

COVID-19 AND ITS IMPACT ON THE RESTAURANT BUSINESS

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Abstract

COVID-19 impacts the national and international food industry as the government closes down restaurants and bars to slow down the spread of the disease. The restaurant business bears an important role in the economic stabilization of every country. The study was carried out to examine the impact of COVID-19 restrictions on restaurants and other allied businesses. This study was mainly focused on the owners of the restaurant business in the Idukki district. This study attempts to explore the impact of the lockdown restrictions on the restaurant enterprises in the Idukki district. This study describes the challenges of restaurants during the pandemic, strategies adopted by the owners, customer satisfaction with the restaurant services, and customers' perceptions about the development of the restaurant business in the future. The study describes and analyses the nature of the restaurant business. The selected sample was located in Idukki district, Kerala, India. The research found that during the outbreak the restaurants were highly used technologies as their strategies by considering the customer's opinions. Most of the restaurants widely provided online ordering services and home delivery services and that led to the development of the restaurant industry in the Idukki district. Customers get their orders as per their preferences; which helps the restaurants to retain their customers during the pandemic period.

Keywords: COVID-19, Restaurant business, Challenges, Strategies, Customer satisfaction, and Entrepreneur's perception.

Introduction.

Coronavirus disease is caused by the Cov-2-SARS virus infection. People who fall sick with SARS-Cov-2 virus infection will experience moderate symptoms and recover early. In some cases, people become seriously ill and require medical treatments. The world has continuously experienced diverse disease outbreaks. COVID-19 has changed human life conditions and formed a “new normal life” that has forced a change in the economic, and social behavior of people in the absence of improved medical treatments and improved medicines. The COVID-19 pandemic has resulted in diverse consequences for the world's public health and global economy due to its exceptional impact on every walk of human life (Gosling et al.,2020). Restaurant enterprises play an important role in the economy of every country even though small and medium-sized restaurants fail during their initial years of business. The restaurant business was one of the most affected business sectors by the Covid-19 pandemic. Restaurant enterprises have faced and survived many crises in recent times, Covid-19 pandemic crisis will have severe effects on the global economy, in the near times (Arlindo Madeira et al.,2020).

Statement of the problem.

In a developing nation like India, restaurants have a greater role in the real economic development of the country. Restaurant businesses along with other businesses were shut down during the lockdown. Uncertainties associated with eating food outside of the home caused comparatively severe problems. For the restaurants operating in the Idukki district, the problem of survival is acute as most of the restaurants are small or medium-scale in operation with little to no sustainability and capacity to develop contingency plans. The issues faced by the restaurant business during the pandemic period are an increase in food costs, the Rise of mobile apps, another financial crisis, etc. The present study examines the perception of restaurant entrepreneurs towards the pandemic crisis period, challenges and strategies developed by restaurant businessmen, and customer satisfaction during in COVID-19 pandemic period.

Relevance of the study.

COVID-19 makes a lot of impact on several industries in India. The contradiction in the food business led to the permanent closure of over 25 percent of business operations, which resulted in jobless growth all over the world; nearly 2.4 million job losses in India. Revenue generated from the restaurant business and resulting profitability also took a significant revenue loss due to COVID-19, with average revenue post-lockdown seeing the-growth of 46 percent while compared to the Pre-Covid period and average profitability and total revenue falling 88 percent, said the report that was released at a roundtable discussion of the industry body. The restaurant business plays a very important role in employment generation and ensuring balanced economic development. This research is significant for the knowledge and insight into the COVID-19 impact on restaurant businesses.

Objectives of this study.

The important objectives of this study are as follows:

- To identify the challenges faced by the restaurant enterprises during the Covid-19 pandemic period.
- To measure the strategies of restaurant enterprises during covid-19
- To find out the customer satisfaction of the restaurant business.
- To identify the restaurant entrepreneur's perception of the future.

The Hypothesis of Study.

- 1. Ho:** There is no significant difference in the opinion between males and females regarding the problems faced by restaurant enterprises during the pandemic period.
- 2. Ho:** There is no significant difference in the opinion among age groups regarding the strategies adopted by the restaurant business
- 3. Ho:** Opinions regarding customer satisfaction in the restaurant business are not equal to average.
- 4. Ho:** There is no significant association between the strategies adopted by the restaurant business and the restaurant entrepreneurs' perception.

5. Ho: There is no significant difference in the customer satisfaction of the restaurant business and the restaurant entrepreneurs' perception.

Research Methodology.

The research methodology of the work is descriptive and analytical, population of the study consists of entrepreneurs in the restaurant business in the Idukki district, and 200 beneficiaries were identified as sampling sizes. Idukki district comes under rural area. The southern part of the district has been divided into four regions for research purposes; namely, Kumily, Munnar, Kattappana, and Nedumkandam. 50 beneficiaries were identified from each region by purposive sampling. The data were collected from primary sources; the demographic profile of the respondents, their current status, educational qualification, their strategies, perception, and customer satisfaction level. Secondary data for the study is collected from various published sources of books, research articles, and journals.

Tools for Data Collection and Analysis.

Data was collected through structured questionnaires; hypotheses were tested using various tools like Independent Sample t-test, one-way ANOVA, one sample t-test; Chi-Square test; and Karl Pearson's coefficient of correlation analysis. Test Analysis was introduced to test whether there was a relative difference in the variables identified.

REVIEW OF LITERATURE.

COVID-19 is an acute respiratory disease in human beings caused by the Cov-2-SARS virus, which causes severe symptoms in older people and others with severe health issues. The literature

review and synthesis for this study aimed to review the critical points of previous base knowledge; methodology on this topic. The main objective of the present study is to identify the impacts of covid-19 lockdown restrictions on restaurant business in the Kattappana municipality of Kerala. Some research regarding the Impact of COVID-19 on restaurant enterprises is given below; on the basis of the general objective.

The restaurant business collapsed due to widespread shutdown, restaurant businesses around the world have seen a steep decline in seated diners over the past; restaurant firms of larger business volume, more cash flows, and less return on investments are more resilient to stock declines. the major issues faced by restaurant houses are the massive decline in sales volume, massive layoffs, slow down economic activity, and less support from the government. **Yang Yang, et.al., (2020)**; The coronavirus impact that big restaurants may go out of hyper malls to high streets, **Ratna Bhushan (2020)**; and some major brands are looking at moving back to streets from malls because of the pandemic. Impact of covid-19 on restaurant business in Dimapur during and after the nationwide lockdown declared by the authorities to tackle the first wave of the di **SumitaBanikSaha (2021)**; restaurant business, destroyed by layoffs and shutdowns, is looking for a reboot. New and improved business models are emerging with an iconic trust in cost-cutting, technology-based food delivery, **Fadi Alkasasbeh (2020)**; **Sangeeta Mehroliya, et.al., (2020)** studied the frequency of purchases, perceived impacts and benefits, product modification, and factors of the inter-group differences in the restaurant business. **Susan Jia (2021)** discovered business ideas in the context of COVID-19 based on data management that features accessibility, reliability, volume, and information content, which is favorable to future studies and can benefit other population groups; **the** impact of an online food ordering application system, helpful for the hotels and restaurant industries to increase the volume of business by helping customers to give orders online; Customer satisfaction was influenced by the responsiveness of the front office employees, followed by price and quality of food service, **Syed Saad Andaleeb and Carolyn Conway (2006)**; **Arlindo madeira, et. Al., (2020)** revealed the existence of genuine concerns among all restaurant entrepreneurs in the restaurant industry for the post-COVID period, about the measures that the government should implement strategies and lessons learned for the future; Customer preference towards all online food delivery channels is not the same. Zomato is the most preferred followed by Swiggy food delivery chain, Food Panda and Food Kartz is the least preferred online food delivery portal. The effectiveness of food delivery channels, discounts offered, and service quality are the successful determinants of good online platforms in food delivery services, **Jaewook Kim, et.al., (2020)**; shifts in customer behaviors already before the coronavirus, but through this sanitary and economic crisis, cultural and social behavior attitudes are shifting at an accelerating pace..

Research Gap

Previous studies point out the fact that COVID-19 adversely affected the restaurant business as well as the economy of the region. During COVID-19, restaurant entrepreneurs faced lots of challenges; the literature points out several problems in the restaurant business during

COVID-19. The present research work is an attempt to identify the effect of COVID-19 on the restaurant business and the restaurant entrepreneur’s perception of the future. This makes the study different from the existing studies.

Data Analysis and Interpretation

This section indents a detailed analysis and interpretation of data and for this purpose; total variables are divided into two sections, profile of the respondents and descriptive analysis.

Section 1

Profile of Respondents.

Profile	Category	Frequency	Percentage
Gender.	Male.	152	76.0
	Female.	48	24.0
	Total.	200	100.0
Age	Below-25	4	2.0
	26-35	34	17.0
	36-45	76	38.0
	46-55	52	26.0
	Above 55	34	17.0
	Total	200	100.0
Education	Below SSLC	38	19.0
	Plus Two	42	21.0
	Undergraduate	60	30.0
	Post Graduate	22	11.0
	Diploma/ITI	38	19.0
	Total	200	100.0
Salary	Upto 10000	4	2.0
	10001-25000	24	12.0
	25001-50000	98	49.0
	50001-75000	62	31.0
	Above 75000	12	6.0
	Total	200	100.0

Years of Service	Below 1	8	4.0
	1-3	44	22.0
	3-5	50	25.0
	Above 5	98	49.0
	Total	200	100.0
Financial problem	Rent	42	21.0
	Staff payment	96	48.0
	Repayment of loans	60	30.0
	Outstanding debts	2	1.0
	Total	200	100.0

Source:Primary Data

SECTION: 2 DESCRIPTIVE ANALYSIS OF DATA.

Reliability Analysis

TABLE-NO.2

Cronbach's Coefficient Alpha CR, SO, CS, EP

NO	FACTORS	ITEM ACRONYM	CRONBACH S ALPHA
1	Challenge of restaurants	CR	.856
2	Strategies of owners	SO	.833
3	Customer satisfaction	CS	.907
4	Entrepreneur's Perception	EP	.825

Source: Researcher's calculation

The reliability of data is confirmed by Cronbach's Alpha; internal consistency of research constructs and the result; Alpha values for all five factors are above 0.80, the threshold suggested by Nunnally (1978). Thus, the scale has consistency and reliability.

CHALLENGES OF RESTAURANTS.

The mean value is highest for CR7 (2.0000) and lowest for C1 (1.0400). SD is highest for CR7 (.72292) and lowest for C1 (0.19648); in the pandemic period; competition, staff recruitment, and government restrictions were the main challenges of the restaurant business and it is noted that health and sanitation were the least challenging; survey details are given in

TABLE NO-3: CHALLENGES OF RESTAURANTS.

NO	PARTICULARS	ITEM ACRONYM	MEAN	SD
1	Health and sanitation	CR1	1.0400	0.19648
2	Government restrictions	CR2	1.9500	0.62406
3	Food cost	CR3	1.2600	0.43973
4	Rise of mobile	CR4	1.1100	0.31367
5	Online reviews	CR5	1.2100	0.40833
6	Staff's recruitment	CR6	1.9700	0.71530
7	Competition	CR7	2.0000	0.72292

Source: Primary Data

TABLE-NO.4: INDEPENDENT SAMPLE T-TEST

VARIABLES	SIZE	MEAN	SD	F-VALUE	P-VALUE
Male	152	1.5374	.30206	0.603	.438
Female	48	1.3155	.23196		

Source: Compiled by the Researcher

Since P-value is less than 0.05; it is concluded that, there is no significant difference in the opinion between males and females regarding the problems faced by the restaurant business during the pandemic period.

Graphical Representation

Figure No .1

Challenges of restaurants

Figure 1 represents the opinion of gender towards challenges of the restaurant business; most faced challenges were competition, govt. restrictions and recruitment. The opinion of respondents least in health and sanitation. This study also reveals that the respondent's opinions are average regarding the food cost, online reviews, and the rise of mobile.

STRATEGIES OF OWNERS.

The mean is highest for SO8 (2.1900) and lowest for SO6 (1.9200). SD is highest for SO3 (.98614) and lowest for SO6 (.62895). It is evident that the informants are of the opinion that

during COVID-19 they adopted new strategies like the introduction of new menus, online food delivery, smart use of technology, etc., to gain customers. Survey details are given in **Table No.5**

TABLE NO.5
STRATEGIES OF OWNERS

NO	PARTICULARS	ITEM ACRONYM	MEAN	SD
1	Smart use of technology	SO1	2.0400	0.80100
2	Hygiene and cleanliness	SO2	2.0900	0.76474
3	Online food delivery services	SO3	2.1800	0.98614
4	Home delivery services	SO4	2.0300	0.74287
5	Food quality	SO5	1.9800	0.64939
6	More parking space	SO6	1.9200	0.62895
7	Complaints and concerns	SO7	2.0100	0.78292
8	New menus	SO8	2.1900	0.95838

Source: Primary Data

TABLE NO.6
ONE WAY ANOVA

AGE GROUPS.	N	MEAN.	SD.	F-VALUE.	P- VALUE
Below 25	32	1.7891	.58150	19.203	.000
26-35	138	1.9837	.49676		
36 -45	24	2.6563	.41417		
46-55	6	2.7083	.12910		

Source: Compiled by the Researcher

The P-Value, is less than 0.05, accepting the null hypothesis; and evident that there is no significant difference in the opinion among age groups regarding the strategies adopted by the restaurant business. Based on the mean score 46 to 55 age groups (2.7083) have better options than other groups.

Graphical representation

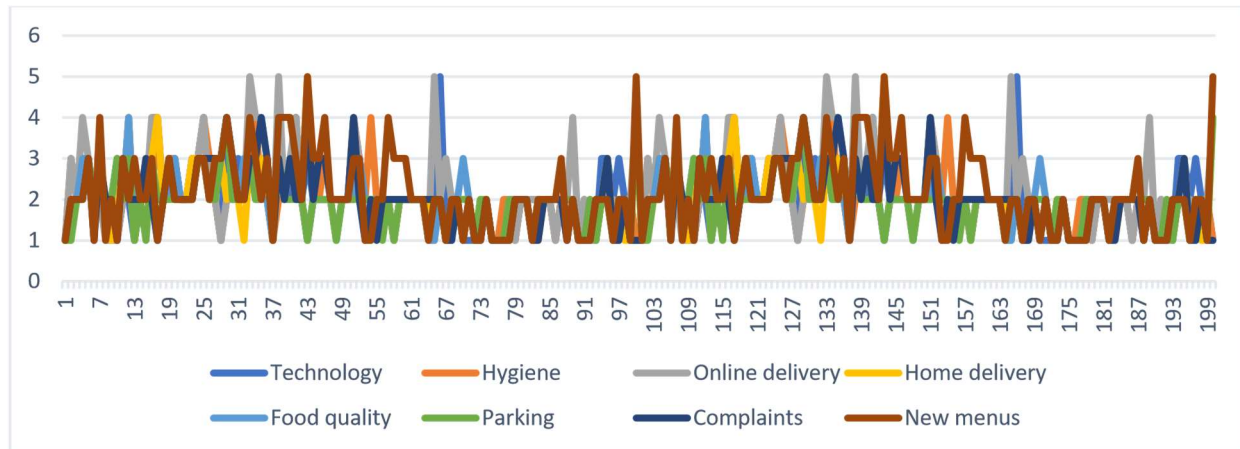


Figure No.2

Strategies of restaurants

Figure. 2 shows the graphical representation of strategies adopted by restaurants during COVID-19. Most of the restaurants widely used online delivery, home delivery, improving food quality, and introduction of new menus as their strategies during the pandemic. Whereas, they did not consider hygiene and cleanliness as a strategy. They had a neutral opinion on parking facilities and response to complaints and concerns.

CUSTOMER SATISFACTION IN THE RESTAURANT BUSINESS

The mean is highest for CS1 (2.1700) and lowest for CS3 (1.0500). SD is highest for CS2 (.93744) and lowest for CS3 (.21849); customers are satisfied with their online ordering and home delivery services. Survey details are given in **Table No .7**

TABLE NO.7

CUSTOMER SATISFACTION.

NO	PARTICULARS	ITEM ACRONYM	MEAN	SD
1	Online ordering services	CS1	2.1700	0.89729
2	Home delivery services	CS2	2.1600	0.93744
3	Reasonable price	CS3	1.0500	0.21849
4	Food quality	CS4	1.2100	0.40833
5	Feedback of customers	CS5	1.2600	0.43973

Source: Primary Data

TABLE NO.8

ONE SAMPLE T TEST.

VARIABLES	N	MEAN	S. D	DEGREE OF FREEDOM	P-VALUE
Level of customer satisfaction	200	1.5700	.39431	199	.000

Source: Compiled by the Researcher

The P-value, is less than 0.05; the null hypothesis is accepted at a 1% level of significance; hence it is analysed that opinions regarding customer satisfaction in the restaurant business are not equal to the average.

Graphical representation

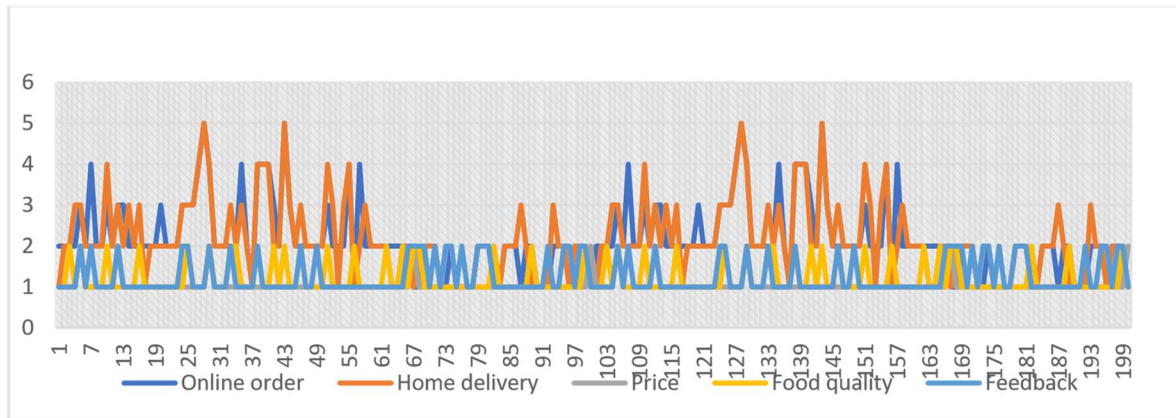


Figure No.3 Customer Satisfaction

RESTAURANT ENTREPRENEURS PERCEPTION

The mean is highest for EP6 (2.0900) and lowest for EP1 (1.1000). SD is highest for EP5 (.80100) and lowest for EP1 (.30075); owners of the restaurant business are more concerned about the development of their business; Table No 9

TABLE

NO.9

PERCEPTION OF ENTREPRENEURS

NO	PARTICULARS	ITEM ACRONYM	MEAN	SD
1	Staff training	EP1	1.1000	0.30075
2	Employer-employee relationship	EP2	1.9800	0.64939
3	Quality of service	EP3	1.9900	0.74341
4	Accurate Waiting Timing	EP4	2.0000	0.72292

5	Discount offers	EP5	2.0400	0.80100
6	Digital payment devices	EP6	2.0900	0.76474

Source: Primary Data

TABLE NO. 10

KARL PEARSON’S COEFFICIENT OF CORRELATION

VARIABLES	N	CORRELATION VALUE	P-VALUE
Strategy and perception	200	.850	.000

Source: Compiled by the Researcher

The P-value, is less than 0.05; there is no significant association between strategies adopted by the restaurant business and the restaurant entrepreneur’s perception. The correlation value shows an 85% relationship between strategies adopted by the restaurant business and the restaurant entrepreneur’s perception.

TABLE NO. 11

CHI-SQUARE TEST

Variables	N	DF	Chi-square value	P-value
Satisfaction and perception	200	117	427.613	.000

Source: Compiled by the Researcher

The P-value is less than 0.05; there is no significant difference between customer satisfaction in the restaurant business and restaurant entrepreneurs' perceptions.

Graphical representation

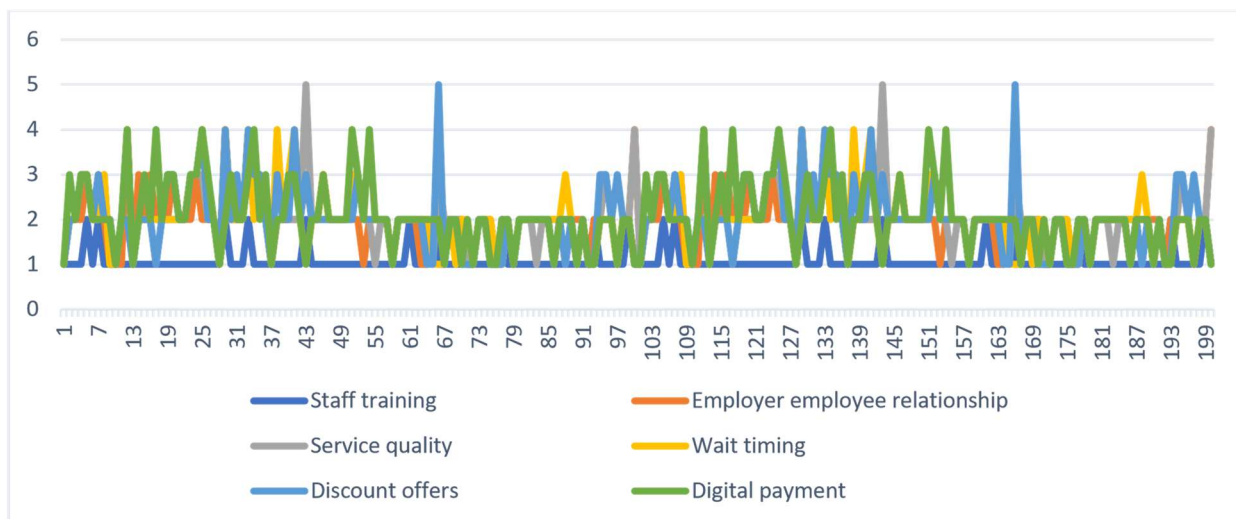


Figure No. 4**Entrepreneurs' perception**

Figure. 4 represents the restaurant entrepreneur's perception and; shows that the respondents mostly agree with the accurate wait timings, discount offers, and digital payment devices. They had the opinion on providing staff training and an average opinion on employer-employee relationship and quality of services.

MAJOR FINDINGS

It is noted that most businessmen agree with the viewpoint that competition, staff recruitment, and government restrictions are the main problems faced by the restaurant business during the pandemic period. A very small number of restaurant owners felt hygiene and cleanliness were a challenge. It is noted that the introduction of new menus, online food delivery, hygiene and cleanliness, and smart use of technology are the strategies mainly adopted by the restaurant business during the outbreak. At least the restaurants are focused on improving parking space. According to the restaurant entrepreneur's opinion customers are highly satisfied with their online ordering services and home delivery services. Whereas, they are not satisfied with the price of the food. It is concluded that the owners are more focused on their business development. Therefore, they are mainly concentrated on the technologies like digital payment services and they are also considering discount offers and wait timings.

CONCLUSION

The present research work explored the impacts of the COVID-19 pandemic on the restaurant industry in Idukki. The findings of this research work present the practical and life experiences of restaurant owners. Restaurants are important in many ways from the pay and benefits structure to the economy. Various factors of hard times have led to challenges for employees during the restaurant shutdowns. Subsequent reopening of business leads to financial and employment insecurity, health-related anxieties, and elevated stressors. The importance of this study is to provide an analysis of the restaurant industry's response to the pandemic during the initial period of Covid. During the outbreak, the restaurants highly used technologies as their strategies by considering the customer's opinions. Most of the restaurants widely provided online ordering services and home delivery services. And that leads to the development of the restaurant industry in the Idukki district. Customers get their orders as per their preferences; which helps the restaurants to retain their customers during the pandemic period.

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