

A study of survival strategies adopted by multi-cuisine restaurants in Pune city during the (Covid-19) lockdown period

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Abstract :-

COVID-19 is highly infectious virus. It spread very fast. Due to which whole world shuts for few months. This has very huge impact on the hospitality & tourism industry. Hotels and restaurants all across the country struggled a lot to survive and sustain themselves. Several of them have already decided to shut or sell their business to others. The revenue which was lost cannot be covered or compensated as the services are perishable. It is really necessary to see how the services industry will find the way out and cope up with this situation. At starting of May restaurants have started delivering the food to the customers. Restaurants in Pune provide the best quality food out of which many of them started delivering the food at the customers door step. Hence it is necessary to study different strategies adopted by the multi-cuisine restaurant in Pune city.

Key Words – Pandemic, COVID-19, Strategies, Multi-cuisine, Pune City

Introduction:

COVID-19 is a highly infectious virus when you touch surfaces that are contaminated if someone coughed or sneezed and who is infected by COVID-19. India reported the first confirmed case of the COVID-19 infection on 30 January 2020 in the state of Kerala. The passenger had a travel history from Wuhan, China.

In Pune, the first confirmed case of COVID-19 in Pune-Maharashtra was reported on 9 March 2020, where a couple returning from Dubai tested positive. The next day, three more people in the city who had come in contact with the couple tested positive. In a similar vein, the prevalence of the COVID-19 began to increase in India. To prevent the spread of the pandemic, the government started curbing establishments like movie theatres, Schools/colleges, Railways, airlines, roadways etc.

PM Narendra Modi announced the Janta Curfew on 22 March 2020 and again announced 21 days lockdown to control the spread of COVID-19 in the country from March 25, 2020, till April 14, 2020. After the 1st lockdown as pandemic did not seem to be curbing and hence 2nd lockdown was imposed till May 3 in India. The last lockdown was announced from July 13 to 23. Due to these nationwide and subsequently the local lockdowns the industries faced many problems.

Due to this pandemic and lockdown food industry was majorly affected. Hotels and restaurants all across the country struggled a lot to survive and sustain themselves. Several of them have already decided to shut or sell their business to others. Service industry was affected more due to

its nature of services such as intangibility, inseparability, variability and perishability. The revenue which was lost cannot be covered or compensated as the services are perishable. It is really necessary to see how the services industry will find the way out and cope up with this situation.

Industry partners claim that this is the hardest time for the hospitality industry as some of them recently entered in the industry and did the huge investment as they don't have hope to recover the investment as well. Just to recover the losses owners selling their entire unit or furniture & kitchen equipment to sustain themselves for the coming months. Despite of no earning owners has to pay the rent & staff salary. Riyaz Amlani, trustee of the 'National Restaurants Association of India' said, this three to four-week lockdown can result in a loss of Rs60,000 to Rs80,000 crore for the country. At starting of May restaurants have started delivering the food to the customers. 4,424 restaurants in Pune provide the best quality food out of which many of them started delivering the food at the customers door step. Hence it is necessary to study different strategies adopted by the multi-cuisine restaurant in Pune city.

Literature Review:

As per an article written by Roma Priya (April 2020) "Survival strategies for business during COVID-19 lockdown" in The Economic Times. Article reviled some ideas and strategies that can be implemented by small business owners from every sector. As the author says that small entrepreneurs always have liquid cash issues for their business and on top of it, this pandemic will be brutal for these types of businesses and they have to follow the following strategies to overcome the problem. The first strategy she talks about is every business person should track small and big expenses against their income. So that they can easily cut down the expenses and utilize the same fund for the business where it is much needed. Secondly, they also ensure the feasibility of their current business model against the lockdown and take necessary actions for the long term as well as for the short term by taking into consideration that this pandemic is not going to end soon. It will be difficult to handle in the future as well.

Another important point discussed by the author is, every businessman have to be patient in securing investment and for that they can keep their team engaged in various activities, keep in touch with the investors and inform them about the situation and gain their trust.

According to the article titled, "Analysis of the impact of COVID-19 on the Food and Beverages manufacturing sector" written by Telukdarie (2020). The author has discussed the sustainability of Food and Beverages manufacturers in the South Africa region and how they can implement different strategies in the business. Since there is an issue with Transport and manufacturing therefore owners should work on the supply chain and adopt the best practices in planning and responding to the pandemic situation. Try to find out the long term and short term impact on business and then work to recover or mitigate the problems. Also, the author says that there should be elastic collaboration and adaptive security in the business.

The information reviled by Maderia et al (2021) in the article, "The impact of the pandemic crisis on the restaurant business" published in the journal Sustainability. Writers say the consequences of this pandemic disaster are on every field, in every country and also it is very difficult to measure. A writer has tried to understand the strategies identified by Hoteliers on the current situation, government policies etc. The author has identified Portuguese restaurants for his research and says that the increase in the number of restaurants is because of the increased tourism industry. He also says that proper management is not only based on the long researched operation but also market and competition analysis techniques. Research says entrepreneurs must work on two factors and those are Internal (management, service, quality, quantity) and external (economic, political, health issues).

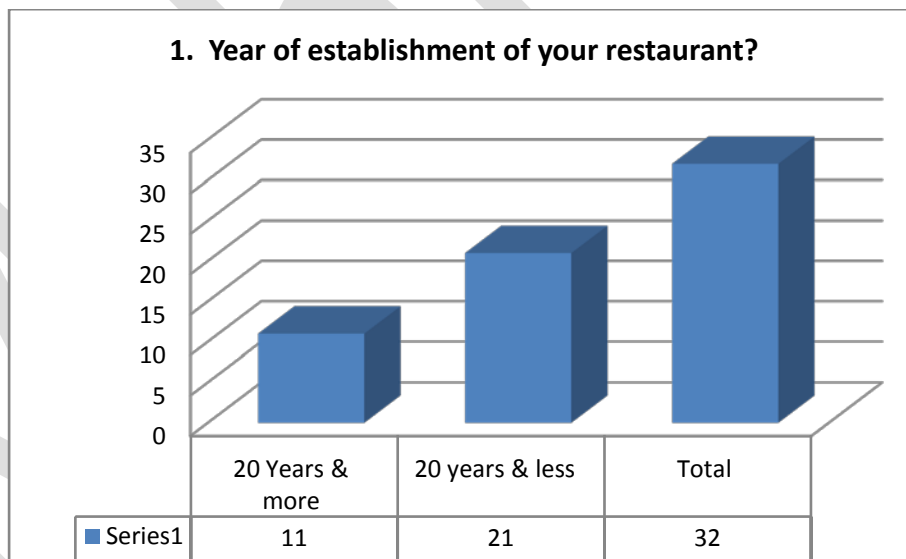
To overcome this pandemic phase, restaurants, hotels, cafes have shifted their business into different modes such as not depending only on walk customers but also they have started home delivery, and pick up services to gain revenue. Pothan et al (2020) writes the article named, " local food system and COVID-19 A glimpse on India's response" in the journal of food and agriculture organization of the United Nations. The author has mentioned all the efforts taken by the government as well as the NGO's under the "Break the Chain" movement. Such as the distribution of free food, accommodation and eventually it helped small businesses that they can bear the maximum number of staff and run their operation.

According to the titled, " COVID-19 undeterred Home food" written by Dipak Kumar Bhattacharya in Journal of case research volume XI. He says that it was one of the worst situations for the new start-ups and struggled a lot to retain the business. The author refers to the formula which was referred previously by an American author that is F-E-A-R in two ways, firstly 'Forget everything and Run. Secondly, 'Face everything and rise'. He also says that Home food was the best opportunity for entrepreneurs to add to their menu.

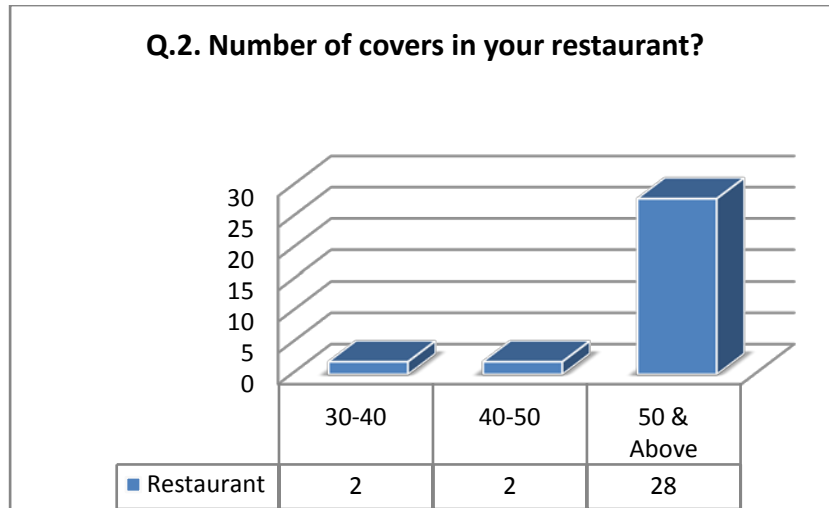
Objectives:

1. To find out the problems faced by Multi-cuisine Restaurants in Pune city during the covid-19 lockdown.
2. To understand operational strategies adopted by Multi-cuisine Restaurants in Pune city during the covid-19 lockdown.

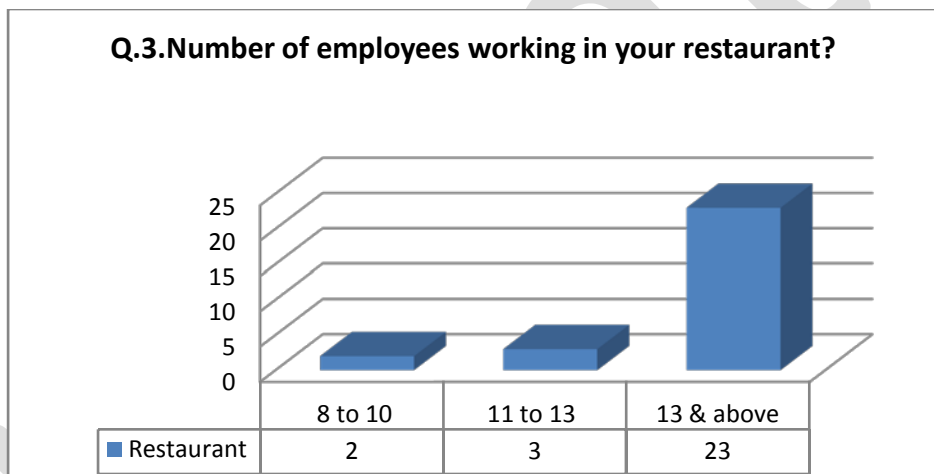
Data Analysis



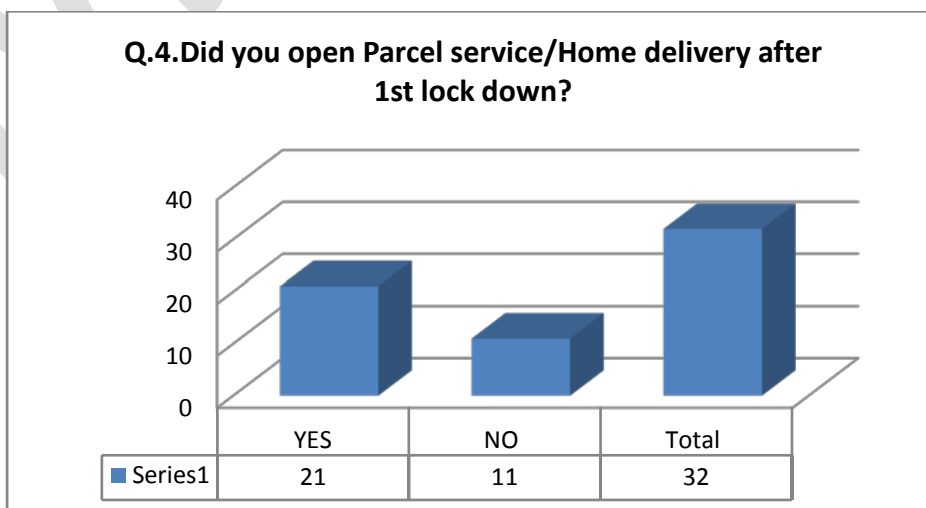
From the above data it has been observed that out of 32 restaurants there are 21 restaurant which is been opened in the period of last 20 years and 11 restaurants which is been opened before 20 years & more.



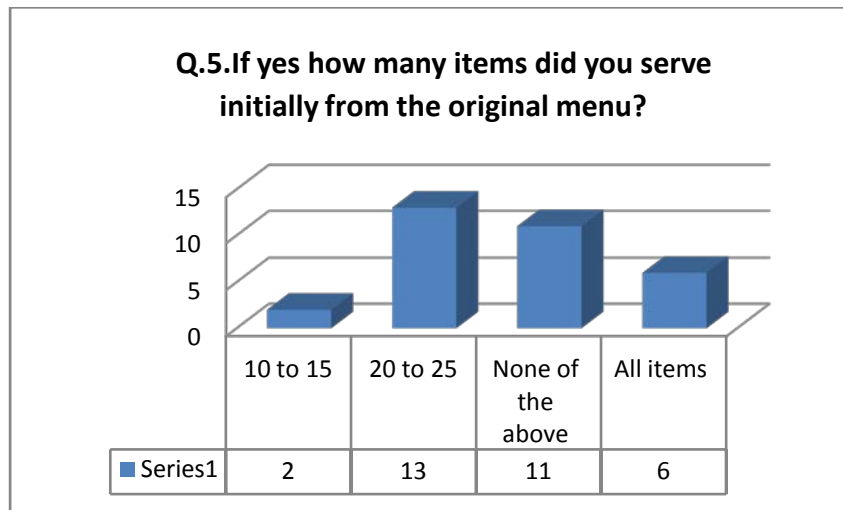
As per the data out 32 restaurants there are 2 restaurants which have total 30-40 & 40 – 50 covers respectively. And there total 28 restaurants which has more than 50 covers in the restaurant.



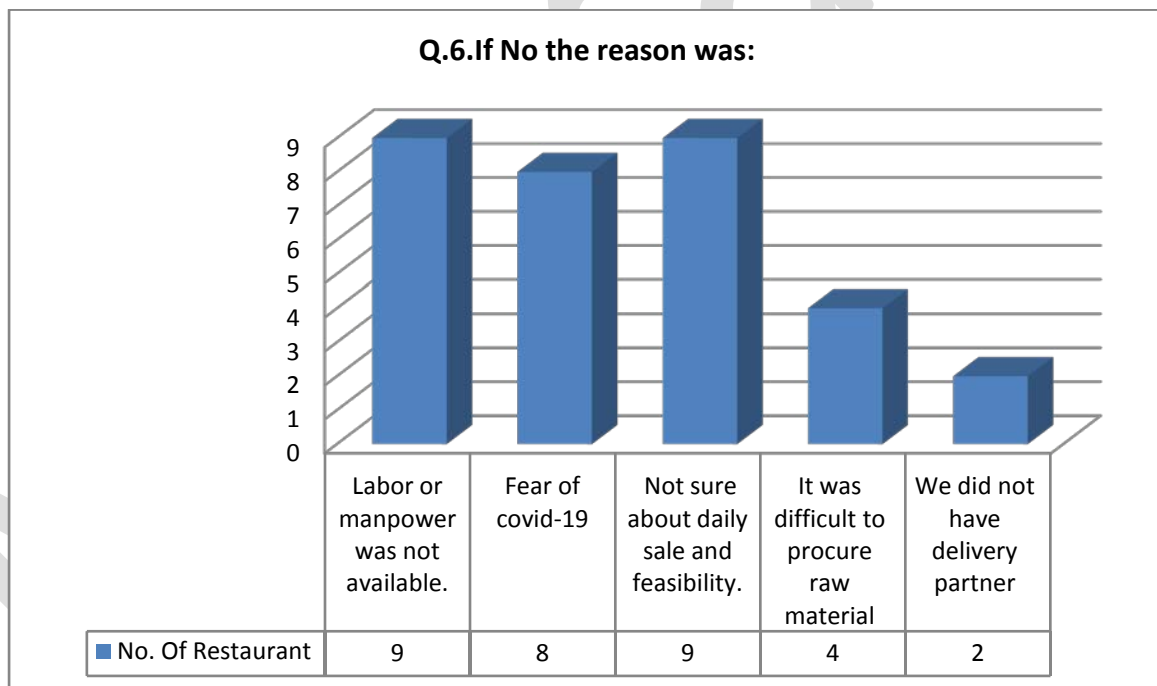
From the above data observation there were total 23 restaurants that have 13 & more employees in the restaurant. And 2 restaurants have 8 to 10 & 3 restaurants have 11 to 13 employees respectively.



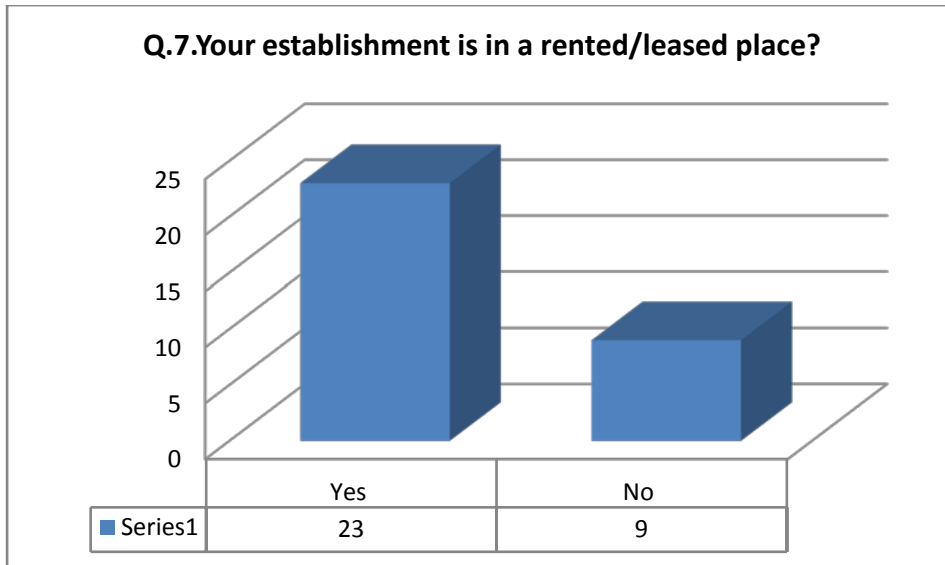
Above data says that out of 32 restaurants 21 have started the home delivery or parcel service after 1st lockdown. On the other hand 11 restaurants didn't start the same services.



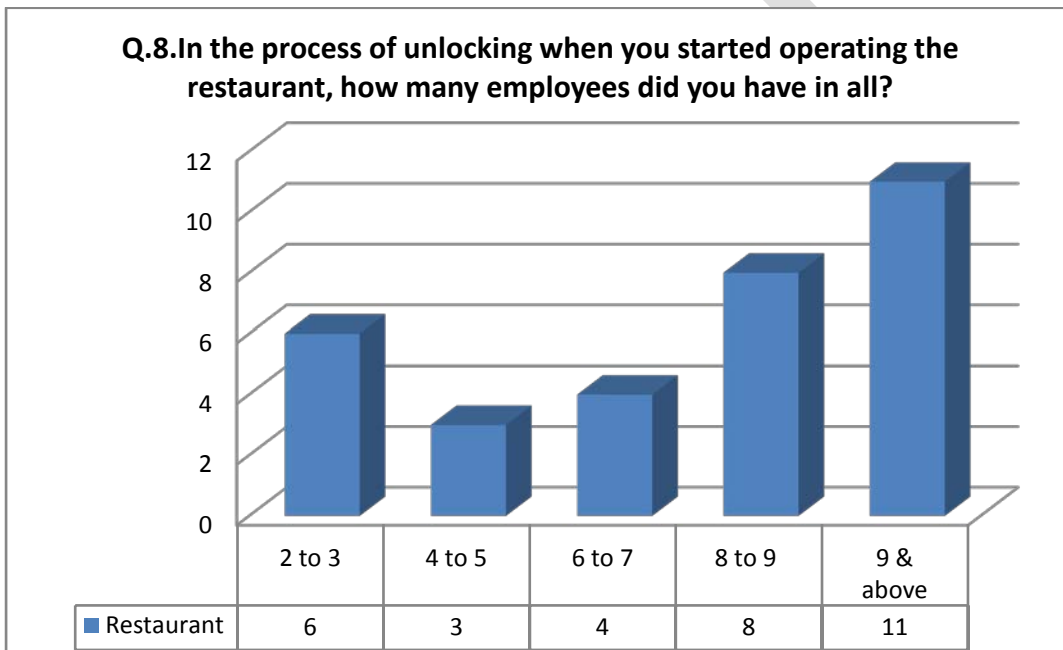
As per the above data 2 restaurants started serving 10 to 15 items, 13 restaurants serving 20 to 25 items & 6 restaurants were serving all the items from the menu. Simultaneously 11 restaurants say that they are not serving any of items from the menu.



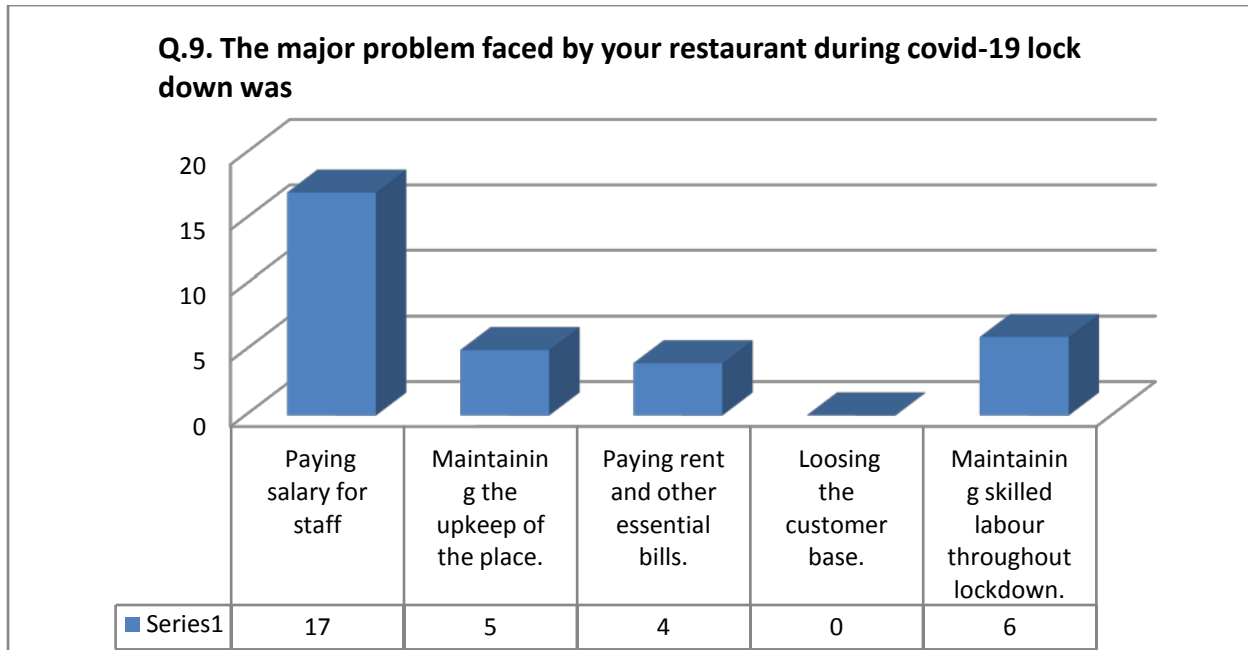
As per collected data it observed that 9 restaurants say that lack of manpower, 8 say that due to fear of COVID-19, 9 say that are not assure about daily sale and the feasibility. 4 restaurants say that it is very difficult to procure the raw material. And 2 restaurant say that they don't have any delivery partner.



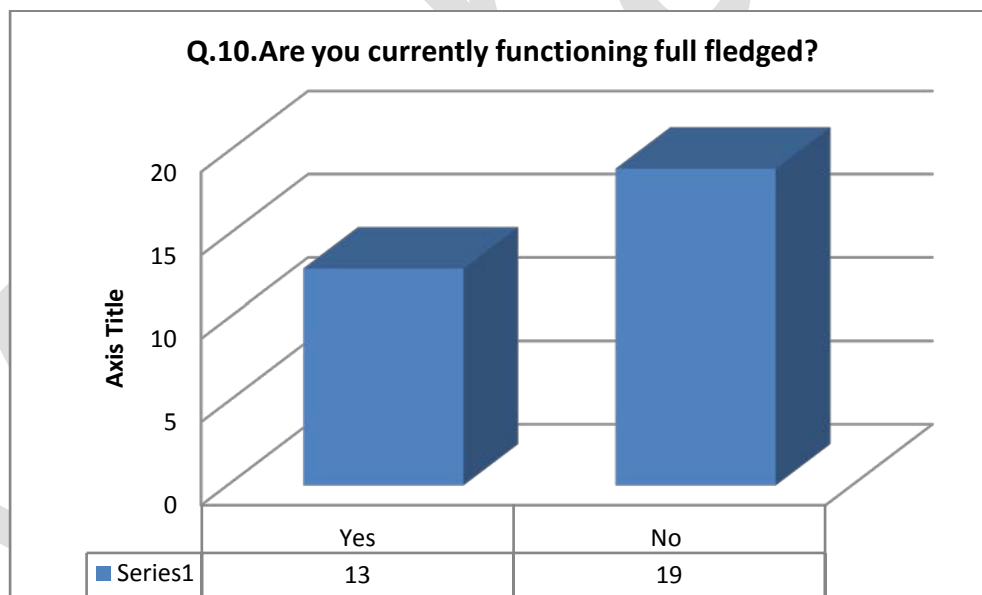
As per the data there are total 23 restaurant were at rented place and 9 restaurant are self owned places.



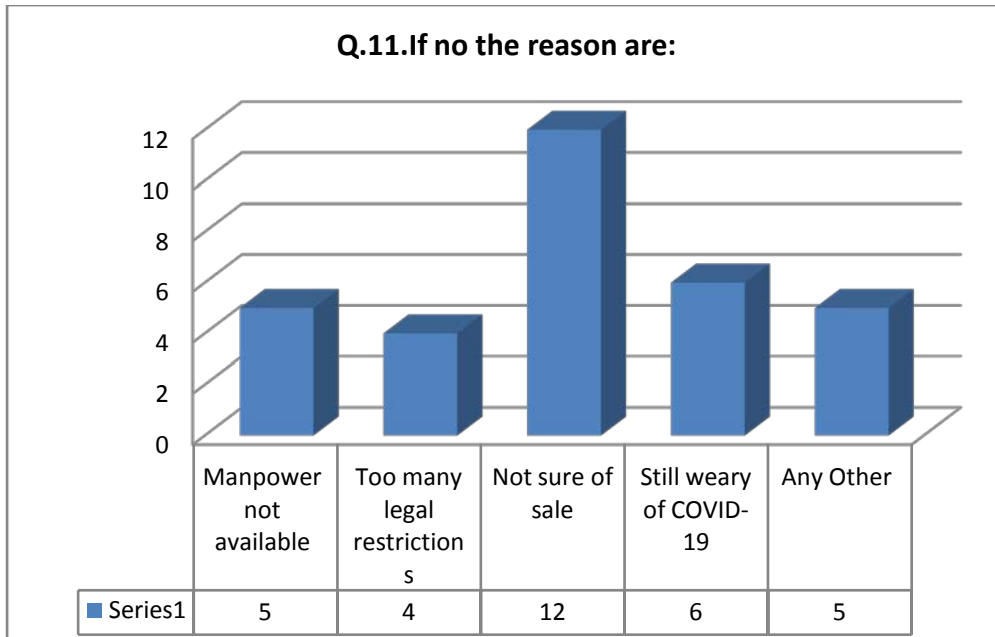
From the above data it has been noticed that 6 restaurants started there restaurant only with 2 to 3 employees, in 3 restaurants only 4 to 5 employees working. Also, in 4 restaurant and another 8 restaurants there were only 6 to 7 & 8 to 9 employees were working at the initial stage respectively.



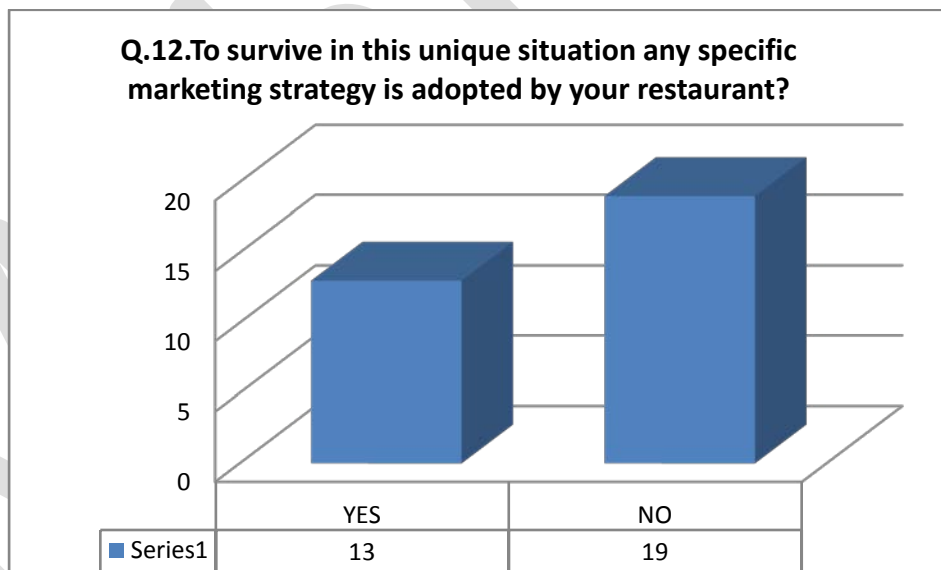
From the collected data it is observed that 17 restaurants face the problem in paying staff salary. 5 of the restaurantssay that it is difficult to maintain the restaurant and 4 restaurants says that they face the problem while paying the rental and other essential bills. Restaurants say that major problem is to retain or maintain the skilled staff during the lockdown period.



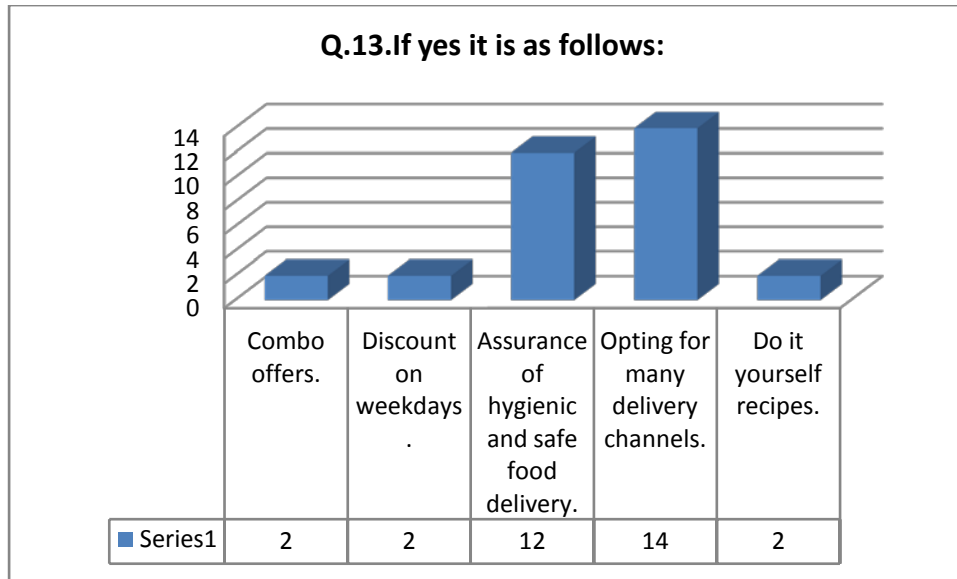
As per the collected data there 13 restaurants are currently fully functioned in the other hand 19 restaurant are not fully functioned.



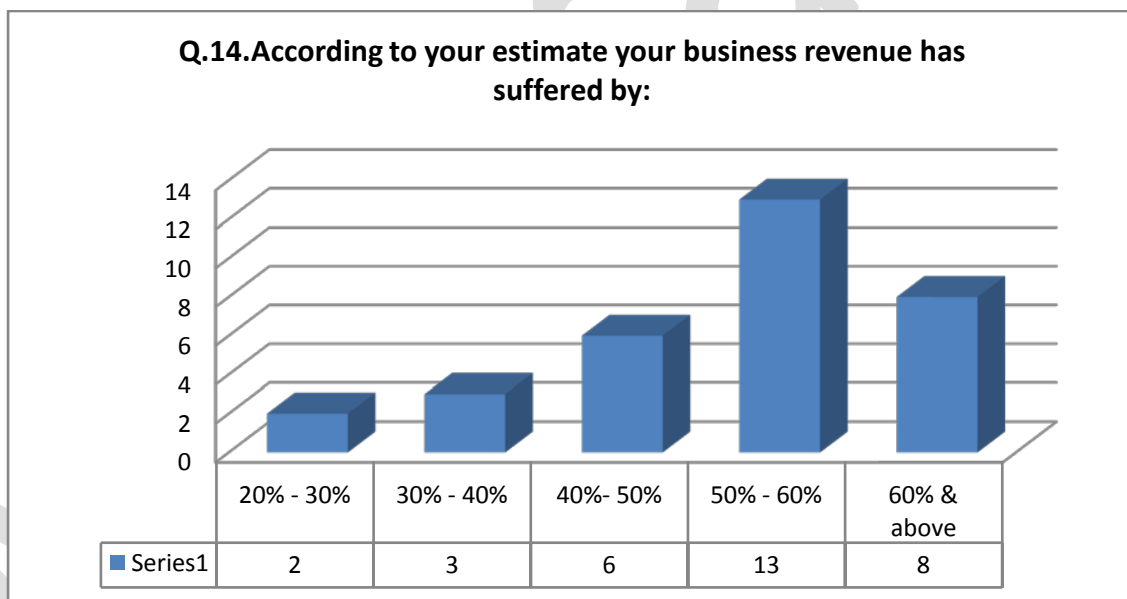
There are multiple reasons for not fully function the restaurant which has been observed from the collected data which are 5 restaurants says manpower is not available to operate the restaurant. Due to legal restrictions 4 restaurants says that they are operating. An 19 of them says fear& wary about COVID-19 is the reason not function the restaurant full fledged. Also there other reasons for which 5 restaurant are not functioning fully.



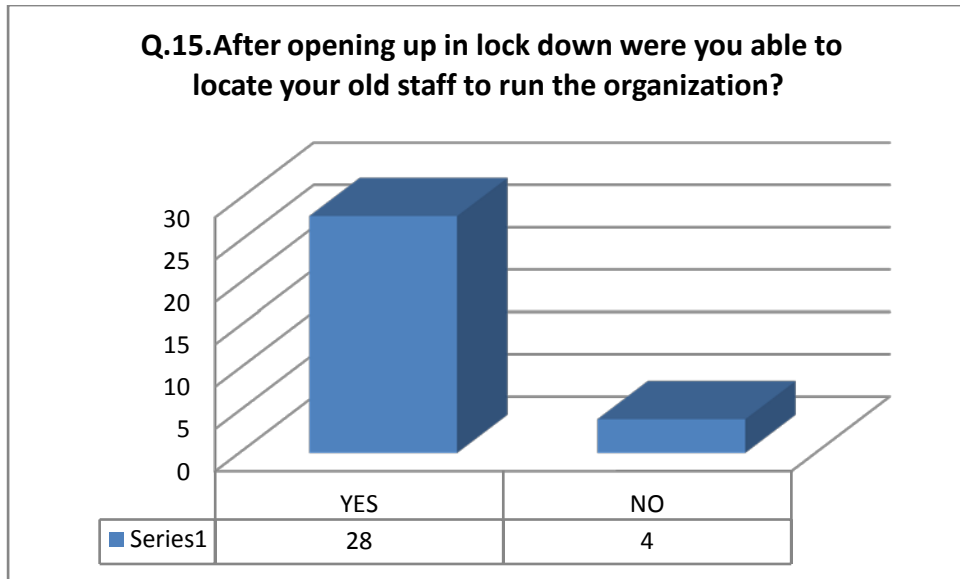
From the total collected data 13 restaurants says that they have adopted new marketing strategies & 19 says that they didn't implement the new marketing strategies to survive in this situation.



Data has been collected from 32 restaurants out of which 14 restaurant says that they have started using the mulpal delivery channelto deliver the food.12 restaurants says they are assuring the customer about the hygienic & safe food delivery.Providing the comobo offer, discounts on weekdays & do iy yourself are the strategies are implimented by 2 restaurants respectively.



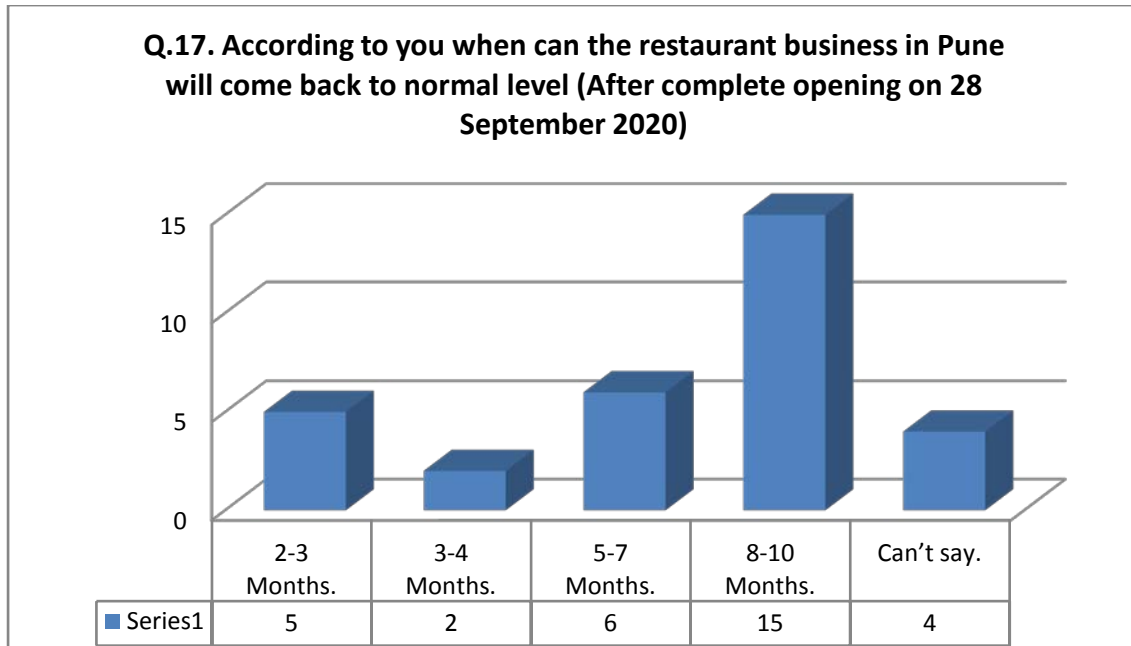
According to the survey 13 restaurants says that business was 50-60%. 6 restaurants say that it hampered 40-50%. 3 restaurants say that business is suffered 30-40%. 2 restaurants say that there drop of 20-30% in business. But in the other hand 8 restaurants more than 60% business revenue is suffered due to this pandemic.



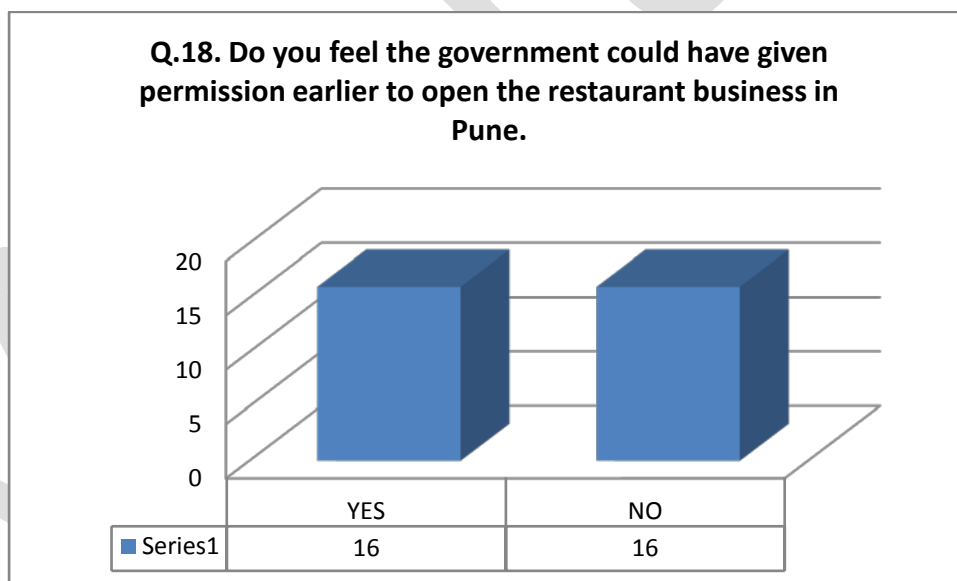
Out of the 32 respondent, 28 restaurant were able locate and bring their old staff back to run the restaurant. And 4 say they didn't able to locate the staff.



From the collected data all the 32 restaurant say that they altered there hygine & sanitation practices for saftey of customer.



According to the collected data 15 restaurants say that it will take minimum 8-10 months to normalise the business. Also it will take 5-7 months to get the normal business said by total 6 restaurants. Respectively, 5 restaurant & 2 restaurant say that it will 2-3 months or 3-4 months to normal to current business situation. Also 4 restaurant say they are not sure that how much time it takes about the current situation.



There is equal opinion about the permission which is given by the government to open the restaurant i.e. 16 restaurants say that government could have given the permission to open the restaurant earlier and 16 No.

Finding & Observations

From the collected data it has been observed that there are 11 restaurants which are functioning since 19th Century like which are opened more than 20 years back. Also there are 21 which are newly opened or which have been functioning since last 20 years and less. Out of these restaurants there are almost 28 restaurants which have 50 covers and above & very restaurant are there which have covers

between 30 to 50. Before the pandemic most of the restaurant has more than 13 employees working with them simultaneously there 3 restaurants having employees' strength between 11 to 13 & 2 restaurants who are having the staff between 8 to 10 numbers. After lifting the 1st lockdown several restaurant started the home delivery and parcel services as there many restrictions on functioning the restaurant. Parcel services which will help the restaurant to generate the business revenue which help them at list to generate the operational cost. Out of 32 restaurants 21 restaurant have started the parcel and home delivery services and 11 restaurants haven't start the delivery services. Initially 6 restaurants have started serving the all items from the menu. But there are 13 restaurants who are serving 20-25 items from the menu and 2 restaurants were serving 10-15 items from the menu. 11 restaurant say that they are not serving any items from the menu.

The reason behind not serve the full fledge menu or limited menu, after the pandemic it is very difficult bring the staff back on duty as many staff has gone back to their home town. Since there are many travels restriction and train, buses & local transport is not operating fully it is difficult for the employee to join the duty. Even after lifting the lockdown staff fill insecure due the fear of COVID-19 and there is no assurity that when the situation will be normal. Considering the daily sale, it is difficult to generate the maximum sale that's why restaurants are hesitating to operate and serve the full fledge menu. Also, it is not feasible to serve all the items from the menu due to availability of the raw material and after the lockdown cost of the raw material is also increased. Due to increased the cost of raw material it is very difficult to start the parcel or home delivery services as the delivery partners also increased their delivery charges due to hike in the fuel prices.

To purchase the new place or shop will be the expensive affair that why out 32 restaurants 23 restaurants have operating in the rented place where as 9 restaurants are operating at self-owned places.

Due to the travelling restriction restaurants don't many staff to run the restaurant operation. Since there is mandatory requirement of the vaccination as well due to which restaurants can't able call their staff back on duty. From the collected data it has been observed that more 11 restaurants are working with minimum 09 staff and the remaining restaurant restaurants are working with less than 8 staff. Most of the restaurants are running their operation with minimum staffing.

Running a restaurant in this pandemic is the difficult task. With doing a minimum business it difficult pays the staff salary. Due to that is difficult to retain the skilled staff. Since the all skilled staff is at their hometown it is difficult to upgrade their knowledge and skills. Also there a huge maintenance cost has to bare by the restaurant along with the rent and other essential bills to upkeep the restaurant. Retain the old customer and generate the new customer base will major challenge in front the entire restaurant.

In the current pandemic situation many restaurants are hesitating to keep the restaurant fully function so from the data it is observed that there are only 13 restaurants which are fully functioning. Data says 19 restaurant are not fully functioned, the reason behind is lack of manpower. Even if the government has given the permission to operate the restaurant but there many restriction like, restaurant can run only with 50% capacity of their actual capacity. There will time restriction imposed by the government. Customer should be vaccinated. And there is fear of contamination of COVID-19 due which customers avoid to come to restaurant. Also restaurant doesn't have assurance that how much sale they can able to with all this restriction and fear.

To survive and sustain in this pandemic restaurants have started implementing the specific marketing strategies. Since the customers are not willing go out and have food at the restaurant premises, restaurants have did the tie-up with delivery channel partner through which they can all food items at the customers door step. As the restaurant are also giving the assurance about hygiene and safety food delivery to the customer. Also to retain the customer's restaurants are offering the discounts and combo offers on weekdays. They are implementing the practice like do it yourself where customer will choose his/her choice of ingredients and sauce and the chef will prepare the food for them. This concept will help restaurants to retain their old customers and attract the new customers.

Due to the pandemic there is huge impact on business revenue. There are multiple opinions which says that there drop of business revenue between 20% to 60%. But many restaurants say that the revenue suffered more than 60%.

Even after suffering with major losses 28 restaurants are saying that they will definitely retain their old staff. This will definitely help them boost the business. To bring the customers back, restaurants have altered their hygiene and sanitation practices. In which they started keeping the sanitizer stands at the entrance and the small bottles on the table itself. Also before the table gets occupied individual staff member sanitize the table with the sanitizer. Also before opening & after the closing they usually sanitize the whole restaurant premises.

It is difficult to say that when the business comes to normal but it might take 8 to 10 months to normalize the situation. But the small restaurant it might take 2 to 6 months to bring the situation to the normal level and start generating the maximum business revenue. Restaurants are taking lot efforts to bring to normal but there is still uncertainty due this spread of COVID-19. It is easier to say that the government could have given the permission to open the restaurant earlier but considering the current pandemic situation and safety of public government is giving permission to operate restaurant by imposing strict rules and regulation.

Conclusion

The key purpose of the study was to understand the problems faced by multi-cuisine restaurants in Pune city during the lockdown and the strategies adopted in this situation.

To overcome from this situation and sustain in the business several restaurant owners and representatives started implementing new strategies which can create a pull towards the restaurant industry again. Due to this pandemic customers are hesitating to visit to restaurant and avail their services. That why now individual restaurants are going to the customer's door to deliver the food items with more innovative ideas, strategies and with more passion similarly they used to serve at the time of dining. Restaurant owners concentrating more on hygiene and sanitation as it is mandatory previously as well but know they following more strictly as per the government norms.

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