



INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact factor: 6.078

(Volume 6, Issue 3)

Available online at: www.ijariit.com

The food and beverage sector in the COVID-19 times

Vir Jain

virjain2004@gmail.com

ABSTRACT

The following research paper attempts to unravel the effects of the COVID-19 pandemic on industries' operations. In order to ensure that the inferences drawn are reliable, this paper focuses exclusively on the dynamic Food & Beverage Sector.

Keywords— Food and Beverage sector, COVID-19, Pandemic, Restaurants, Consumers

1. RESEARCH MOTIVATION

To study and estimate the long-term impact of COVID-19 on the Food and Beverage sector.

2. SCOPE OF RESEARCH

The primary aim of this research project is to scrupulously analyse the challenges faced by the Food & Beverage sector in times of COVID-19, and to provide as comprehensive a roadmap to the hospitality industry for the foreseeable future, as possible (given the uncertainty of current times). The paper attempts to accomplish the above by:

- Observing the dormant trends in demand during these extenuating circumstances
- Finding ways to regenerate/redirect the demand thus thwarted
- Promoting new avenues to facilitate innovation
- Making pertinent, pointed suggestions based on these carefully made observations

3. BACKGROUND

The food and beverage sector, professionally referred to as F&B, is the largest segment of the hospitality industry, and one that has been impacted the most as a result of the COVID-19 pandemic. The outbreak has resulted in the industry taking its first major hit since the financial crisis of 2008. While most industries around the world have also experienced a significant downfall, it is businesses such as restaurants, bars, and cafes that have taken the hardest hit.

Like with most people, eating out and ordering in was a frequent occurrence in our household before the pandemic, and I used to look forward to the experience. It was never just about the food, but the paraphernalia around it that was equally alluring – something most restaurant goers would agree with. For these very reasons, the last 5 years saw a major boom in these businesses in India, more than ever before. In fact, in a few metropolitan cities such as New Delhi, Mumbai, and Kolkata, several entrepreneurs and chefs have launched new ventures, succeeding in making their mark on the F&B scene by showcasing their talent for innovation.

Prior to 2020, the Indian hospitality industry was poised for tremendous growth, projected to continue its winning streak for years to come. Owing to these factors, alongside an immense untapped potential for improvisation, the F&B sector has caught the attention of many new players over the last decade. As of November 2019, the Indian food and grocery industry was the sixth largest in the world. While a majority of the sales (approximately 70 percent) were through retail, the online delivery business in India was at a nascent stage, but growing exponentially.

4. OBJECTIVE

As a family, we used to step out once a week for some sort of fine dining experience. Having that taken away from us due to COVID-19, I felt compelled to delve deeper into how some of my favourite places to eat were surviving during this time. After indulging in some preliminary research, I then decided to look into various other restaurants in the National Capital Region (NCR) and how they were affected by the pandemic. Before I knew it, I had enough information to put together for an investigative research paper. Through this paper, I hope to gain an understanding regarding how the restaurants aim to handle this drastic change in their businesses and the measures they can take to survive these unprecedented circumstances. I have also analysed the receptiveness of consumers to such measures and collated their expectations from the F&B sector.

5. METHODOLOGY

This study essentially relies on primary data, collected through 2 comprehensive surveys. The first set was sent to restaurant owners, managers, directors, and head administrators of some of Delhi's top restaurants, cafes, and bars. The second survey, on the other hand, was sent to consumers across a wide variety of tastes and demographics. The surveys conducted lent a detailed account of the measure's restaurants have taken during the government-imposed countrywide lockdown, and the steps they are planning to take in the months ahead to be able to reconstruct their businesses. The first survey proved monumental in throwing light on the state of affairs, as experienced and perceived by small and big restaurant owners. It also provided a clearer idea regarding the timeline and duration for which the industry may have to bear with these circumstances.

In the second survey, the questionnaires helped me gain valuable insights from the consumers' side of things. For instance, how they rate the measures taken by various restaurants, and how their outlook on the concept of eating out may change entirely following the Corona outbreak. Furthermore, consumers were also encouraged to share their recommendations and thoughts on how restaurants can offer a safer dining experience. Their feedback forms a crucial part of this study, and gives a more informed idea regarding what the future may look like for the industry. The paper follows a simple structure, compiling primary information from restaurateurs and consumers, analysing the measures proposed and being observed to tackle these unique circumstances. Thereon, the paper attempts to make suitable propositions for the foreseeable future. The information gathered also helped me realize how the mindset of both businesses and individuals can change in a matter of a few weeks, especially when it involves a threat to life.

The initial reaction, measures taken by restaurants, along with priorities and opinions of consumers have been collated to produce a conclusive analysis of the industry.

6. SURVEY 1

The first half of this research paper focuses on how:

- Restaurant owners and administrators first reacted to the Coronavirus pandemic
- Businesses were affected and correspondingly, the various steps taken to survive the crisis
- And finally, the changes expected in the F&B sector after the lockdown ends and how they plan on sustaining their businesses

In order to collect this information, I conducted a survey by directly getting in touch with multiple restaurants. To ensure that the survey delivers a conclusive result, I sent out the questionnaire to numerous stand-alone restaurants and restaurant chains. I selected these places based on pricing, popularity, authenticity of the dishes, and eclecticism of the menu. The survey provided me with adequate details about the thought processes and mindsets of various restaurants.

In total, we received responses from 24 restaurants. While the majority of the restaurants were casual dining and cafes, we also received responses from various fine dining restaurants, QSR chains, bars, and food courts. A wide array of restaurants were chosen with the intent of covering as many categories of restaurants as possible, to ensure that the data collected is more conclusive (Law of Large Numbers), which in turn would help in deriving a more precise narrative for most restaurants in the region.

6.1 Findings

6.1.1 Type and Size of Restaurants

The survey showed that more than half the restaurants considered have less than 5 branches in Delhi NCR, around 40 percent have between 5-20 outlets in NCR, and two chains have more than 50 branches in the region. Another variable the survey was designed to procure data for was the average seating per outlet, as that informed us about the size of the restaurant, and hence whether distant seating would be feasible for some of these restaurants going ahead. While the majority of the restaurants (~43.5%) registered average seating of more than 60 people per outlet, 26.1% had an average seating of 40-60 people per outlet, 13% seated 20-40 people on average, and 17.4% accommodated less than 20 people per outlet.

In order to examine the size of individual restaurants a bit better, I examined the number of people employed in each business. The survey proved monumental in facilitating comprehensive results in this regard as well. Unsurprisingly, the average seating per outlet of every restaurant and the number of employees engaged by the business exhibited a directly proportional relationship. 17.4% of the restaurants which took the survey had more than 150 employees, 21.7% of them had between 50-150 employees, 34.8% had between 10-50, and 26.1% of the restaurants had less than 10 employees.

6.1.2 Initial Impact and Reaction

(To lend perspective, I have summarized the key findings gleaned from the data gathered through each survey question, for both surveys)

Question: When were you first affected by COVID-19?

The responses to this question were varied, but the key inferences drawn suggested that smaller businesses were affected relatively earlier as compared to the bigger chains and restaurants. While 43.5% of the restaurants stated that they were affected by the pandemic only after March 16th, 30.4% of the restaurants remembered being affected between 1st-15th March, and a significant 26.1% of the restaurants were affected between 16th-29th February. No restaurants felt the effect of the pandemic before 15th February.

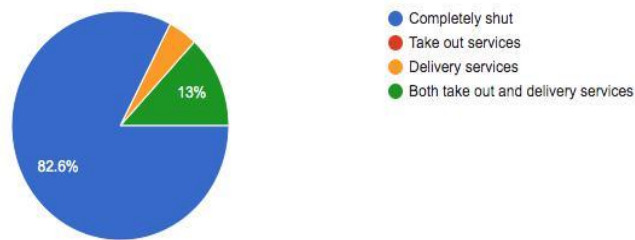
Question: What is the current status of business?

The restaurants were also asked to define their current status of business. This survey was filled between the first nation-wide Lockdown imposed by the central government, from 25th March 2020 to 14th April 2020. While a massive 82.6% of the restaurants

that took part in the survey were completely shut, small percentages of restaurants were still providing take-out and delivery services to the public. The chart given below manifests a visual depiction of the same:

What is the current status of the business?

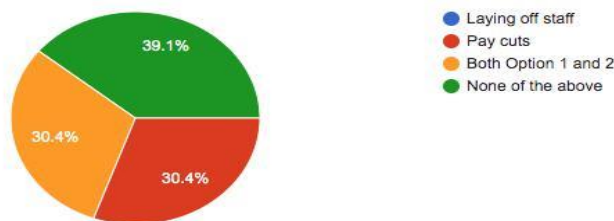
23 responses



Question: What measures have you taken to reduce/cut costs? Considering the revenue generated by most restaurants during the first 21-day lockdown was minimal to none, the survey asked restaurants if they had taken any steps to cut costs and reduce losses. While 30.4% of the restaurants taking part in the survey had taken pay cuts, another 30.4% of restaurants had both laid off staff and observed pay cuts. Contrastingly, 39.1% of the restaurants had taken none such measure yet. The varied responses can be attributed to the fact that the restaurant sizes are very different, and some restaurants have certain policies with respect to laying off staff and pay cuts. The graph below provides a visual representation of the aforementioned aspect of the survey:

What measures have you taken to reduce/cut costs?

23 responses



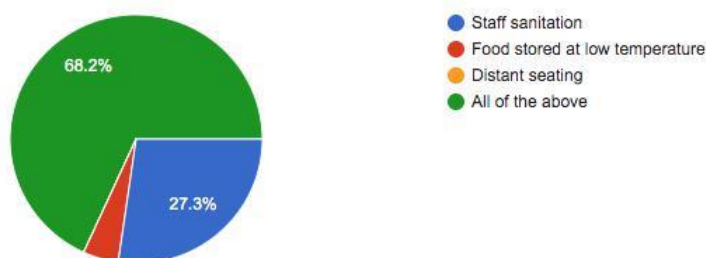
6.1.3 Safety Measures and Support from Government:

Question: What safety measures are you taking during this pandemic?

For obvious reasons, the Coronavirus pandemic has resulted in a lot of emphasis being put on safety and hygiene. Sanitation and other measures are expected to become the norm going forward. Amid the lockdown, the survey asked restaurants to enumerate the measures they were taking in order to make their work environment safer. A few measures were enlisted as options and restaurants were asked to choose which of the following they had already started implementing during the pandemic. The responses offered insights regarding the magnitude of the situation, as most restaurants (68.2%) opted for all of the given choices, which included staff sanitation, distant seating and food being stored at low temperatures. On the other hand, 27.3% of the restaurants opted for only staff sanitation, and a mere 4.5% chose only storing food at low temperatures.

What safety measures are you taking during this pandemic?

22 responses



The findings revealed that certain high-end restaurants had even hired microbiologists to examine their premises in order to ensure highest safety standards, for both the staff and the consumers.

Anirban Sarkar, General Manager at Radisson Blu, Greater Noida, confirmed that the hotel had adopted various safety practices and shared that they had also hired a microbiologist for random swab tests of surfaces and kitchens. He added that the exercise was not conducted to test individuals for the virus, but to measure the overall hygiene and cleanliness. [1]

Question: What support are you looking for from the government?

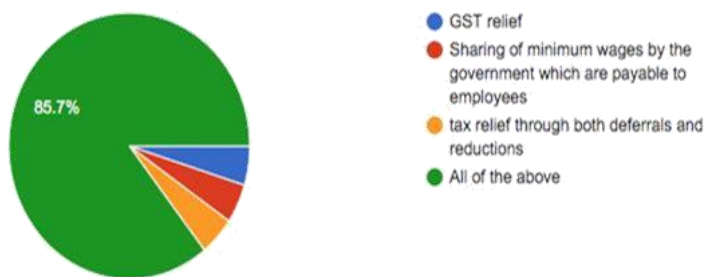
During extremely tumultuous times for the F&B sector, the government’s role in keeping the sector afloat would be instrumental. As discussed in the introduction, the hospitality industry and F&B sector contribute enormously to the country’s economy, thus providing the government with the necessary incentive to support restaurants, especially when many of them are struggling to

survive. Although the actual help received from the government is still dubious and debatable in terms of its impact, in the survey, restaurants were encouraged to shed light on the kind of support they're expecting from the government. As expected, a whopping majority of restaurants (85.7%) chose all 3 of the supportive measures provided in the options, which included *Goods and Services Tax (GST) Relief*, *Sharing of Minimum Wages* by the Government - payable to employees, and *Tax Reductions* through both deferrals and reductions. This insight proved seminal in helping me grasp the collective psyche of small and big restaurants owners in Delhi-NCR. It became apparent that there is only so much they could do to keep afloat, and constructive support from the government is a need of the hour.

According to an article by *The Times of India*, NRAI has urged the government to extend a helping hand, to aid the industry in facing the unique challenges presented by the Coronavirus pandemic. The NRAI stressed three important issues affecting the restaurant industry: people issues, operating support, and policy support. They elaborated on how the industry has been on the forefront of providing relief to people under lockdown by providing free meals, raising money for relief funds, and donating funds to the government.[2]

What support are you looking for from the government?

21 responses



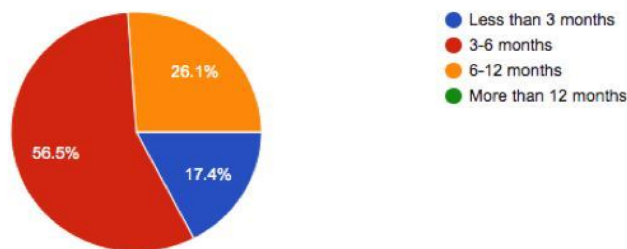
6.1.4 The Path Forward

Question: How soon do you think business will go back to usual operations after lockdown opens?

With looming uncertainty regarding health and safety issues during the pandemic, experts around the world are recalibrating their predictions every day. With a 'Corona-free' world (both in terms of the virus and the fear it has instilled in people) seeming like too distant a possibility, the F&B sector rests rather uneasily. The restaurants had differing yet optimistic views regarding how soon their businesses will go back to normal after the lockdown opens. 17.4% of the restaurants that partook in the survey envisaged the resumption of usual operations in less than 3 months, 56.5% chose the 3-6 month time period, 26.1% voted for 6-12 months, and the 'more than 12 months' option was left unselected, hinting at the industry's resounding hope and optimism.

How soon do you think business will go back to usual after lockdown opens?

23 responses

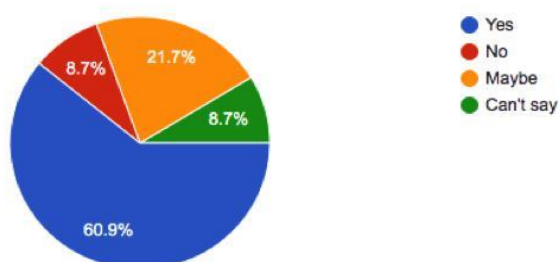


Question: Do you think the industry will shrink before it stabilizes?

An important possibility to plan for is whether or not the industry will shrink before it stabilizes. An industry is considered to be shrinking if the growth is either negative or the industry is not growing in tandem with the overall growth figures projected, both for the said industry and the economy at large. 60.9% of the restaurateurs who filled the survey believed that the industry will shrink before it stabilizes, a mere 8.7% stated that the industry will bounce back before it shrinks, and the remaining opted for 'maybe' or 'can't say'. The two charts depicted below, visually interpret the data in an efficient manner.

Do you think the industry will shrink before it stabilises?

23 responses



6.1.5 Unique Measures/Steps

At the end of the survey, the restaurants were presented with two questions of immense importance. Firstly, they were asked about any unique measures taken by them during this time to boost business. The responses were distinctive and innovative, and offered precious insights into the mindset of these new-age restaurateurs.

One restaurateur talked about taking all possible measures to reduce costs, while simultaneously working on a marketing plan by developing a bank of social media posts for when they finally reopen. Another restaurant emphasized on discounts, PR, and revitalizing marketing on social media - aimed at home deliveries, as it's one of the only few businesses still operating. Other unique measures included selling pre-paid vouchers, improving sanitation and hygiene of workers, and promoting online sales. One restaurant also said that they are currently focusing on building their "Cloud Kitchen Brand".

Lastly, restaurants were asked about the steps they plan to take once they reopen their doors to customers. The responses highlighted a few common yet important measures such as, promoting hygiene and sanitation, social distancing and distant seating. Better offers and loyalty programs, guest awareness, marketing, and social media campaigns, renegotiating all contracts (including rent) and staff salaries, and building a home delivery and take out network were other popular ideas put forward by the restaurants. Staff training and gaining the trust of the consumers were unanimously given precedence over everything else.

An article by *The Hindu* highlighted that restaurants are doing all that they can to remain in business. Restaurants are adopting a delivery-only model and shorter menus. They are now working with fewer staff and are enforcing significantly stricter rules regarding social distancing and temperature checks. [3]

7. SURVEY 2

The second half of the research paper focuses on:

- The consumers' side of things with special emphasis on the ongoing change in their collective mindset, for that shall play a central role in determining how the restaurants react to survive
- For this, consumers of different demographics were requested to fill a survey designed to record the change in their priorities, along with what they would prefer restaurants to do in order to stay relevant in the near future.

Again, for the survey to produce conclusive results, it was important to understand the background of the individuals filling the survey, and their involvement with the Food and Beverages sector. Next, we asked consumers about the time period for which they expect the pandemic to go on. They were also asked about the last time they ate out, prior to the lockdown, and how long it will take them to feel safe eating out again. Lastly, we enlisted the unique measures restaurants were looking to introduce, both for boosting business and ascertaining safety, and then asked the consumers to rate them on a scale of 1-5, with 5 being most likely to feel assured by a particular measure.

7.1 Findings

7.1.1 Background of the Consumers

In order to understand the profiles of the consumers taking part in the study, the survey asked them to specify several pertinent details about themselves.

The data suggested that 2.1% of the consumers who filled the survey were aged between 0-14 years, 14.9% were aged between 15-24 years, 34% were aged between 25-40 years, 34% between 41-60 years, and 14.9% of the consumers were above 60 years in age. The age of the consumer was one of the key factors that would help us fathom how a consumer's priorities, opinions, and thoughts about the impact of the virus differ depending on the stage of life they are at – both in terms of age and income.

Next, the survey asked consumers about the frequency at which they ate-out or preferred eating out. *(To lend perspective, in this section, I have summarized the key findings gleaned from the data gathered through each survey question)*

Question: How often do you go out to eat?

57.1% of the consumers who participated in the survey stated that under normal circumstances, they tend to eat out once or twice a week, and 24.5% of the consumers said they eat out more than twice a week. Contrastingly, 12.2% of the consumers said they only eat out once in two weeks, and 6.1% of the consumers preferred eating out merely once or twice a month.

How often do you take out or order home delivery?

On the other hand, 46.9% of the consumers who took part in the survey either take-out or order food online once or twice in a week. 12.2% of the consumers take-out or order food online more than twice a week, 14.3% of the consumers do so once or twice in 2 weeks, and 22.4% up to two times a month.

The results from the survey surrounding these two questions equipped us with highly relevant data, hinting at the importance of the F&B sector in India, and how it had great potential for growth before COVID-19 took over 2020. An important trend, evident in the data at hand, was that consumers usually preferred to go out and eat, rather than going for take-out or home delivery.

Both eating out and ordering have become the norm for the young working professionals, especially across cities. In India, more restaurants than ever were coming up and making a mark in the F&B industry before the outbreak of the COVID-19 pandemic. Unfortunately, it all came to a screeching halt around the end of February, this year.

Kapil Chopra, chairman of the board of Eazydiner.com, says that in the next five years, more people will be eating out than at home, and the reason for this is the 640 million millennials in the country. Furthermore, a study by Nielsen suggests that while urban Indians only spend around INR 6,500 a year on eating out, the industry's true potential lies with the spending habits of millennials (aged 18 to 34) who earn more than a million Rupees a year and spend 13% of their food expenditure on eating out. [4]

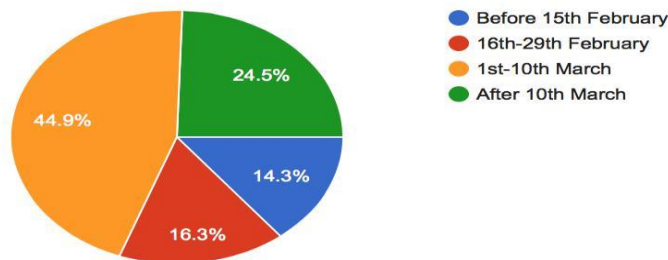
7.1.2 Changes Due to Lockdown

Question: When was the last time you ate at a restaurant?

14.3% of the consumers last ate at a restaurant before 15th February, 16.3% of them last ate out between 16th-29th February. Majority of the consumers (44.9%) last ate at a restaurant between 1st – 10th March, and the remaining 24.5% last ate out after 10th March. Understandably, the COVID-19 outbreak affected the psychology of most consumers, which resulted in them not feeling safe outside - a valid fear given the circumstances. With the exponential rise in cases, and the emphasis on social distancing being put by the government,

When was the last time you ate at a restaurant?

49 responses



Question: How has the lockdown affected the number of deliveries and take-outs you order?

93.9% of the consumers who took part in the survey stated that their orders have decreased or have become non-existent. The lockdown has made consumers increasingly cautious about their safety, which evidently took precedence over eating out. While many restaurants planned on building extensive delivery and take out networks, 'Consumer Trust' will be a key factor in determining the reception of these new plans and ideas.

7.1.3 Thoughts on New Ideas

The restaurant survey provided a window into the world of restaurant-owners during the lockdown – from the segments that have taken the most emphatic hit/fall to proposed measures to be adhered to once lockdown ends. The most popular suggestions provided by the restaurateurs were used for the next segment - the consumer survey, which listed these measures for the consumers to rate on a scale of 1-5. While some measures received similar ratings from all customers, other ratings varied. The disparities in the demographics of the consumers also played a major role in the rating they afforded each measure.

Question: On a scale of 1-5, how important would the brand name of a restaurant matter to you while ordering during the Coronavirus pandemic, keeping in mind the various hygiene and sanitation measures (1 being least important, and 5 being most important)?

77.6% of the consumers agreed that the brand name of a restaurant is an important factor and rated its importance – 5 (extremely important), 14.3% of the consumers rated brand name as 4.

This shows that the brand name is one of the most important factors for consumers. During these trying times, they are more likely to back known and trusted brands rather than newer or smaller restaurants. Thus, consumer trust becomes essential for restaurants fighting for their survival. Many restaurateurs also suggested that the lockdown provided a great opportunity for them to build their brand and expand their consumer base.

Question: On a scale of 1-5, how important do you think distant seating is for restaurants after lockdown opens (1 being least important, and 5 being most important)?

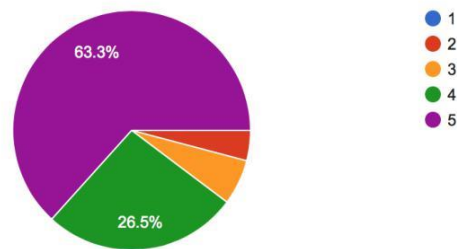
63.3% of the consumers who took the survey believed that distance seating would be essential for restaurants post lockdown, as they rated the importance of it to be 5. 26.5% of the consumers rated the importance of this measure as 4, and the remaining responses were split between the ratings 2 and 3.

The responses conclude that the majority of the consumers who took the survey believe that distant seating won't just be desired, but essential for restaurants. With social distancing becoming prevalent in today's world, distant seating, a subset of social distancing, is also likely to become crucial in public spaces such as restaurants.

Ankur Bhatia, who runs a chain of Roseate Hotels, said that 2-meter table distance is deemed to become common practice post lockdown. Furthermore, he said that only members from the same family or group of people would be allowed to share tables, and while waiters will be instructed to bring the food to the table, they would no longer be serving the food to customers. [1]

On a scale of 1-5, how important do you think distant seating is for restaurants after lockdown opens(1 being least important, and 5 being most important)?

49 responses



Question: On a scale of 1-5, how important do you think it is that the restaurant staff wears gloves and masks while inside the premises of the restaurant (1 being least important, and 5 being most important)?

93.8% of the consumers believed that it was essential for the restaurant staff to wear gloves and masks when inside the premises of the restaurant. The rather sizable majority of consumers rated the importance of the measure to be 5, on a scale of 1-5.

On a scale of 1-5, how much would you recommend the use of hand sanitizers for both staff and customers before entering the restaurant premises (1 being not recommended at all, and 5 being highly recommended)?

Similarly, 95.8% of the consumers highly recommended both the members of staff and customers to actively sanitize their hands before entering the premises of the restaurant, and rated the measure as 5, which is the highest.

The responses to these two questions further highlighted the importance of hygiene and sanitation for the restaurants. Consumers believe in measures of safety, like those mentioned above. Restaurants should not take safety of the consumers lightly and must deploy resources to maximize safety within their restaurant – both for their employees and their customers.

Question: On a scale of 1-5, how likely are you to purchase loyalty cards or vouchers at this point, which can be redeemed at a later date (1 being not likely at all, and 5 being very likely)?

45.8% of the consumers selected option '1', implying that they would not be inclined to purchase loyalty cards or vouchers at this time. 18.7% of the consumers selected option '2', 18.8% selected option '3', and the remaining consumers were split equally between option '4' and option '5'.

This information certainly implies that most consumers are not looking to purchase such deals at the moment. While some consumers seemed moderately interested in investing in loyalty cards or vouchers, which can be redeemed at a later date, it seemed unlikely that they would go forward with it, especially considering the cloud of uncertainty that currently surrounds everything.

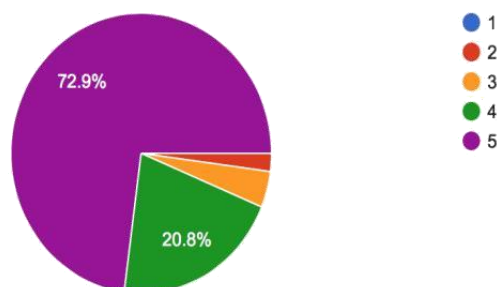
Question: On a scale of 1-5, how much would you recommend the use of antibacterial doorknobs and sheaths (covers for high touch products)? (1 being not recommended at all, and 5 being highly recommended)

72.9% of the consumers selected option '5', implying that they would fervently recommend restaurants to use antibacterial doorknobs and sheaths. 20.8% selected the option '4', and the remaining responses were split between option '2' and option '3'.

The responses to this question once again bring forth the same issues of safety and hygiene. It is clear that the majority of the consumers believe that restaurants need to ensure safety of their customers in all possible ways.

On a scale of 1-5, how much would you recommend the use of antibacterial doorknobs and sheaths(covers for high touch products)? (1 being not recommended at all, and 5 being highly recommended)

48 responses



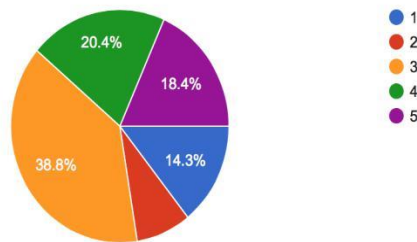
Question: On a scale of 1-5, would you recommend that restaurants start offering pre-paid meal plans to be delivered at your doorstep (1 being not recommended at all, and 5 being highly recommended)?

14.3% selected the option '1', implying that they would not recommend the restaurants to offer pre-paid meal plans to be delivered to the consumers' homes. 8.2% selected the option '2', 38.8% selected the option '3', 20.4% selected the option '4', and the remaining 18.4% selected the option '5'.

The response to this question was balanced and varied. Consumers had moderate opinions about the idea of pre-paid meal plans, not enough to make a conclusive remark. The working model of this service is relatively unknown in India and its potential remains undetermined.

On a scale of 1-5, would you recommend that restaurants start to offer pre-paid meal plans delivered to your home(1 being not recommended at all, and 5 being highly recommended)?

49 responses



Question: On a scale of 1-5, how safe do you feel while ordering from delivery platforms such as Zomato and Swiggy (1 being highly unsafe, and 5 being very safe)?

22% of the consumers selected option 1, insinuating that they feel highly unsafe while ordering from online delivery platforms such as Zomato and Swiggy. 38%, 32%, and 6% of the consumers opted for options 2,3, and 4, respectively. A minimal percentage of consumers felt absolutely safe or unaffected while ordering from such platforms during these times.

The COVID-19 pandemic has served as a huge setback for these delivery platforms, which have also lost business alongside restaurants. These platforms were widely used in the metro cities of India before the outbreak of COVID-19. Reports from 'www.dnaindia.com' suggest that before the pandemic, Swiggy had around 1.5 million daily orders, and Zomato around 1.2 million daily orders. While consumers still continue to use them from time to time, the trend has become more need-based and sporadic.

On 15th April 2020, a Zomato delivery boy tested positive for COVID-19, which not only put many consumers at risk, it also nudged consumers to refrain from using online delivery platforms like Zomato and Swiggy.

Question: How long do you think it will take for you to feel safe while eating out?

When the consumers were asked how long it would take for them to feel safe to eat out again, 32% of the consumers opted for 2-3 months, 36% opted for 3-6 months, and 28% of the consumers opted for more than 6 months.

The response from consumers seems to suggest that people will gradually start eating out and ordering home delivery/takeout again, provided the conditions are safer. While some consumers believe that it is a good idea to be cautious for the next 6 months, many believe that the situation will change sooner than that, which shall come as a relief to struggling restaurants.

7.2 Factors Determining the Return of the Industry

At this point, there is little that restaurants can do to inflate revenue other than cutting costs and taking necessary safety precautions. It goes without saying that the longer the pandemic sustains, the harder the restaurant business will be hit. In addition to the estimated duration for which the virus may continue to affect the country and the world, two other aspects that can be looked at more closely are - elasticity of demand, and a restaurant's target group.

By definition, price elasticity of demand measures the responsiveness of consumers to a change in the product's price. Elasticity, in general, is a measure of the impact on sales of a product or service, due to change in a variety of factors, including the price of the product or service.[5] Due to the COVID-19 pandemic, most industries have come to a standstill, and the economy is struggling. Moreover, unemployment is projected to increase dramatically in the next few months as businesses, unable to withstand the unique pressures of this time, may be compelled to lay-off employees. Therefore, it will not be surprising to see individuals spending less on eating out in the coming months. This is especially a cause of concern for high-end fine dining restaurants. Given the uncertainty of the circumstances, the financially aware youth of the country would most likely want to save that money instead of spending it on a meal. Thus, many restaurants may have to change their pricing as a result of the pandemic.

Next, the target group that a restaurant caters to will also become a significant factor, and shall determine the future of the restaurant. Restaurants will need to adapt in order to cater to the working-class youth, who are likely to eat out when they go back to work once the pandemic settles. Once again, price elasticity of demand will need to be closely studied by restaurants, as this segment of young professionals may not be keen on spending exorbitant amounts on fancy meals in the midst of an economic crisis that is bound to occur in some form or the other in most industries.

7.3 A Rudimentary Forecast Analysis

With gradual relief in the nationwide lockdown, the onus of opening restaurants lies with the state governments. However, things will not go back to normal for the industry immediately after restaurants are opened. With many more restaurants working on a delivery and take out model, it is expected to be the biggest change the industry will experience other than the safety measures which shall definitely become a must.

Dining at home may define a new normal amidst the pandemic. Especially in the metropolitan cities of India, one can expect people to order food at home more often than they would go out to eat. Gourmet food, or street food, will be one of the harder hit segments of the industry, considering it would be extremely difficult to replicate the authentic, mouth-watering experience of street food at home. Many fast food chains are looking to come up with solutions to provide such an experience without exposing their customers and staff to danger.

Restaurant owners remain optimistic and believe their business shall bounce back soon. However, the next 6-8 months will be a time period of low revenue generation for most restaurants. This is because of the following reasons. Firstly, customers are expected to be cautious for the time being, keeping in mind the panic and anxiety the pandemic has brought with it. Secondly, even when the restaurants reopen, social distancing norms would need to be followed, requiring restaurants to seat less people than before at a time. Customers are more likely to go to a restaurant with less people seated than one with more people.

In short, while the business of restaurants and food chains will gradually improve as time goes on, less revenue generation can definitely be expected, at least for the next 6-8 months. In India, cases are rising rapidly in financial hubs such as New Delhi and Mumbai, where the restaurant business was a burgeoning sector. One can expect only a few people to go out until the number of new cases being reported daily starts to decrease, or the community on the whole becomes immune to the virus. Hence, home delivery and take out services are expected to make a faster recovery than dining in-person at restaurants.

7.4 A Scenario Without COVID-19 Pandemic

While restaurants are evidently suffering huge losses by the day during this time, an interesting subject of study is how the business would look like if there were no pandemic. India's food and beverage industry has experienced a boost in the last few years due to the success of online retail services. The industry also saw innovative new business models and ideas, which enjoyed a lot of success in a relatively small period of time. In 2020, the industry would have experienced steady growth along with the onset of many new innovative restaurants and business ideas and models would have come into existence. Although the ever increasing competition in the food space may have negatively impacted the profitability of a few restaurants, it would also have added to the culture of eating out by encouraging people to eat out more often. With health concerns and new nutritive trends like veganism etc., the market would have forged a new path – one that fosters and implements new ideas with ease.

8. CONCLUSION

Without any hesitation, it would be entirely fair to say that the F&B sector, which was poised for tremendous growth, has been severely affected by the Corona Virus pandemic. But I still believe that if the restaurants play their cards right, survival is surely possible. From what I have learnt, the F&B sector may not be completely recession proof, but if restaurants can survive the initial decline period, their businesses will gradually grow back into what they were and the industry will eventually stabilize. From the restaurateurs' point of view, who were affected after 15th February, the industry will stabilize in the second half of 2020 – early 2021, but may shrink before doing so. While most of them were completely shut during the initial lockdown period, many of them plan to build a network of delivery and take-out services, understanding the importance they hold in the future.

Since this is a period of incredibly low and unstable revenue generation, some restaurants are taking extreme measures to cut costs, such as laying off staff and taking pay cuts, in order to reduce the scope of their losses. There is certainly a tremendous amount of emphasis on safety and hygiene. Restaurants are looking to ensure the safety of both their staff and customers, by means of distant seating, better sanitation, and storing food at low temperatures. I infer that the restaurants understand the discomfort of both their staff and customers, and are motivated to ensure proper safety and hygiene provisions at their outlets during this time. In order to stay afloat and relevant, restaurants also expect some form of support from the government.

It is reassuring to witness restaurants trying to find ways to power through this time by relying on innovation and cutting costs. Consumers, however, have a cautious approach when it comes to eating out. They wish to ensure safety and are not too eager to step out until they are certain that precautions are being systematically observed. Furthermore, most consumers are not looking to purchase loyalty cards, vouchers or any special offers at this time, but would rather that restaurants put all their resources into making the premises of the restaurant safe.

The consumer surveys also showed that 'trust' would be of utmost importance going forward. If a consumer trusts the brand of a restaurant, he will inevitably return to eating there after the circumstances stabilize. On a tangent, eating out and ordering online are important activities in the lives of young Indians, especially the ones residing in urban areas, and hence neither shall come to a complete standstill, even during the pandemic. As individuals come to terms with this new way of living, they are bound to become more cautious. Thus restaurants need to put a great deal of effort into marketing. They need to assure consumers that eating at their restaurant is safe. Furthermore, delivery services are a great way to generate revenue during the lockdown.

Through the learning acquired from this survey, I understand the need for restaurants to focus on building a marketing plan and social media push during this time, as it will be essential for gaining the trust of skeptical consumers. For this, focusing on hygiene and sanitation, as expressed earlier, will be key. Renegotiating all contracts such as rent and salaries will hold a lot of importance for restaurants and their future. Having said that, loss in business during this period is inevitable. Thus, restaurants need to make dedicated efforts to cut their losses among other things to be able to build a thriving future for their businesses.

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