



Business Strategies Changes in the Hospitality Field

Affected by the Pandemic Crisis in Slovakia

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Introduction

- owner of two premises of a confectionery shop and café
- co-owner of a biggest confectionery production in the country
- family business founder
- 80 employees
- 20 family members included
- supplier of 150 HoReCa companies



The Hospitality Segment before the Pandemics



Key indicators were on the mend

Amount of nights spent in the hotels, employment in the HoReCa field, expenditures of the tourists, revenues etc. reached their maximums in 2019

High Market Saturation

Loads of restaurants, cafes - almost everyone could have an own branch, but hard competition

The lack of qualified workforce

Minimum graduates - waiters, cooks, bakers, pastry makers, because of a low reward

Beginning of the Pandemics
13th April 2020

The big bang



- shock
- the illness deeply affected the daily operations
- the consumption inside the branches had been forbidden
- cancelled events, weddings
- no celebrations
- changing measures
- increasing costs - disinfection, face masks, COVID tests etc.

The Support from the State

- very slow
- criticized buerocracy
- first 3-4 months

were the companies without any financial support

Ministry of Transport and Construction - Support for the Tourism

220 Million Eur

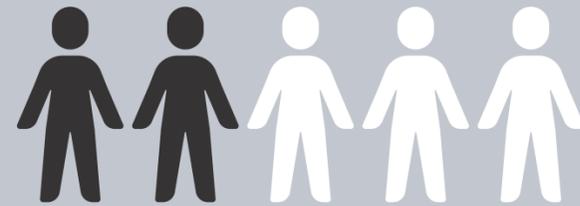
Ministry of Economy - Rental Support

145 Million EUR

First Aid - Ministry of Labour, Social Affairs and Family

2.1 Billion EUR

Employment challenges



Companies started to make people redundant

Meanwhile the financial support from the state was not enough

8000 people

left their jobs in the hospitality field and not plan to come back

Waiters, cook, bakers found new more secure jobs in another fields

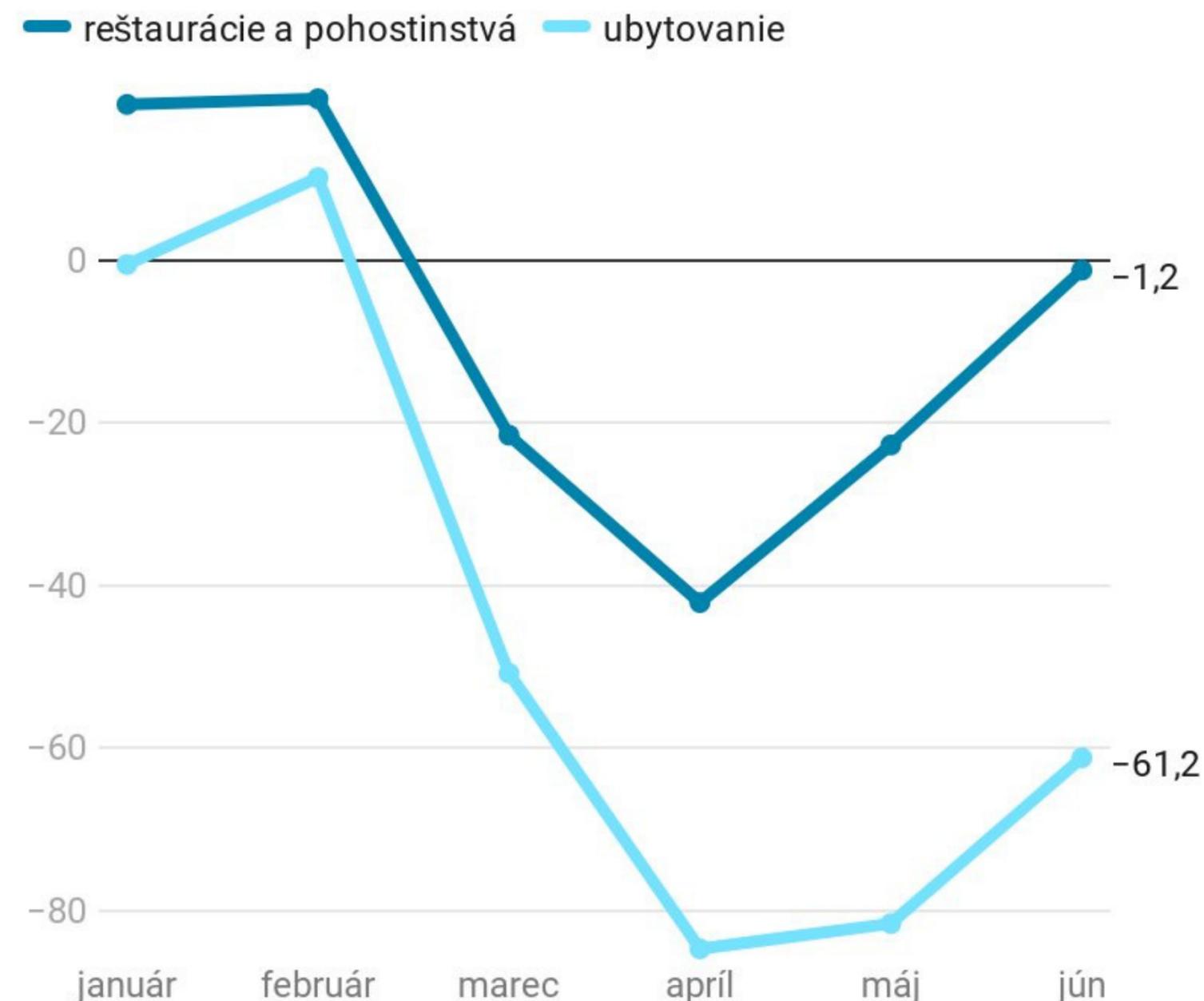
Annual Comparison

In the HoReCa Revenue Changes

2020 vs. 2019

Reštaurácie vyviazli z koronakrízy, hotely a penzióny sa ešte trápia

(medziročná zmena tržieb, v %)



Zdroj: Štatistický úrad SR •
Vytvorené pomocou Datawrapper



Something Needed To Be Done

*Business
Strategies*

**The companies quickly realized
that they must rely on
themselves**

Thinking outside the box, finding new
business strategies, new consumer channels

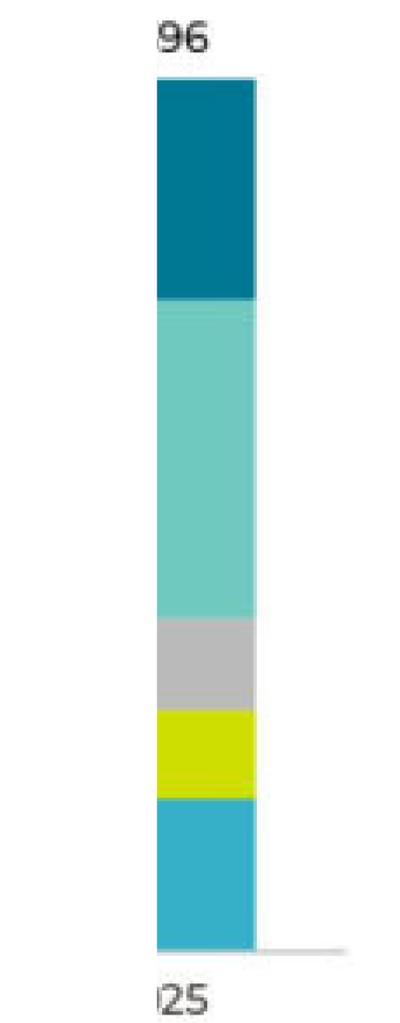
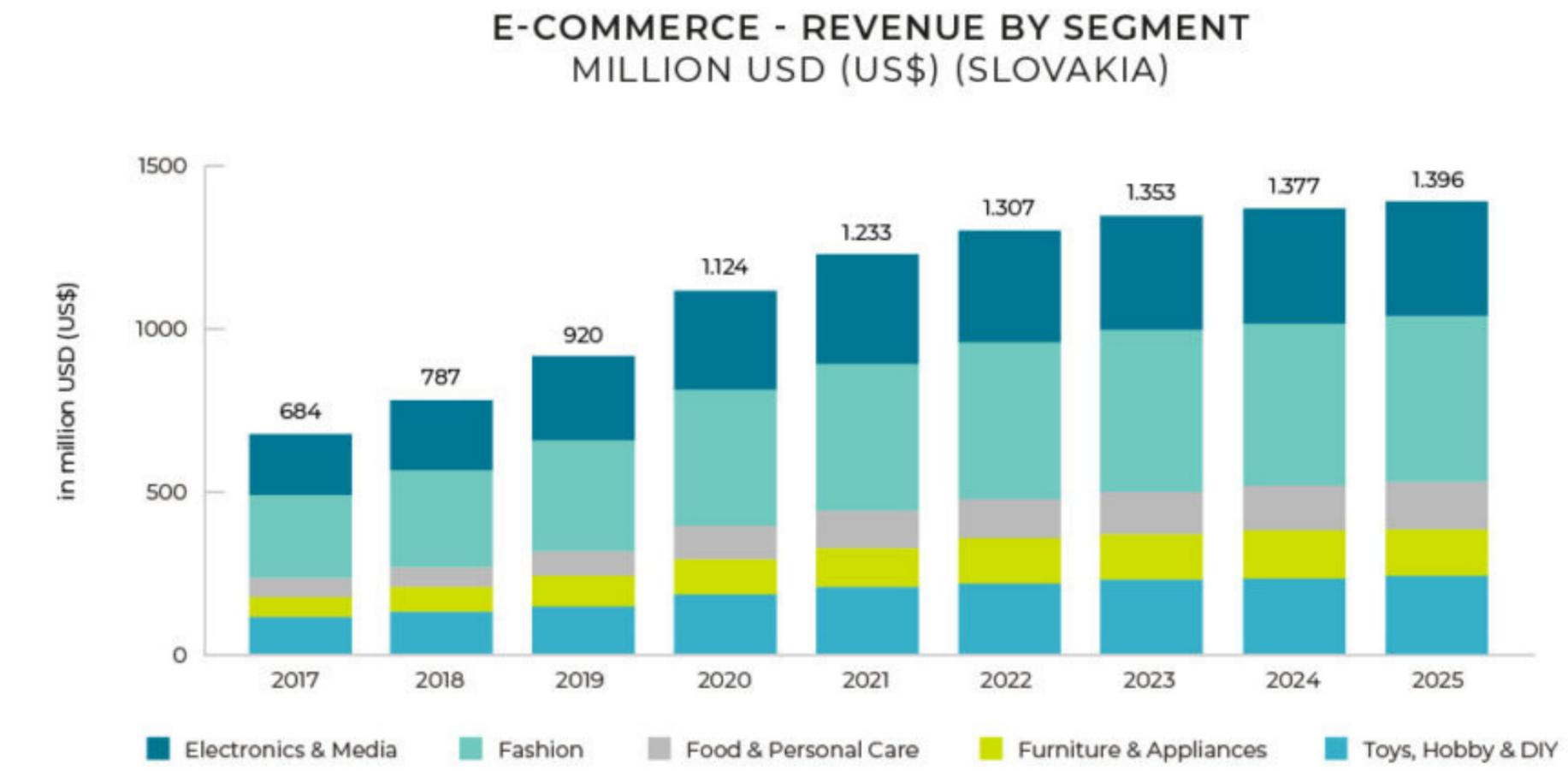
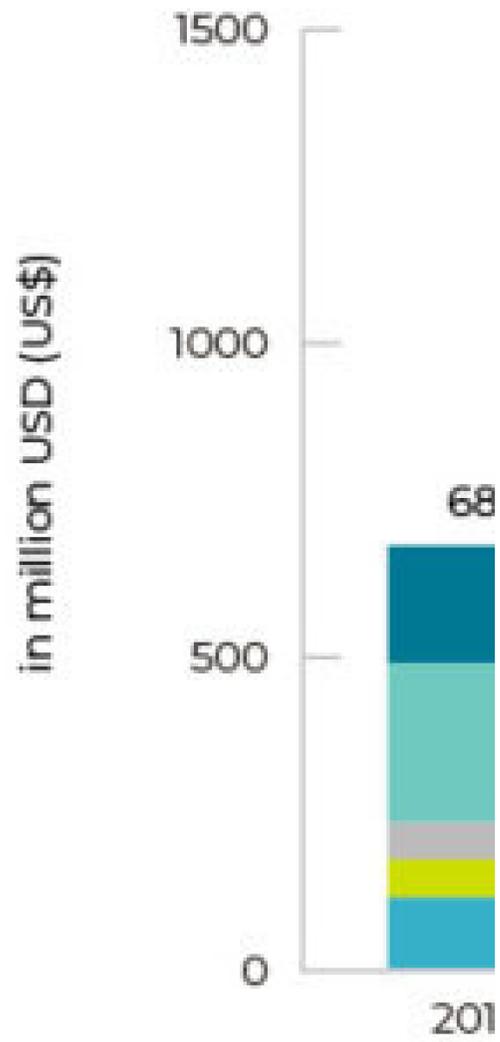
E-commerce on the mend

The more innovative companies started to run their own e-commerce stores

(restaurants, pastry shops)



E-COMMERCE - REVENUE BY SEGMENT MILLION USD (US\$) (SLOVAKIA)



■ Electronics & Media
 ■ Fashion
 ■ Food & Personal Care
 ■ Furniture & Appliances
 ■ Toys, Hobby & DIY

Source: Statista

External Food Delivery Sprung up



Companies they
did not have their
own delivery,
started to use an
external firms

High provision
system, standard is
30 % of the bill

Offering transportation services

Companies they owned some vehicles - could offer the delivery for others

Ice cream, fruit and vegetables, fish, meat etc. - that all delivered we for other food eshops





Establishing Parcel Shops at the Branches

New Customers

Came who never visited the shop before

Revenue

Almost every customer bought something - coffee or cake

Reward

The transportation companies offered a provision fee of e.g. 0,40 Eur/ package

Go social

Companies like
restaurants, cafés
were pushed to use
social media

To let people know
about their offers





Changes in the Business Environment

Inevitable, at the end could be beneficial

Cleans the market - only strong companies will stay

As time flows changes are faster and companies have to be more flexible

The only option - adopt the changes , be creative, willing to learn new things and able to find solutions

Wish to the end - to manage well all the challenges they are coming

Thank you for your attention!



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