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## **The Financial Impact of COVID-19 on Businesses in Dining and Hospitality Industries in Southeast Texas**

**Introduction**

COVID-19 has had a negative influence on the service sector, according to recent studies. Many businesses had to change their service delivery strategy in order to continue operating normally. Food vendors, for example, are now supplying households rather than restaurants. Some supply chains are dealing with increased demand for products that cannot be manufactured in accordance with safety rules and guidelines. The economic decline caused by the pandemic had a direct impact on businesses in the dining and hospitality industries. These businesses and sectors are hampered by the safety standards and guidelines put in place for our protection. Due to the absence of economic activity, they have taken out debts that will take years to repay. Some businesses in the dining and hospitality industries have devised strategies for providing services and products while adhering to legislation and guidelines. Curbside pickup is quite popular since it assures both employee and client safety. Some businesses and industries, on the other hand, have not been so fortunate as to be spared the long-term implications.

**Methods**

I used the PARM methodology created by Sargsyan et al. 2020, where they adapted the PACA logic to design the Participatory Analysis of Risk Management (PARM) methodology. The PARM method helps to identify the risk management practices of recovery and resiliency from disasters/economic disruptions. The other aim of this tool is to diagnose challenges and risks that local businesses experience from disasters/economic disruptions to help mitigate losses during the next events. PARM is appropriate for areas where disasters/economic disruptions have occurred recently and there is a need to analyze the situation and plan local economic growth. The most important advantage is that this tool helps to formulate appropriate conclusions and recommendations to recover from disasters/economic disruptions quickly.

The first part of this research investigates the impact of COVID-19 on business performance while the second part studies the impact of attitude and investment decision behavioral control on investment intentions. A survey was created to identify the cause-and-effect relationship among variables. The constructs of the survey are measured in a 5-point Likert scale, where

1=Strongly decrease; 2=Decrease, 3=No impact; 4=Increase, 5=Strongly increase. The second part of the survey studied the causal relationship between attitude and investment intentions, and investment decision behavioral control and investment intentions. The constructs in the second part are measured by a 5-point Likert scale using 1= Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly agree.

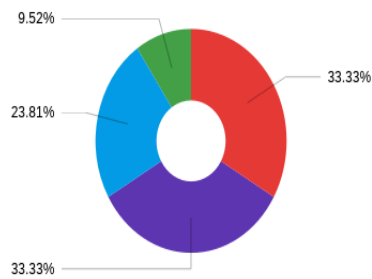
To distribute the survey and obtain responses I visited, emailed, or called businesses and asked if they were interested in being a part of this study.

### Conclusion

The response rate was much lower than I was expecting. I only received 21 responses after visiting 80 businesses, sending 133 emails and calling 130 businesses.

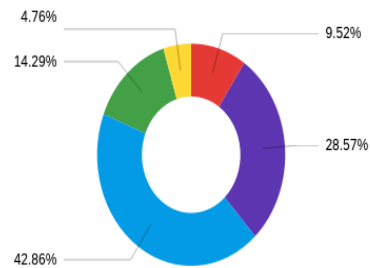
Because a lot of information was collected in my research, I have selected graphs from each part to analyze.

Customer Dimension: How has COVID-19 impacted the quality of services/products?



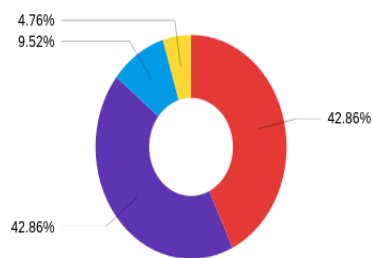
Strongly decreased   Decreased   No impact   Increased   Strongly increased

HR Dimension: How has COVID-19 impacted employee satisfaction



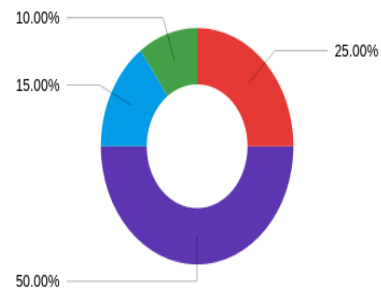
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Production Dimension: How has COVID-19 impacted the reliability of our suppliers?



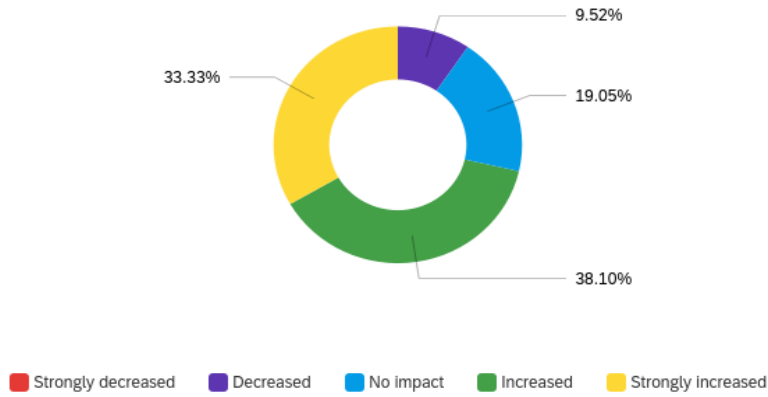
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Finance Dimension: How has COVID-19 impacted the overall revenue of the business?

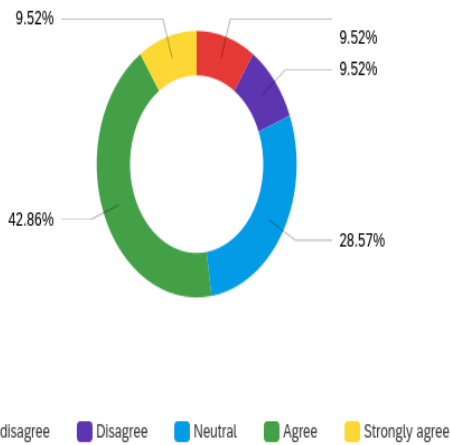


Strongly decreased   Decreased   No impact   Increased   Strongly Increase

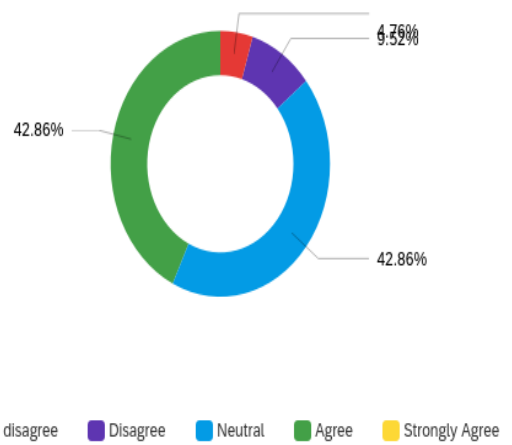
How has COVID-19 impacted the expenditures/costs of the business?



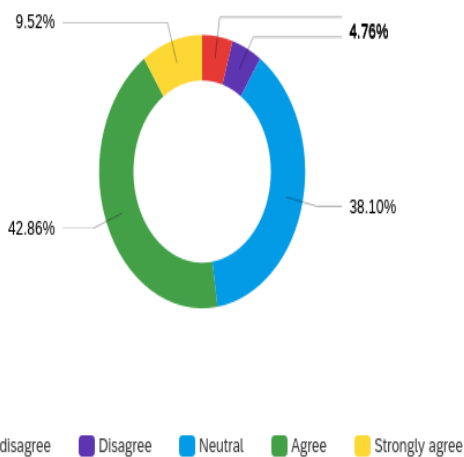
COVID-19 has improved my organization's ability to create new products and services.



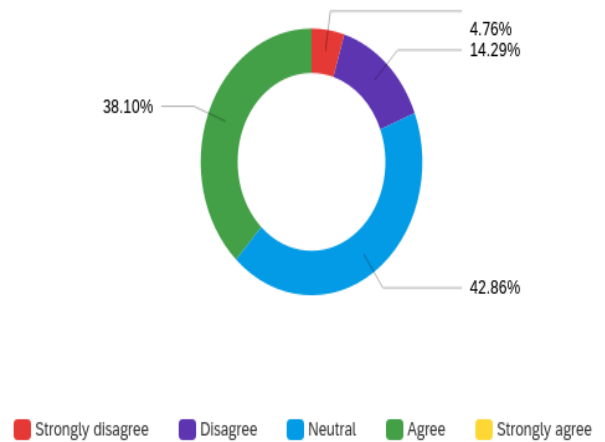
Making an additional investment is a wise decision.



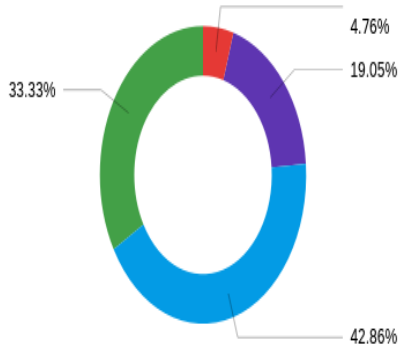
Making further investments in my organization is desirable.



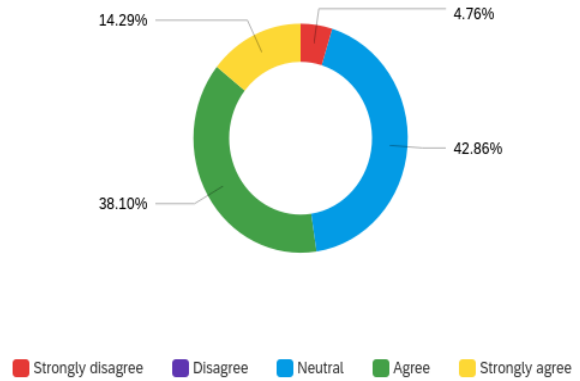
I will allocate investment for new projects.



I am determined to plan and execute larger investment projects in the future.



I am determined to expand the business.



Strongly disagree Disagree Neutral Agree Strongly agree

Some of the answers were very expected such as the reliability of suppliers. I was expecting it to decrease, and it did according to the answers. I was very surprised to see the responses for employee satisfaction. I expected for it to have decreased because of the circumstances but many said that it had no impact on it. Looking at the investment part it seems that some businesses are hesitant to expand or plan to expand their business. There are many factors that could affect their decision such as having to pay off loans. One of the questions asked if investing was a wise decision for their business and 42.86% responded yes which surprised me. I expected it to be lower given the fact that the pandemic had a negative impact on most businesses in dining and hospitality industries.

As more responses continue to come in, these values are likely to change and the conclusions as well.