

Stage 2 Workplace Practices – 2016

External Assessment Cover Sheet

Assessment Type 4: Investigation

SACE Registration Number:

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Student's industry focus for undertaking Workplace Practices:

Hospitality

Practical Investigation

Issues Investigation

Description Are pop up restaurants good for business?

An investigation into the current phenomenon of pop ups

and their effects on established
businesses in Adelaide.

word count _____
(for written only)

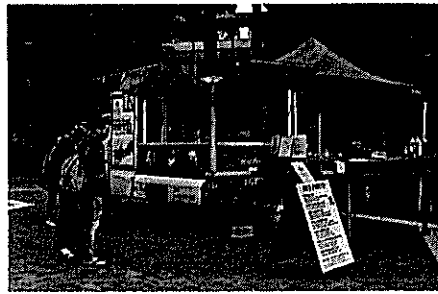
This investigation is assessed using the following specific features:

Knowledge and Understanding	Investigation and Analysis	Reflection and Evaluation
KU1	IA1	RE1
KU2	IA2	

The Purpose of this paper is to explore the recent phenomenon of the "pop up" food outlet in Adelaide. This is a very controversial issue as many believe such outlets bring variety and culture to street food whilst many other people argue that they have in fact lowered food standards and prevented established businesses from making money and potentially causing the business to close down. As a young man looking to work in this industry I need to develop my own perspective as to whether they are a good idea.

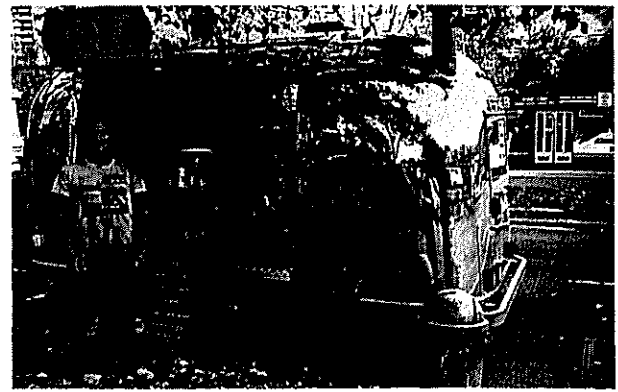
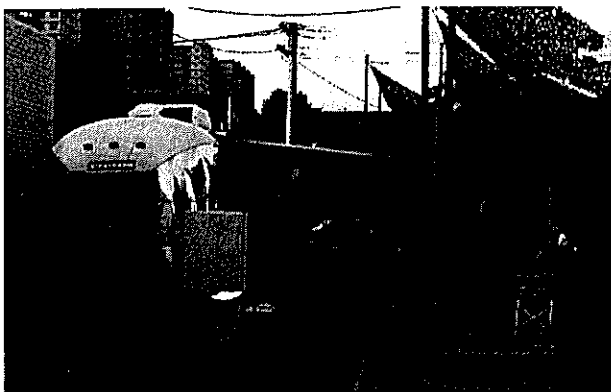
Before discussing both sides it is important to understand what a "pop up" is. A "pop up" can be one of a host of ideas including cinema in the park, art gallery, market stall, craft stall, fresh fruit, café, clothes store or eatery. The fundamental characteristics are that they:

- Use an empty or underused space
- They are time limited with a clear start and finish date/time
- Have no aim for permanence
- Are designed for de-mountability
- Have the potential to be transferred to another location
- Be in some way exclusive, distinct or special



According to Katherine Vong (Trend Reports 2012) "Their benefits are that they are affordable, have a short term commitment, generate a "Buzz" allow for testing and experimenting, encourage spontaneous purchases and allow brands to grow.

These may well be desirable features for a city with space but struggling for vibrancy and a lagging hospitality and retail industry. But when you drill down on this topic there are significant implications to be considered.



This issue came to head as the popular fringe and arts festivals attracted record numbers of people into the city. As a result many pop up businesses saw the opportunity to cash in and were encouraged under the theme of "vibrancy" to set up shop. In balance this seems like a preferable outcome but one city councilor believes the "pop up" fad has gone to far given the number of licenses that were issued. The balance had got " out of whack"

These licenses were issued on the back of the Adelaide City Councils initiative to invigorate the city streets and laneways. They launched a program called "Fork on the road" as part of a joint program with the government to bring people to the city. As part of that initiative food trucks, vans, bikes and stalls were granted permission to open their businesses. 50 new licenses were issued.

Owner of fixed premises were incensed and hoped the licenses would be capped at 20 saying 50 crossed the line and would have significant impact. There have been reports of confrontations between pop up and fixed businesses as a result.

Mr. Csaba Egri owner of a food gourmet van called "Bodris Bakery and Café" said that he had received heated complaints since he had started up but followed up by saying the complaints were exaggerated given the realistic exposure of vans and food stalls.

" If you go around the city, you can hardly find more than five or six food trucks at all who are in the city every day, usually you can see two or three per day, so if this would really harm these businesses then they are already in big trouble"

The council of recent times seems to embrace change in terms of construction, redevelopment and new ideas. They are determined to attract people to the city by making it a vibrant area with plenty to appeal consumers. Certainly one such appeal is the idea of interesting food, made quickly and at a cheap price that doesn't require booking or entering an establishment.

When canvassing people on the street I asked about the rise of pop up vans etc. I received this comment:

"Things have changed and almost all of our city has embraced that change. We're proud to show it off to tourists, especially during footy season. International students love it and many former South Aussies are returning from interstate to a transformed city"

Another customer eating at a taco van said, "This is terrific. I'm on my lunch break and need something fast and tasty. I'm a little tired of wraps from the deli and so gave these a shot. Brilliant. 10 minutes, \$5, good feed"

When asked whether it was fair that pop up food restaurants should be allowed to operate near an established business or food provider there seemed to be little concern from those on social media sites. One sarcastic comment responded to local business concerns by saying

"My business is being destroyed by that better business and it's the government fault" this suggests that the criticism of pop ups is more about the threat and the fault being with the government rather than the quality of the existing establishment.

These comments are from those parties that advocate for change and believe the market and needs of the consumer should determine which businesses thrive and which fold. They see little merit in supporting establishments just because they have been around a long time and that's the way things have been done.

They believe such venues as the G and the R that have sprung up as two of the largest venues come Adelaide Festival time are wonderful additions to the city hospitality and entertainment landscape and if other businesses are effected then the challenge for them is that they respond and change. Why should ownership of a venue mean the business must remain? If the food is poor, service below par and food and service too expensive why should that business be protected by red tape?

It is often forgotten that the G is in itself a combination of many small businesses, hires many people and contributes significantly as a whole to the economy of the state. Exposure during the fringe creates exposure overseas and into different markets.

This is the nature of modern workplace with globalization, technology and innovation opening up the world and transforming all industry and how work is done. Pop up restaurants and food vans and other "start up" businesses and entrepreneurs are becoming increasingly common across business types. Taxi, exhibitions, stalls, food, just about everything is on the menu.

The supporters of "pop ups" point to the fact that the concern that "brick and mortar" venues are closing due to pop ups is not supported by any financial evidence but rather just speculation. The fact they throw up is that South Australia has the second lowest rate of businesses going under per person of population.

They point out that many of the existing bricks and mortar establishments have in fact responded to change and use the M hotel, Peel St in the Hindley precinct as example to show how pressure to change has improved the quality of existing venues as well.

Those who argue against "pop up" restaurants say they are not opposed to the business but when those businesses open up outside your doorstep and tap into your clientele then you can be rightfully angry. They point out that although pop owners say they will only be in the area a short time and that a quality establishment can withstand some short-term pressure, once one pop up goes another seems to take its place to take advantage "for a short time". This was recently exemplified by the closing of the controversial R in Victoria Square only to be replaced by a retail show competition restaurants made from shipping containers which again is popular by its novelty but is drawing from possible diners in the Gouger Street adjoining the city market.



The characteristic of definite start and end dates may be good but not if the business line up and the residency of a combination of vans etc. is usually months rather than weeks. The presence of these pop ups are becoming increasingly part of the mainstream culture of the city rather than as a short-term alternative offering.

The fact these "finite" businesses are becoming increasingly long term is the amount of money involved in the UK the pop up industry is said to be worth as much as 2.3 million pounds whilst in the US one holiday season alone can generate as much as 2 billion dollars worth of sales.

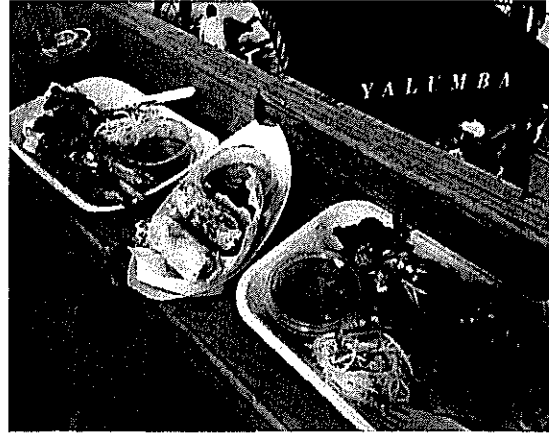
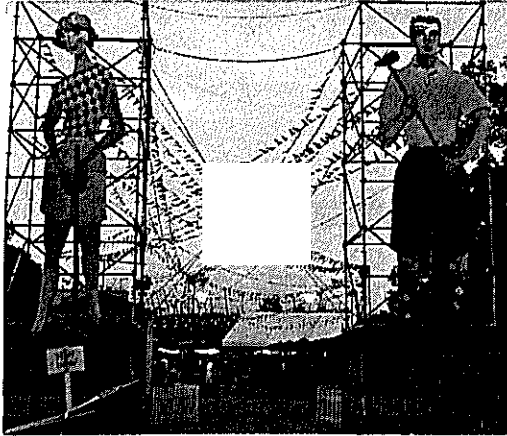
Their other concern is that established restaurants often pay high rents whilst the new pop ups pay "pepper corn rents". The established restaurants say that they operate on a small profit margin but they are there for the long haul and will contribute to the city for many years whilst the pop ups look flashy and appealing but don't represent long term stability. Often when they pack up they take one of the nearby businesses with them so whilst they might add short-term vibrancy via their novelty they can actually contribute to the demise of a food precinct in the long term.

The novelty in the case of the game show competition restaurants is that as such isn't doesn't even good food or services as those cooking a family of amateurs. Just like some of the food served at the it's often about image over substance and speed and novelty over food and service quality.

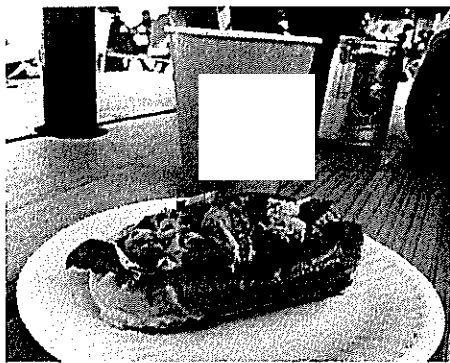
As a young chef in training I have mixed feelings about the issue. I have worked in a restaurant and seen it first hand how it is hard to stay on top financially when trying to meet rent demands, pay taxes and GST, pay wages (and on many occasions) penalty rates attract regular clientele, maintain high stander of food and keep the restaurant appealing. When a pop up comes in and sets up nearby its just another problem and seems unfair if the established business has worked hard to attract people.

However last week I had the opportunity to work in a pop up food van selling crepes. It was fun and an excellent experience in learning how to deliver fast appealing food quickly. It served as an excellent entry point job for those looking to trial an idea with a view to perhaps moving on to opening a restaurant further down the track. The van provided two weeks of employment and experience for 11 people working on a roster. There were a number of challenging through which are one of the criticisms of pop ups generally in terms of the food industry. According to JD Associates the major difficulties include: Finding and training competent staff, the need to invest in security and point of sale technology, outfitting the pop up being expensive and popular brands can be tarnished if the pop up carrying that name is run poorly and has poor standards.

The key issue is the placement of the pop up. Even now the are in negotiations with the council to find an alternative location for the popular fringe venue. Festivals are great and vibrancy draws people to the precinct so hopefully the extra numbers and their business can be spread to also bolster the established food outlets. I would add through that I do agree that just because a restaurant is open it doesn't have a right to survive if it is not offering good food service.



I would like to see balance. Locations that provide for pop-ups like warehouses can create a "pop up" precinct that will attract people to the city who may not otherwise come and by flow on may improve established businesses. There is no doubt that the challenge is in front to established businesses to reinvigorate themselves if they aren't competitive. It is a competitive market but so are most workplaces and business concerns. Their needs to be special interesting experience then there will be no market. Given the high level of unemployment in South Australia any opportunity for young business people with an idea to enter the market in a low risk short term arrangement to test the waters I think is a good idea. We celebrate multiculturalism in Adelaide and food is one element of that that brings people together and nurtures tolerance and inclusivity. In summary I agree with the words of Mr. Scott, the creator of Retail and pop up shops Melbourne who said in an interview with StartUpSmart



"Yes, they may be challenge to the traditional bricks-and-mortar businesses in a precinct but that's kind of missing the point. "The way I see it, if there's an opportunity for a pop-up anything to go into a space, that's an opportunity worth pursuing. I find that the councils and the local trader associations do support this concept because it's all to do with invigorating streetscapes, and keeping neighborhood interesting and vibrant. It can only be good for the permanent retailers because if they've got decent businesses, people will visit them as well."

And finally the words of Nick from newspaper who sees the pop-up phenomenon as an opportunity that can't be missed in Adelaide. He points out that given the nature of Adelaide we shouldn't be trying to bring in big established brands and food outlets but rather promoting a partnership between pop ups and established business.

"Adelaide is not New York or London or even Sydney. We won't gain any sort of reputation by begging big international brands to open their 17th Australian outlet in our CBD."

Pop-up culture is about re-igniting the public's passion for the tangible – in our case its books (remember them?) but it can equally be about food, fashion, art or anything really. We want businesses run by locals. We want diversity of product. We want fresh and interesting interactions, and these are the very qualities pop-up shops provide. In these days of multi-national corporations and online behemoths, it is worth remembering that a business is a business, no matter how big or small. Unfortunately, the divide between business and pop-ups remains and the food vans continue to live precariously on the back of strong but fickle public support. But imagine if established businesses combined with the food vans rather than waging war. The potential is still there

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STAGE 2 WORKPLACE PRACTICES
ASSESSMENT TYPE 4: Investigation

Industry Focus: Hospitality

Assessment Design Criteria	Comments
KU1	There is a clear and well-explained choice of a focus industry here. Additionally, in the opening paragraph the student clearly outlines the fact that there are two well established sides to this argument. The student clearly understands the more important factors that will make a bricks and mortar business successful and is aware of the requirements for a pop-up as well.
KU2	Some well-considered and at times perceptive explanation of the issue at hand and a well-balanced discussion, if a little biased at times.
IA1	The student has clearly conducted wide-ranging research and made an attempt to analyse the information at hand. At times they perhaps relied too heavily on quotations from others rather than their own understanding of the knowledge generated
IA2	Thorough and well researched. Clearly the student undertook a wide ranging investigation and attempted to represent both sides of the argument. However, some more substantial referencing in-text of where information came from may have helped.
RE1	There is definitely thorough and well-developed reflection on the learning that the student has undertaken. They also go some way to providing an evaluation of the pop-up culture as it exists in Adelaide. This was particularly evident when discussing their own experience with the pop-up vans through street surveys as well as their work experience.

OVERALL GRADE: A- (26)

Overall this is an interesting and well-considered piece on a recent phenomenon. The student was able to therefore contextualise their work well and seek a balanced range of opinions from experts to business owners from both sides. Communication was at times a factor in understanding the exact meaning of the analysis presented. Additionally, the student relied too heavily on quotations without in-depth analysis towards the end.