restaurant loans are difficult to obtain, but working together to grow communities is important. Local businesses and economic development centers could create opportunities to work with local lenders to establish parameters on loans that protect the entrepreneur and the lender. Third, it is recommended that industry trade associations need to be more active at a local and regional level. These associations play a key role in assisting entrepreneurs with research, training, and even employee connections. Expertise in relation to the industry resides in these important associations which assist with lobbying efforts and much more help to make restaurants successful and address challenges faced. Lastly, it is recommended that supply chains for the restaurant industry be studied further.

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