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COVER STORY

LESSONS FROM THE LOCKDOWN

Part 1

AS THE SPREAD OF THE PANDEMIC LED TO THE SHUTDOWN OF THE ECONOMY IN POLAND IN MID-MARCH AND APRIL, AMCHAM QUARTERLY CONTACTED TOP MANAGERS OF SEVERAL MEMBER COMPANIES TO LEARN WHAT LESSONS THEY HAVE DRAWN FROM THE LOCKDOWN. IN THIS DISPATCH, **BARTOSZ PEĆZALSKI, PRESIDENT OF KFC POLAND**, TALKS ABOUT HOW THE RESTAURANT CHAIN ADAPTED TO THE NEW REALITY.

COVER STORY

LESSONS FROM THE LOCKDOWN

AmRest

AMERICAN COMPANIES MOVED SMOOTHLY INTO WORK-FROM-HOME MODE. THEY CONTINUED TO ADAPT TO THE CHANGING SITUATION AND HAVE LEARNED LESSONS OF STRATEGIC IMPORTANCE TO THEIR BUSINESS.



Empty spaces: KFC found itself in an extremely challenging situation at the beginning of the lockdown after all restaurants had been shut down.

THE ART OF CUSTOMER SERVICE

AMREST BRANDS KFC, PIZZA HUT, AND STARBUCKS ADAPTED SWIFTLY TO THE CHANGING MARKET, PRESERVING JOBS AND FURTHER DEVELOPING THEIR ONLINE SALES CHANNELS. HOWEVER, THE GOVERNMENT COULD STILL DO MORE TO HELP THE STRUGGLING RESTAURANT SECTOR SURVIVE.

Like every business in the restaurant sector, AmRest, which runs franchise restaurant chains KFC, Pizza Hut, and Starbucks coffee shops, found itself in an extremely challenging situation at the beginning of the lockdown after all restaurants had been shut down. Yet, by combining innovative approaches to customer service with online communications and smartphone applications and powered by the incredible resilience of its staff and management, the company was able to reach a modus vivendi to last through the pandemic and onwards.

CLOSED

When the lockdown hit in March and KFC

restaurants were off-limits to diners, the firm relocated its marketing activities to internet communication channels. The company already boasted a history of successful communication with its customers through mobile applications and on social media and decided to make the most of this now. KFC increased home delivery service in new cities and urban areas and introduced contactless delivery methods. KFC and Pizza Hut used new Covid-safe standards to ensure that the product and the delivery staff were free from the virus and that the delivery person could not get infected while delivering the food to the customer. At the same time, the company ran an educational campaign online, urging its customers to

stay home and communicating their new Covid-safe delivery options. "It was a safe method and our customers clearly appreciated it, because sales volumes grew very quickly," said Bartosz Pęczalski, President of KFC Poland.

Contactless delivery was a success but involved substantial logistical and managerial effort. KFC and Pizza Hut personnel and staff from partnering firms that processed orders and did deliveries for the two brands, such as Glovo, all had to undergo training in Covid-safe delivery methods involving disinfectants, protective wear, and contactless payments methods. "We had to prepare the procedures and guide our partners' delivery

drivers through the training,” said Bartosz Pęczalski. “It was a very fruitful cooperation because our customers could safely enjoy their favorite foods, our partners could boost their turnover, and we could boost our sales.”

SOCIAL RESPONSIBILITY

Operating at a time difficult not only for the company but for all of society, AmRest has placed a strong focus on corporate social responsibility. The chain began to use its contactless delivery method to bring meals to hospitals treating Covid patients all over the country. Through this effort, over 40,000 meals were delivered along with nearly 290 kilograms of coffee. AmRest also joined a national program aiding the National Health Service, dubbed “Calling for Reinforcements,” piloted by leading firms in the HoReCa sector.

CROSS-TRAINING

As the lockdown continued, new regulations allowed restaurants to open takeout services, and AmRest outlets immediately used that opportunity too. Restaurants with drive-thru facilities were back in business.

On May 18, all restaurants were allowed to reopen their venues. The company had to adapt new safety procedures to adhere to the sanitary regulations and make sure all its staff and customers were safe. The chain also had to estimate how popular each outlet was in order to properly allocate its human resources, as the company did not want to cut jobs. Workers from some outlets which remained closed were retrained for other skills which were needed at that time by other restaurants. The program covered KFC, Pizza Hut, and Starbucks coffee shops, which were also open. The company hired transportation services to safely move the retrained staff to new locations where they were needed the most.

ALWAYS WELCOME

Opening for business under strict pandemic safety regulations brought new challenges. One of these was addressing customers who did not bring protective face masks with them. Such customers were not many, but they were obviously in breach of the new regulations and compromised the safety of other guests as well as staff. The company devised a particular procedure in which these “forgetful” guests were offered disposable face masks and requested to put them on, all in a friendly and welcoming manner. This worked well, as the procedure was in sync with the spirit of the business. “It is definitely better to give away disposable face

masks and then deliver great customer service, than to reprimand guests,” said Pęczalski.

Another challenge that KFC faced was spreading its customers to maintain social distancing. To help the situation on this front, the chain extended its takeout options to customers with mobile applications. To avoid waiting in the restaurant, customers can now order a takeout package and pick it up at the restaurant of their choice, either at the drive-thru window or brought to their car. There are parking spaces reserved at selected restaurants for those who pick the car option. They alert the restaurant once they



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have arrived through the smartphone application, and a member of the personnel brings them their order to the car. The customer can choose to have the order passed through their car window or placed in the trunk. This delivery option, which combines the elements of takeout service with contactless delivery, is becoming increasingly popular.

GLOBAL EXPERTISE

Pęczalski said that as a part of a global corporation, managers in Poland were able to make use of market analyses and problem-solving methods developed by company in other markets during lockdowns. It is because of this that managers in Poland knew online sales channels would be in high demand, and contactless delivery services and takeout sales would soar.

Company managers had video calls with their counterparts in other markets to share best practices for implementing cover safety standards and solving other issues. The calls were a source of extensive knowledge about what can be done, as managers who took part in them represented different markets in many countries, and each country had its own lockdown regulations. “The global character of our company helped us a lot during the crisis and the pivotal role of that help can be hardly overestimated,” Pęczalski said.

By perfecting new customer service options and promoting these across social media, the KFC/Pizza Hut brands are widening avenues for their business to grow. Even after the pandemic is over, the communication channels and delivery methods will remain in place, as will the food safety standards and hygienic regimes for delivery staff. According to Pęczalski, this is all in sync with market trends which had been quite visible before but were reinforced even more strongly during the pandemic.

THE GOVERNMENT’S HELPING HAND

AmRest took advantage of the “Anti-Crisis Shield,” a government program offering financial aid for a period of time to companies experiencing a drop in revenue due to the lockdown. However, according to Pęczalski, the government should do more to help the HoReCa sector specifically. The first regulation to promote safety by making it easier to maintain social distancing would be lifting the Sunday trade ban. “If people had two days to do for their weekend shopping, there would be fewer of them frequenting the shopping malls on Saturdays, which is an important safety aspect in the time of the pandemic,” Pęczalski said.

Another program that the restaurant sector desperately needs is one focused on helping restaurants bring in more customers. The Polish government fashioned one such program called a “Tourism Bonus” to help out the hospitality sector. Pęczalski noted that a similar program should be aimed at restaurants. He pointed to the “Eat Out to Help Out” program in the UK, whereby restaurant guests enjoy a 50 percent discount from Monday to Friday. The government covers the other 50 percent of the bill, under the condition that customers eat in the restaurant and do not order alcoholic drinks. “Such a ‘happy hour program’ would greatly help the restaurant sector, which has experienced a dramatic drop in revenue and generally is struggling for survival,” Pęczalski said.