

Future Trends Report
Based on Analysis of the Team's Chosen Community / Organisation in Mid-Term
and Final Evaluation

Community / Organisation Studied:

STEP 1. Identify Challenges

Read the Future Scene carefully and generate ideas for challenges, concerns, and possible related problems. Choose the 5 most important challenges and write them in the space provided. Include applicable research with appropriate in-text citations.

Challenge #1:

Observation: In the newspapers, many articles featuring home-based businesses have popped up. More home based businesses competing with restaurants.(observation)

Explanation: During COVID-19, people had to stay at home a lot more. This resulted in many people picking up cooking and even setting up home based businesses. We believe that this may result in less customers for restaurants as more people cook at home or buy from these home based businesses. This may affect the restaurants revenue.

Research:

An article from the straits times shows the success of home based food businesses during the covid-19 pandemic. According to CNA, there will also be an increase in home based businesses. The businesses times also mentions that there is an increased popularity in home based businesses

**<https://www.straitstimes.com/singapore/askstnlb-home-based-food-businesses-thriving-amid-covid-19>
<https://www.channelnewsasia.com/singapore/home-based-bakers-businesses-covid-19-pandemic-347736>
<https://www.businesstimes.com.sg/brunch/home-sweet-home-based-businesses>)**

Challenge #2:

Observation:

During COVID-19 many businesses did not have much business, yet had to pay expenses.

Explanation: Overwhelming expenses might affect businesses. Prices such as rental, or delivery commissions can affect restaurants revenue. During this period of time, businesses have been affected tremendously due to high expenses and low business with more people dining in. This will affect their efforts in bouncing back.

Research: This article by channel news asia is about the very high commission fees of the third party delivery apps eating into the already thin profits of the F&B industry, with commission fees ranging from 25-32 percent for each order, and third party delivery apps being called to lower these high commission fees that these businesses had to pay. Provide has mentioned that a cafe of about 1000 square feet has rent of about \$10000-\$20000. According to eater.com, some delivery commission prices can be up to 30%, which can affect companies revenue. Medium.com also has an article about restaurants not being able to afford the high 30% commission fees of the third party delivery apps.

(<https://www.channelnewsasia.com/news/business/covid-19-food-sector-delivery-apps-lower-commission-fees-12643252>

(<https://www.eater.com/22554053/delivery-fee-caps-doordash-ubereats-grub-hub-san-francisco>).

(<https://medium.com/eatos/is-the-cost-of-third-party-delivery-too-high-for-some-restaurants-7631eabe32a2>

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Challenge #3: Observation: Many restaurants have lost business during the pandemic due to dining in restrictions and many countries being under lockdown.

Explanation: The decrease in business leads to businesses losing a lot of money during this period. During this period of time, businesses have suffered greatly due to a dramatic drop in business, with very few people eating out. We think that one of the biggest challenges is how the businesses can bounce back, considering that many suffered retrenchment and great economic losses.

Research: The following is an article by CNA about the struggle of the F&B industry during the covid 19 phase 2 no dine in state of restaurants. A \$1.1 billion relief package had to be sent out by the government for support towards the F&B industry.

According to our interview with Woolloomooloo, their business had dropped to 10% during the height of the outbreak.

Another article by CNA proclaims that the number of people not showing up their reservations has severely increased, resulting in less income for the restaurant. The number of seats in the restaurants also dropped from 40 to 25, limiting the number of customers dining in.

Research:

(<https://www.channelnewsasia.com/news/singapore/covid-19-phase-2-save-fnb-no-dine-in-recovery-support-package-15277996>

(<https://cnalifestyle.channelnewsasia.com/dining/singapore-restaurants-no-show-pandemic-covid-19-problems-250376>)

Challenge 4: Observation: During the pandemic, many restaurants had to close down, resulting in F&B sectors to let workers go.

Explanation: Many workers in restaurants and eateries lost their jobs. But currently, as restaurants are opening up, they are facing challenges with hiring workers. Many F&B sectors lost workers to other industries, such as grocery retail and delivery, as these were more active during the lockdown. Due to manpower shortage, businesses will be affected due to decreased efficiency

Research: The following is an article by abc news about different restaurants having a hard time finding staff. Pre-pandemic, they would offer \$20 dollars an hour for experienced hostess and get many resumes. However, now after two weeks of listing a job offer for \$30 dollars an hour, they still had not received one. This shows they struggles by one of many restaurants in finding staff during this period.

<https://abcnews.go.com/Business/restaurants-hard-time-finding-staff-now/story?id=77562018>

According to fortune, more than 110,000 F&B establishments in the United States closed for business in 2020.

<https://fortune.com/2021/01/26/restaurants-bars-closed-2020-jobs-lost-how-many-have-closed-us-covid-pandemic-stimulus-unemployment/>

Reports from cnbc show that 2.5 million restaurant industry jobs disappeared and set the industry back 6 years of sales growth.

<https://www.cnbc.com/2021/01/26/restaurant-industry.html>

Challenge #5: Observation: Increasing threat of climate change has resulted in many businesses turning to more sustainable methods of maintaining a business. For example- using less plastic.

Explanation: As takeaway and delivery orders shot up since the circuit breaker period kicked in, there has been a significant increase in the use of single-use packag. In the future, there will be a significant increase in online delivery. Restaurants that do not facilitate delivery or use sustainable delivery might see a drop in business.

Research:

Based on CNA, more people are becoming more concerned on maintaining a sustainable business

<https://www.channelnewsasia.com/commentary/plastic-zero-waste-byo-food-delivery-takeaway-resuable-container-651796W>

According to smartbrief, more are concerned about the environment and will want a more sustainable business.

<https://www.smartbrief.com/original/2020/08/state-sustainability-during-covid-19-food-industry>

BBC has stated that COVID-19 has resulted in the use of much more plastic, resulting in serious environmental impact(why)

<https://www.bbc.com/news/uk-wales-54265590>

STEP 2. Craft the Underlying Problem

Using the challenges listed in Step 1, identify a problem of major importance to the chosen community / organization in the future. Write your Underlying Problem making sure your question clearly explains the action that will be taken and the desired results/goal of that action.

Incorporating Challenge(s) # ___2 and 3 _____

Underlying Problem: From our interview with Woolloomooloo, we have found out about the losses that they suffered during the COVID 19 period.(conditional phrase) In what ways might we be able to maximize (KVP) the profits of restaurants to make up for the losses suffered so that our restaurants can continue to thrive(purpose) from now on in Singapore?(FSP)

STEP 3. Produce Solution Ideas

Generate solution ideas to the Underlying Problem in Step 2. Choose the 5 most effective solutions and write the elaborated ideas in the space provided. Include applicable research with appropriate in-text

Solution #1:

We, Restaurants Agency will employ AI in restaurants to help in increasing efficiency and enhancing the dining experience. Restaurants can employ machine learning and 4D to help enhance the dining experience. This can be done through recommending meals for consumers based on their preferences, what they ordered previously and diet. Restaurants can allow customers to request for specific backdrops and recommend soothing backdrops based on previous customers' choice. This can help to maximise profits and efficiency rates as there will be less human error and robots are cheap to maintain. This can help restaurants to bounce back and gain more profits.

Research: According to deputy.com, AI in restaurants can help to cut down on costs and make the restaurants more efficient. Robots are not too pricey and cheap to maintain. This can help maintain low operating cost for restaurants to bounce back without having to worry about too much expenses.

<https://www.deputy.com/blog/benefits-of-artificial-intelligence-in-the-restaurant-industry>

According to an article by Gotenzo, using AI algorithms, restaurants can track food trends and show you which types of food are all the rage.

<https://blog.gotenzo.com/artificial-intelligence-and-restaurants-a-recipe-for-success>

According to this article by Food service, operators are using AI to give customers a more convenient, personalised experience, from custom drive-through menus to food safety reporting.

<https://www.verdictfoodservice.com/features/ai-us-restaurants-industry/>

Solution #2:

Explanation:

We, the Restaurant Agency, will encourage restaurants to implement discounts and offers on their food products. With such a recommendation, restaurants will be able to increase their revenue, especially during this pandemic. This because discounts make consumers happy, encourage more consumerism and create a sense of urgency. This is a feasible short term solution for restaurants to bounce back. Another recommendation that we will encourage restaurants to do is using visual merchandising and social media to advertise these offers will attract more customers as people prefer to buy things on sale and discounted, and that serves as a way for attracting more people. There is also more potential purchases for other food or beverage by customers, as customers will also further explore what you offer before making a purchase

Research:

According to this article by volusion, discounts tend to make people happy and tend to attract customers

<https://www.volusion.com/blog/using-the-psychology-of-discounts-to-make-more-money/>

This article by speciality food magazine says that by offering discounts, they can attract customers into their businesses

<https://www.specialityfoodmagazine.com/news/food-sector-bounce-back-covid-19-disruptio>

Small business states that offering discounts can attract the attention of customers and quickly draw them into their shop to buy their products.

<https://smallbusiness.chron.com/advantages-offering-discounts-business-25765.html>

Solution #3:

We, the Restaurant Agency, plan to allow restaurants to sell fresh ingredients to consumers on their own e-commerce platform. This will make everyone's meal more customisable. Eg. A person can order whatever ingredients they want and prepare their own meals according to preference. This also gives restaurants and outlet to gain revenue with a loss of business and too many ingredients ordered. Putting fresh ingredients together by ourselves is proven to be healthier as it gives us control over the food we consume. This is especially important for more people as this pandemic has heightened awareness about sustainability of food, thus attracting more people to purchase ingredients from restaurants for home cooking. Hence, this can maximise profits and help to revive Businesses that suffered losses during the pandemic. This can help businesses bounce back and regain their profits.

Research:

Crazy Domain has mentioned that having their own e-commerce platform allows more flexibility and can do away with hefty commission prices. This is a useful way to gain revenue and eliminates the hefty commission prices charged by delivery services.

<https://www.crazydomains.sg/learn/survival-strategies-restaurants-cafes-covid-19/>

Healthline has mentioned such benefits of cooking at home, enticing more people to eat at home.

<https://www.healthline.com/health/food-nutrition/home-cooking-versus-takeout#1.-It-gives-you-a-chance-to-reconnect->

Smart Brief has mentioned that more people (55%) are inclined to eating at home, rather than eating out.

<https://www.smartbrief.com/original/2020/09/how-pandemic-shaping-home-cooking-trends>

Solution #4: We, the Restaurant Agency, will recommend restaurants to promote their business online through social media posts. Restaurants can post pictures of their food, promotions for their products and also show customer satisfaction with their products on their online posts. They can do this by gaining popularity in social media and promoting their products online to attract customers to come to their restaurants. This will allow restaurants to gain popularity and attract customers to maximize the revenue they collect and their profits. This can be done at anytime by creating a social media account online and making posts from there . When this system is in place, it can increase the number of customers through engaging them from social media and increase the profits earned by the restaurant.

Research:

This article by chope shows techniques used by different restaurants to promote themselves on social media and gain popularity to influence people to buy products from their stall .

(<https://restaurants.chope.co/blog/social-media-marketing-for-restaurants/>)

This article also has examples of the marketing strategies used by different companies like steakshake and how they give out free food for people to sign up and join their club, tempting people to eat their food and spreading the popularity of their business.

(<https://pos.toasttab.com/blog/on-the-line/examples-of-awesome-restaurant-social-media-marketing>)

This last article by restoapp also shows the most successful campaigns on social media by businesses, like the coca cola "share a coke" campaign. This campaign led to Australians buying 250 million cans and bottles of

coke.(<https://www.restoapp.com/blog/best-restaurant-social-media-campaigns/>)

Solution #5:

We, the Restaurant Agency, will encourage restaurants to target the different groups of people with different preferences for food. This not only increases the restaurant's income in selling more plant based food, which many people would prefer, but it can also still provide food for the meat lovers. This ensures that the F&B outlets are able to receive sufficient income from selling food to a wider range of customers. In a survey, about 50.65% of the respondents stated they have consumed plant-based alternatives to animal-based food products in general..

Research:

<https://www.fooddive.com/news/plant-based-food-worth-7b-in-2020-posting-27-growth/5978>

According to this article from food dive, 57% of US households purchased plant based foods in 2020, an increase from the 53% from 2019.

<https://www.vox.com/future-perfect/22385612/plant-based-meat-milk-alternative-protein>

This article by vox also states that plant based meat sales grew by 45% and plant based milk were up by 20% from 2019 to 2020.

<https://sentientmedia.org/increase-in-veganism/>

Lastly, this article by sentient media also shows that there was a 300% of increase in vegans from 2004 to 2019, along with a sharp increase of plant based meat and milk products

STEP 4a. Select Criteria

Generate criteria to determine which solution idea does the best job of solving your Underlying Problem and/or addressing the Future Scene situation. Select the 5 most important criteria for measuring solution ideas and write them in the spaces provided.

Criterion #1: Which solution will be the best for restaurants to carry out quickly?

**Criterion #2:
Which solution would be the cheapest for restaurants to implement?**

**Criterion #3:
Which solution would be the most effective for restaurants?**

**Criterion #4:
Which solution can be used by restaurants for the longest time?**

Criterion #5: Which solution is the best for restaurants to apply to many solutions?

STEP 4b. Apply Criteria

List the solution ideas from Step 3 on the grid. Use each criterion to rank the solutions on a scale from 1 (poorest) to 5 (best). The weighting for one important criterion may be doubled if necessary.

Step 3 Sol'n #	Solution Idea	Criteria					Total
		1	2	3	4	5	
#1	Incorporate AI in restaurants	4	4	5	5	4	22
#2	Giving Out Discounts	4	3	4	1	5	17
#3	Sell Ingredients To Customers	3	4	3	4	4	18
#4	Promote their business through social media	3	5	3	5	4	20
#5	Change their menu to accommodate to more consumers	4	3	3	4	5	19

Action Plan derived from Solution # 1 :

Incorporating AI in restaurants. To attract more customers for a better dining experience

UP: From our interview with Woolloomooloo, we have found out about the losses that they suffered during the COVID 19 period.(conditional phrase) In what ways might we be able to maximize (KVP) the profits of restaurants to make up for the losses suffered so that our restaurants can continue to thrive(purpose) from now on in Singapore?(FSP)

(Action Plan Continued)

Restaurants can incorporate AI in restaurants to enhance the dining experience and increase efficiency in the restaurants. Firstly, restaurants can purchase a few robot waiters and some smart technology like menus that can recommend food to the customers. One feasible solution is to use robot waiters as they are not as expensive to maintain as waiters and can reduce human error. In addition, we can incorporate AI to help with choosing some soothing backgrounds and can incorporate machine learning to recommend new backdrops according to previous choices. In addition, restaurants can have a 'smart' menu where it recommends food to consumers according to their preferred cuisine, diet, and what they ordered previously. These AI workers can enhance dining experience for the customers, most likely making them want to come back again and also attract more potential customers, increasing the customers and therefore profits earned by the restaurants.

However, AI is not very cheap to maintain and is also not very easily accessible. Simple AI waiters can cost up to \$8000 and is not very easy to purchase in large amounts. However, considering the amount of money that can be saved in not having to pay workers, restaurants can afford these robot AI waiters. As technology advances we also believe that these AI workers will be more easily accessible in the future. These AI workers can enhance dining experience for the customers, most likely making them want to come back again and also attract more potential customers, increasing the customers and therefore profits earned by the restaurants.

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offering special offers or discounts to customers, to set yourself apart and attract them
into your

business: <https://www.specialityfoodmagazine.com/news/food-sector-bounce-back-covid-19-disruption>

Because people prefer buying things on sale, discounts serve as a ploy to attract more
people to your

store: <https://smallbusiness.chron.com/advantages-offering-discounts-business-25765.html>

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