

FOOD COMMERCE UPSHOTS WITH THEIR FORMER LOCUS IN THE ECONOMY WITH RESPECT TO THE PANDEMIC 2020 - A DRAWBACK OR AN AID IN SOUTH KOLKATA, WEST BENGAL

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ABSTRACT

Background: *The Food Commerce industry has flourished massively during the past decade in South Kolkata in West Bengal, with new outlets opening every now and then, so much so that this region is known as 'Food Street'. Regardless of their scale of operations, each of these outlets had well established themselves, catering to their respective target markets and earning decent amount of revenue over the years. However, this growth suffered a setback owing to the origin of novel Coronavirus SARS-n-CoV-2. The growth rate declined to a great extent over the span of two years, with recent studies showing an overall stunted growth rate. Even though online marketing of these outlets and selling the food through delivery apps have aided the entrepreneurs, the cost to revenue ratio is not at par with that of the times before the pandemic hit. Overall, the pandemic has impacted the eateries in more way than initially imagined.* **Objectives:** *a) To reveal the various problems and scenarios of managing food business during the Covid-19 pandemic in South Kolkata region; b) To compare the present scenario of the food industry with how things were before prior to the pandemic to understand the nature of change during this time frame; and, c) To describe the challenges and methods implemented by the food retail business entrepreneurs and managers of the randomly selected establishments to hold a steady business flow during the Covid-19 pandemic.* **Methodology:** *The study follows a descriptive research design. Therefore, the research will describe the characteristics of the sample under study. The food outlets of South Kolkata have been chosen as the study location. 100 respondents were selected. The respondents are those who consume food from these outlets such that they represent the wider target market of the 'Food Street'. Both Primary Data and Secondary Data were used. Primary Data was collected through sample survey. Random Sampling technique was used to choose the respondents. The study used quantitative data, therefore, only Quantitative analysis was performed.* **Results:** *The Research was able to depict the comparison between the present scenario and the situation prior to the pandemic. The study was able to reveal the challenges and problems that the food outlets had to suffer from. Also, the methods or strategies taken up by the entrepreneurs of*



*these outlets to overcome the pandemic were discovered. 46% of the respondents opted for “Mobile Food Delivery” as their strategy to revive from losses. **Conclusion:** With COVID-19 having altered – and still in the process of altering – the definition of “normal” across the world, most industries are still scrambling to adjust. The effect on the restaurant industry has been particularly dramatic. With restaurants and pubs closed for sit-down service, many establishments are struggling to keep their heads above water. The food outlets located in South Kolkata shares the same fate and the research is able to highlight this effectively.*

Key Words: *South Kolkata, Covid-19 Pandemic, Food Outlets, Recovery Strategy, Restaurants Pubs, Delivery Apps.*

INTRODUCTION

Over the recent decades, the global tourism industry has proliferated massively, and the Indian tourism sector is no exception. A big part of this tourism industry comprises of the food retail outlets which turned out to be one of highest revenue generating sub-sector of the tourism industry. So, it's a no brainer that food retail outlets of South Kolkata region catered to a wide target market and generated huge amount of revenue and subsequently, a good chunk of profits. However, this increased growth rate became stunted once the Covid-19 affected countries around the world. With food retail outlets shutting down their operations temporarily or for good, this sub-sector of the tourism industry was majorly affected. The food retail outlets of South Kolkata shared the same fate, as most of the restaurants, quick service outlets, bars and pubs closed for operations, either temporarily or permanently. Needless to say, revenue declined and consequently, profits reduced, with many outlets incurring losses for several months that ultimately led them to shut down their shops once and for all.

When the issue of how the COVID-19 pandemic affects consumers' food demand is examined, it is seen that the demand varies depending on the price of foodstuffs, income level of consumers, socio-demographic situation, consumption, and shopping preferences and time constraints. In addition, the number of visits to food store and spending money on food per visit changed (Bakalis, 2020; Valdramidis, 2020).

Some food companies faced various challenges due to a drop in income, whereas others are working hard to meet the growing demand of retailers. During the current COVID-19 outbreak, some difficult decisions had to be made, including temporarily shut down of the various businesses. The fact is that the pandemic clearly demonstrated different companies from different industries are closely connected to each other all over the world (Shahidi, 2020).

No one knew when the pandemic would come to an end. The pandemic had already wreaked havoc but before it could cause more damage, the entrepreneurs came up with alternatives. These strategies to revive business came in the form of digital marketing and selling food and beverages through food delivery apps. This gave the consumers an option to buy food and drinks from the comfort of their homes, instead of stepping out during lockdown.

Consumers generally do not think much about how the food on their tables is produced. However, concerns about food safety in the midst of the global pandemic have drawn attention to the enormous infrastructure and workforce responsible for creating a safe and reliable food supply worldwide. Especially at the beginning of this global crisis, consumer demand for food has increased and some store shelves have been temporarily emptied and resulted in excess purchases of essential products. However, despite this unprecedented demand, the food supply chain remained strong, since many supply chain actors, including farmers, producers, distributors, and retailers, have worked hard to renew shelves (Nicola et al.,2020; Watts, 2020).

The closure of restaurants and limited service eating places affected the eating/purchasing habits and resulted in an unusual demand shift from food service to retail. Consumers preferred takeaway and home delivery options as a result of social distancing, which led to closure of restaurants (Bakalis, 2020; Valdramidis, 2020).

Even though lockdown posed several challenges in the form of difficulty in delivering food in containment zones, trouble in procuring raw food ingredients owing to logistics-related issues and absenteeism of food delivery partners because of sickness, the entrepreneurs were able to revive themselves to a great extent. Upon plain observation, it was noted that six new food retail outlets, albeit small, had opened in South Kolkata during the pandemic. Apart from food delivery apps and digital marketing, cloud kitchens and mobile food vendors were other popular alternatives. This gives hope that situation is getting better and eventually, everything will go back to how things were before the pandemic happened.

The study aims to understand the various problems plaguing the food businesses in South Kolkata region during the Covid-19 pandemic. By pointing out the challenges faced by these businesses, the study also aims to present the various methods adopted by them which helped them to cope with the losses and the economic downturn, in general. Hence, the study will help other food related businesses to be aware about the various techniques that they can use to rise against all odds.

The objectives of this research paper were:

- To reveal the various problems and scenarios of managing food business during the Covid-19 pandemic in South Kolkata region;



- To compare the present scenario of the food industry with how things were before prior to the pandemic to understand the nature of change during this time frame; and,
- To describe the challenges and methods implemented by the food retail business entrepreneurs and managers of the randomly selected establishments to hold a steady business flow during the Covid-19 pandemic.

METHODOLOGY

Research Design: The study follows a descriptive research design.

Locale: The food outlets of South Kolkata have been chosen as the study location.

Sampling Design: 100 respondents were selected. Random Sampling technique was used to select the respondents. The respondents were those who consume food from these outlets such that they represent the wider target market of the 'Food Street'.

Tools and Techniques: Both Primary Data and Secondary Data were used. Primary Data was collected through sample survey, with the help of questionnaires.

Questionnaires were chosen for this research because they are a reliable and quick method to collect information from multiple respondents in an efficient and timely manner. This is especially important when it comes to large projects, with several complex objectives, where time is one of the major constraints. This study was no exception and questionnaires were a quick and effective way for the researcher to reach multiple respondents within a limited span of time.

Before embarking on this research, the author had initially considered focus groups' interviews and participant observation as possible data collection methods, due to the behavioural elements contained in this research. However, because of time constraints and cost, these methods were not opted for. Initially, the researcher had also considered researching two groups of customers in a comparative manner– one, who loved the idea of sit and dine, paying extra for ambience and plate service and another group, who loved the comfort of home (indoors being safer than outdoors because of covid-19 impact) and preferred home deliveries and take-aways. The researcher had also considered keeping another separate group to record the opinions of the customers from a business perspective; if they became part of food service business (like opening their own outlets or cloud kitchens), and how they would monitor profit and loss during Covid-19 pandemic scenario.

Data Analysis and Statistical Analysis: The data was analysed on the basis of age, gender and locality of the respondent. The study used quantitative data, therefore, only quantitative analysis was performed. The data was analysed on the basis of gender, age and locality. The results were

computed as Frequency and Percentages. Tabular and graphical representation techniques were used to depict the final data.

RESULTS AND DISCUSSION

The research has been conducted based on a sample size of 100. The Random Sampling method has been considered for the research. Given the limitation of the execution of primary data collection due to the coronavirus pandemic situation in South Kolkata, questionnaires were distributed among random audiences through the social media platforms like Facebook, Instagram and WhatsApp as well as Email.

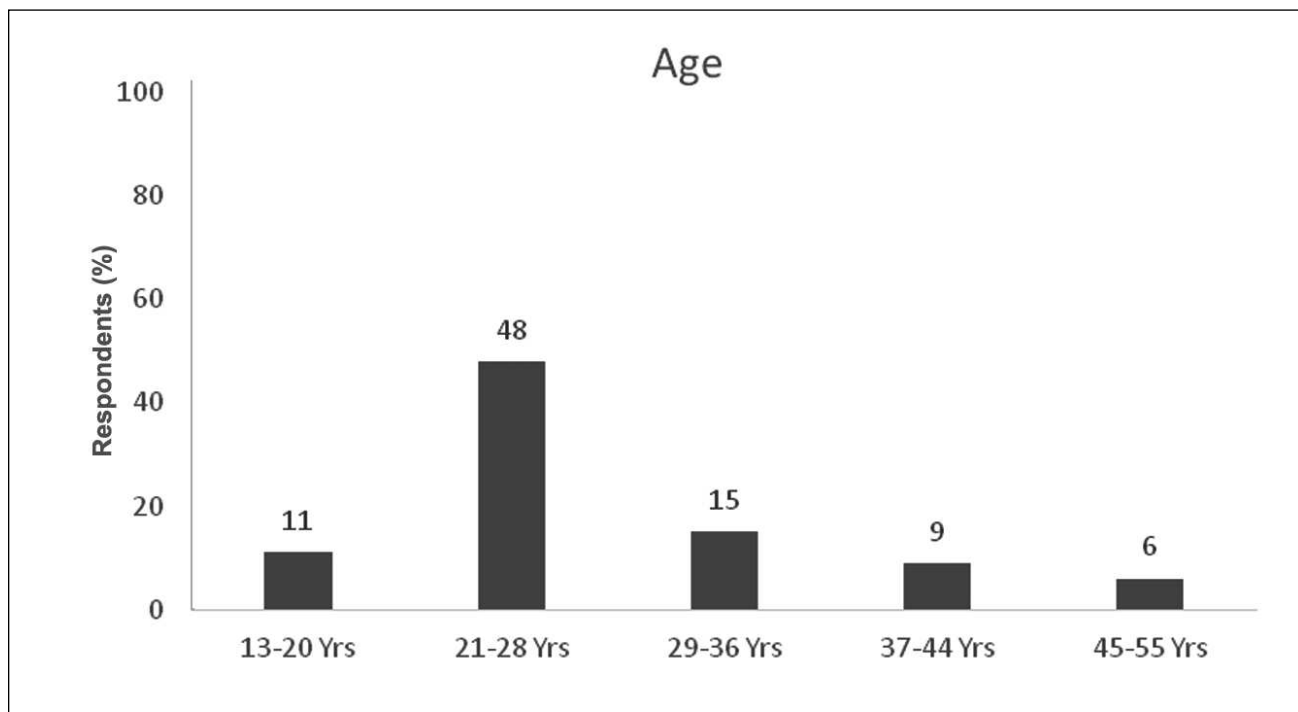


Figure 1: Age Group of Respondents

There are 34% respondents from WhatsApp, 46% respondents are from Facebook and 20% respondents are from Instagram. The age group where maximum participants responded was between 21 to 28 years i.e 48%. The next set of participants with a high response belongs to the age group of 29 to 36 years. The maximum number of respondents belong to the younger section of the total respondent population. Therefore, it can be analysed that the food-loving youth connected to digital platforms like WhatsApp, Instagram and Facebook comprise the majority of the respondents besides other tech-savvy people in other age groups.

Table 1: Age Group of Respondents

Gender	Responses
Male	53%
Female	46%
Transgender	1%

53% of the respondents belonged to the masculine gender, 46% were females and 1% belonged to transgender category. The platform of Facebook consisted of a maximum number of females than male respondents. While there was a majority of male respondents on both the platforms of WhatsApp and Instagram.

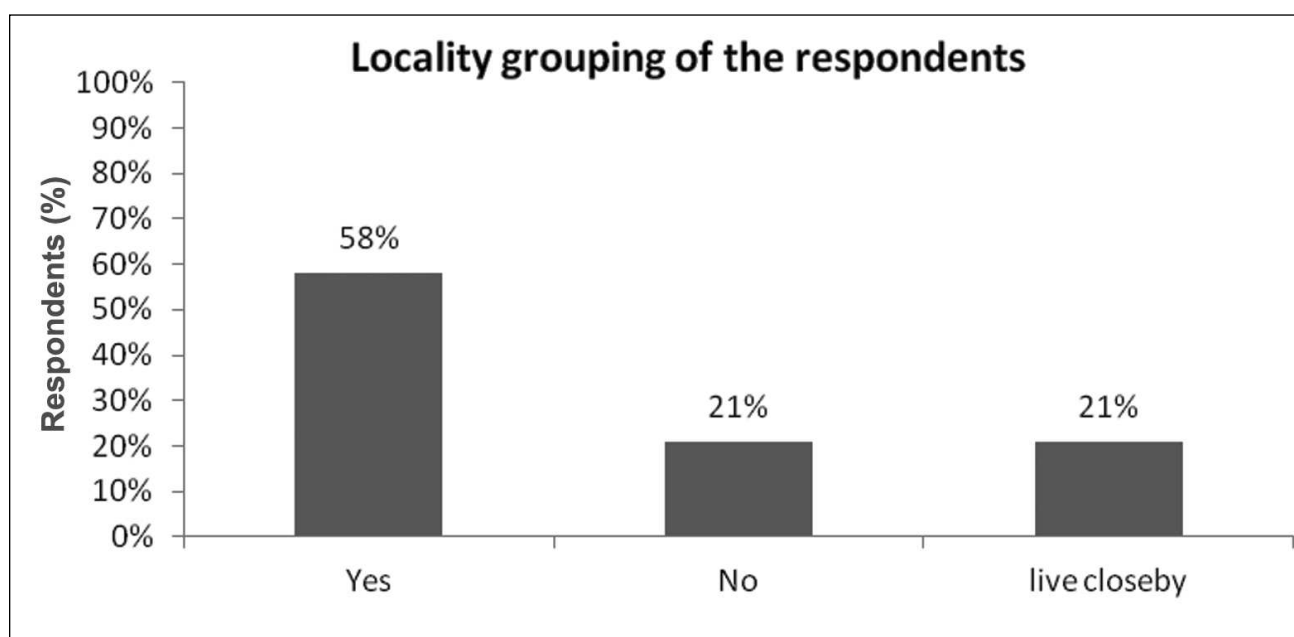


Figure 2: Locality Grouping of the Respondents

It has been analysed that 58% of the respondents belonged to the South Kolkata region, which was the geographic area upon which the research was based on. An equal proportion of both the respondents belonged to areas close to South Kolkata (21%) and other geographic regions (21%).

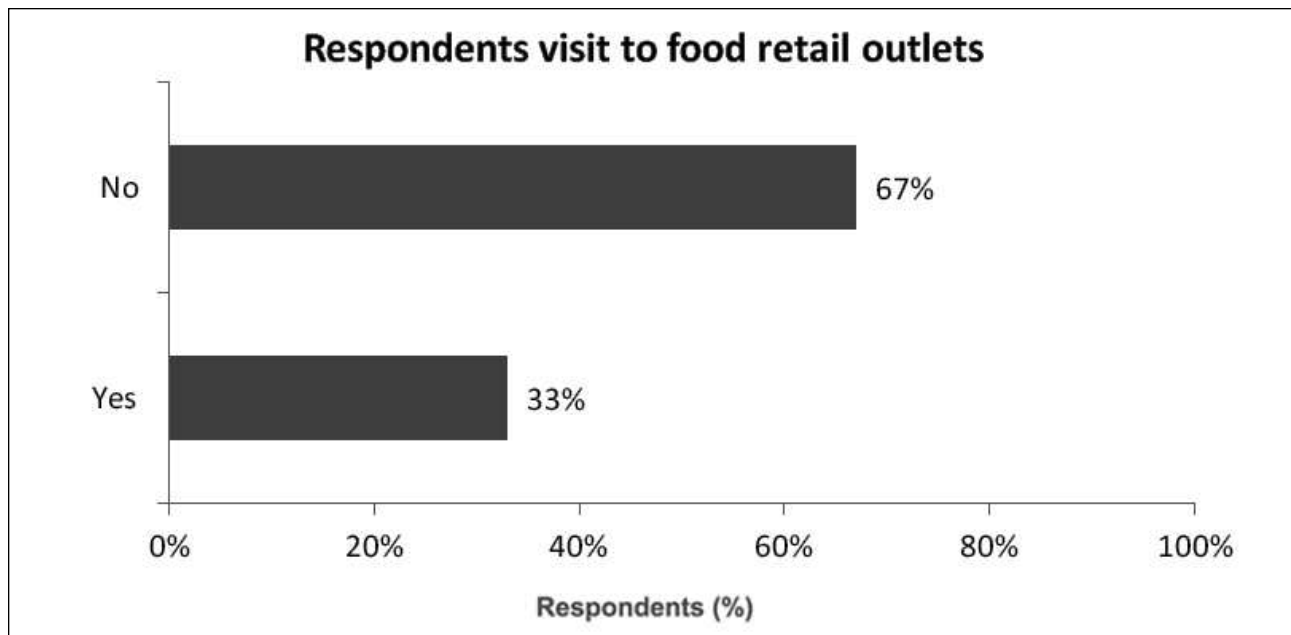


Figure 3: Respondents visit to food retail outlets

With the rise of fine dining restaurants and fast-food services across Kolkata at a rapid pace, today, the number of people with a love for food is less likely to skip food retail outlets. In the above-displayed bar graph, there is a representation of the percentage of people who have and have not visited food retail outlets after the lockdown situation in the designated region. The percentage of people not visited a food retail outlet (67%) was more compared to those who have visited (33%) the food retail outlets during the pandemic phase.

In his research, Calle (2020) had noted that 41% of the respondents continued buying food from small retailers, 31% declared buying less than before and 28% had not made any purchases.

Table 2: Visit to Food Retail Outlets for Business

Response	Percentage
Yes	33%
No	67%

The respondents were asked whether they visited South Kolkata for business. The question was set for distinguishing the purpose of visiting any food retail outlet in South Kolkata specifically. The respondents' responses as depicted in the table 2 clearly indicate that most of the traffic in these regions were not involved in any kind of business in general. Here "conducting business" refers to business meets that generally happen in all small and medium food establishments. It is a source of

profit generation under corporate clientele and a volume of business is expected. Since 67%; the larger part of responses here show that food commerce was dependent on individual sales, group takeaways and home deliveries hence, undertaking a considerable loss on that front because service charge cannot be added for these kinds of businesses.

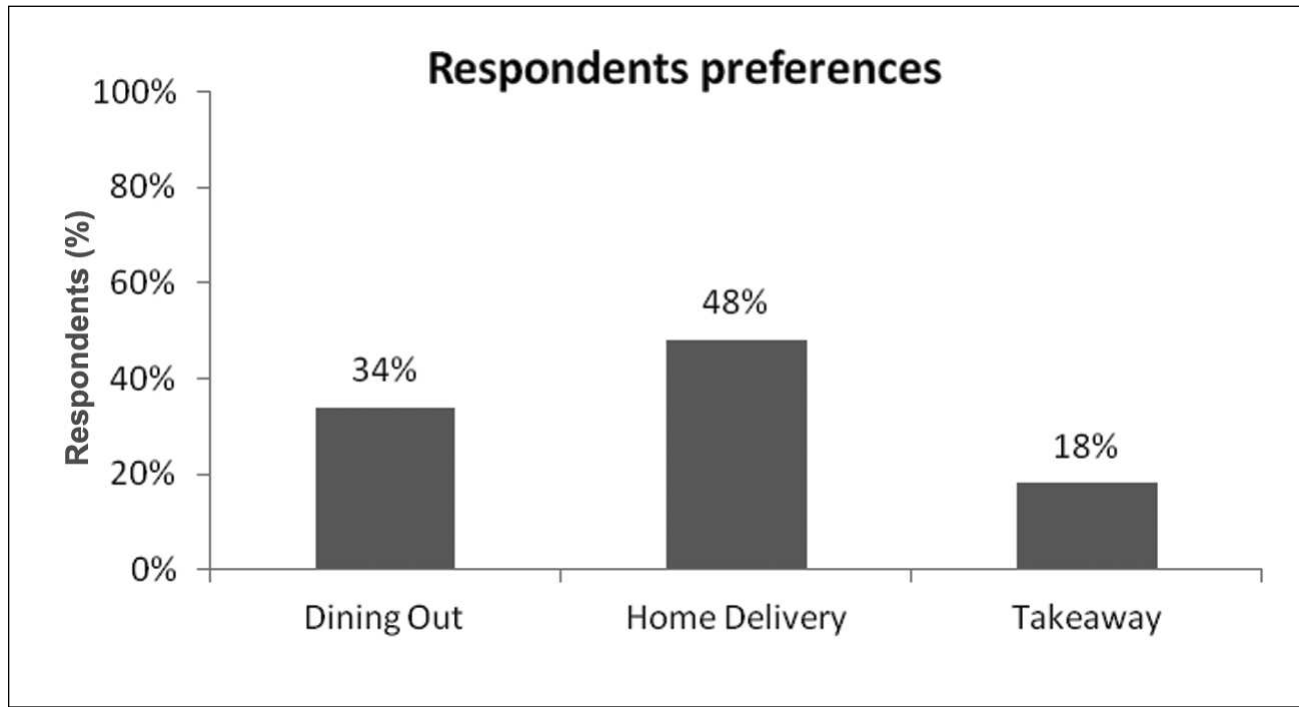


Figure 4: Respondents Preferences of food retail services

The figure 4 represents the preferences of the food retail services by the respondents including both outside and home-delivery services. As mentioned in the introductory part of the research, an analysis had been done based on the previous and present scenery of the food businesses in South Kolkata. Therefore, this question was framed that helped to capture the trend of the preferences of the food services in the present situation. The preference for home delivery services is highest among the other two options with 48% of respondents preferring 'home delivery'. Second in the preference percentage was the 'dining out' services with 34% and the rest of the respondents preferred 'takeaway' services which accounts for 18% of the total. Hence, it can be clearly stated that if the business could be focused on delivery services and making availability easy to consumers; it is a profitable venture.

In his research, Calle (2020) had noted that 42% of the respondents had switched to home delivery apps. 37% of the respondents preferred takeaways, and the rest preferred dining out.

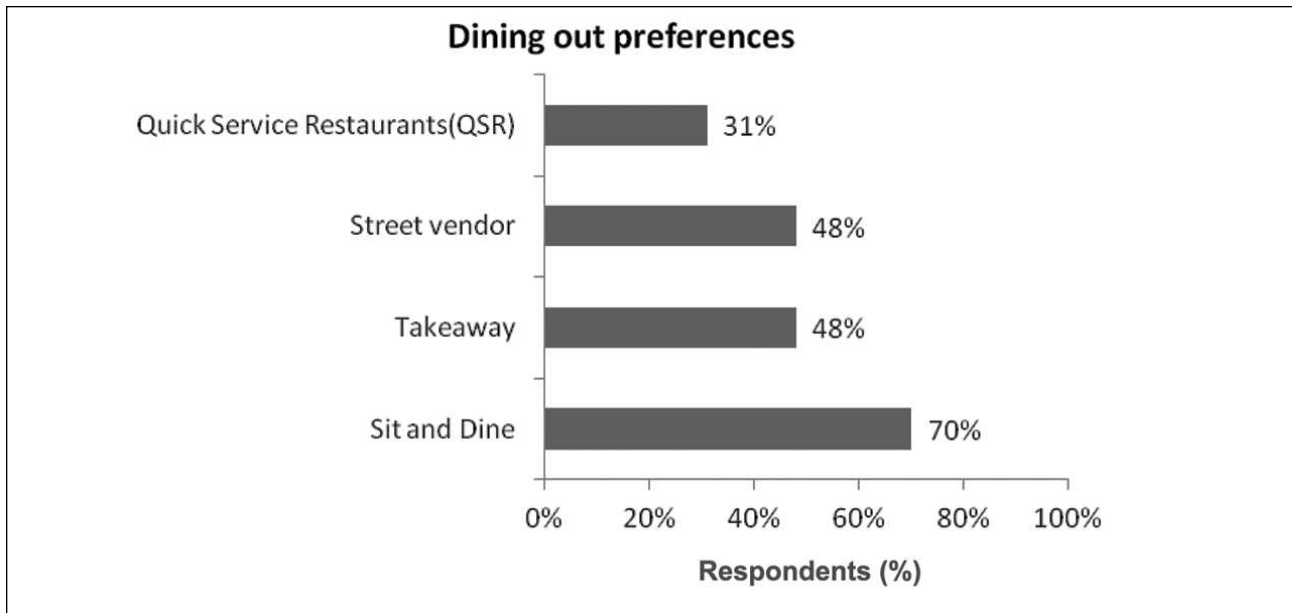


Figure 5: Dining out preferences

Figure 5 represents the preferences of the respondents when choosing services outside. These preferences have been identified specifically during the release of Covid-19 lockdown in South Kolkata. As it can be observed from the above graph, the ‘sit and dine’ option has been chosen mostly by the respondents after the release of the lockdown. Sit and dine restaurants had resumed their services from June 7, 2020 after the government of West Bengal declared a total withdrawal of the lockdown. Since then, the sales of sit and dine restaurants have increased. This shows that the coronavirus pandemic has a low impact on these restaurants temporarily during the lockdown phases as the demand of these restaurants has not been affected from the customers’ point of views.

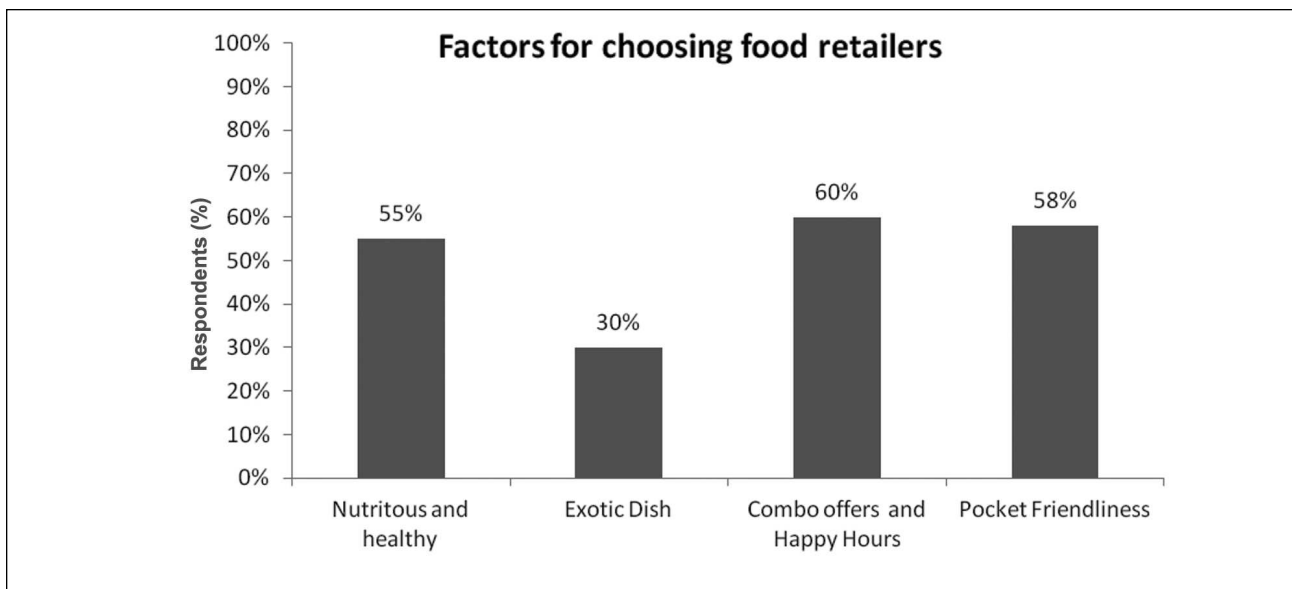


Figure 6: Factors for choosing food retailers

The respondents were asked a close ended question to know the factors that drive the palette and the options comprised were, ‘nutritious and healthy’, ‘exotic dish’, ‘combo offers and happy hours’ and ‘pocket friendliness’. The combo offers and happy hours were preferred more by the respondents and it accounts about 60% of the total responses. The next factor that drives the palette of the respondents when choosing food retailers is the pocket friendliness which accounts for about 58 %. The factor of nutrition and health comes after these two factors and hence it can be observed that do there is a shift towards healthy lifestyle but when the customers visit the restaurant outlets their preferences are mainly related to the economic factors.

However, Calle (2020) had noted that 19% of the respondents preferred buying food from food retailers only because they offered discounts and combo deals.

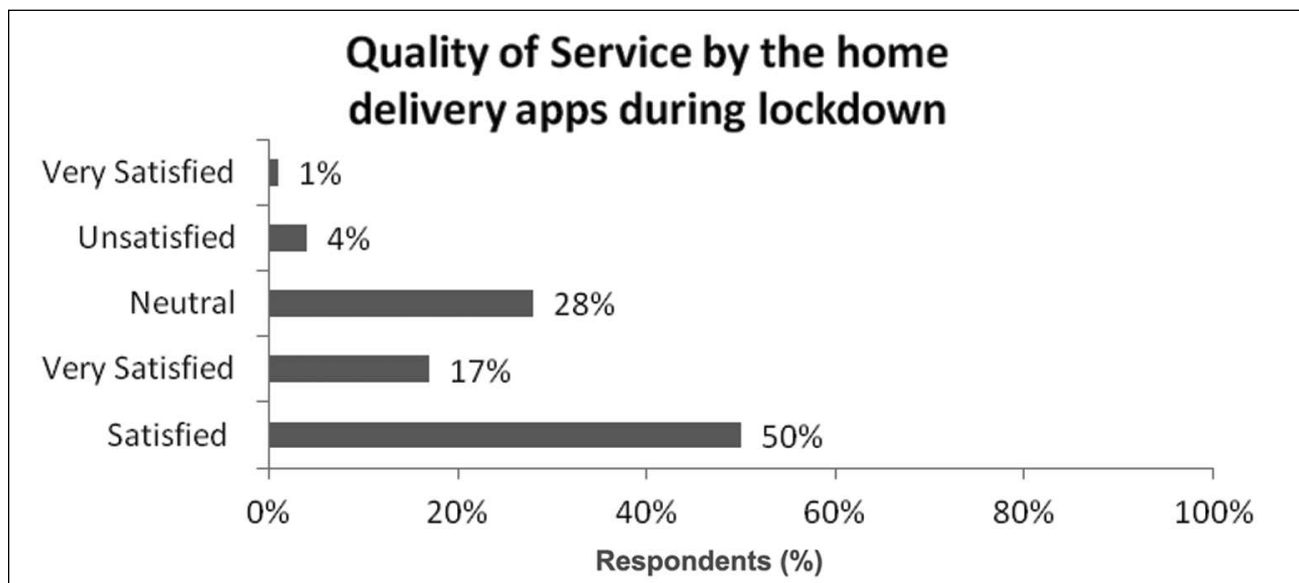


Figure 7: Quality of Service by home delivery apps

The respondents were asked to mention their satisfaction levels regarding home delivery apps during the lockdown period. Most of the responses agreed to the ‘satisfied’ tag indicating that after the hit of the coronavirus pandemic, the food lovers have opted the option of home delivery apps failing to visit the restaurant outlets in the physical terms. About 50 % of the respondents were satisfied with the home delivery apps during lockdown as it seemed to ensure the continuation of the service even after the lockdown announcement. Home deliveries and E-Commerce businesses have seemed to increase after the declaration of lockdown with varying degrees of strictness by the governments across different nations of the world.

In his research, Calle (2020) had noted that 61 % of the respondents were satisfied with the quality of the food delivered by home delivery apps while the rest were not satisfied.

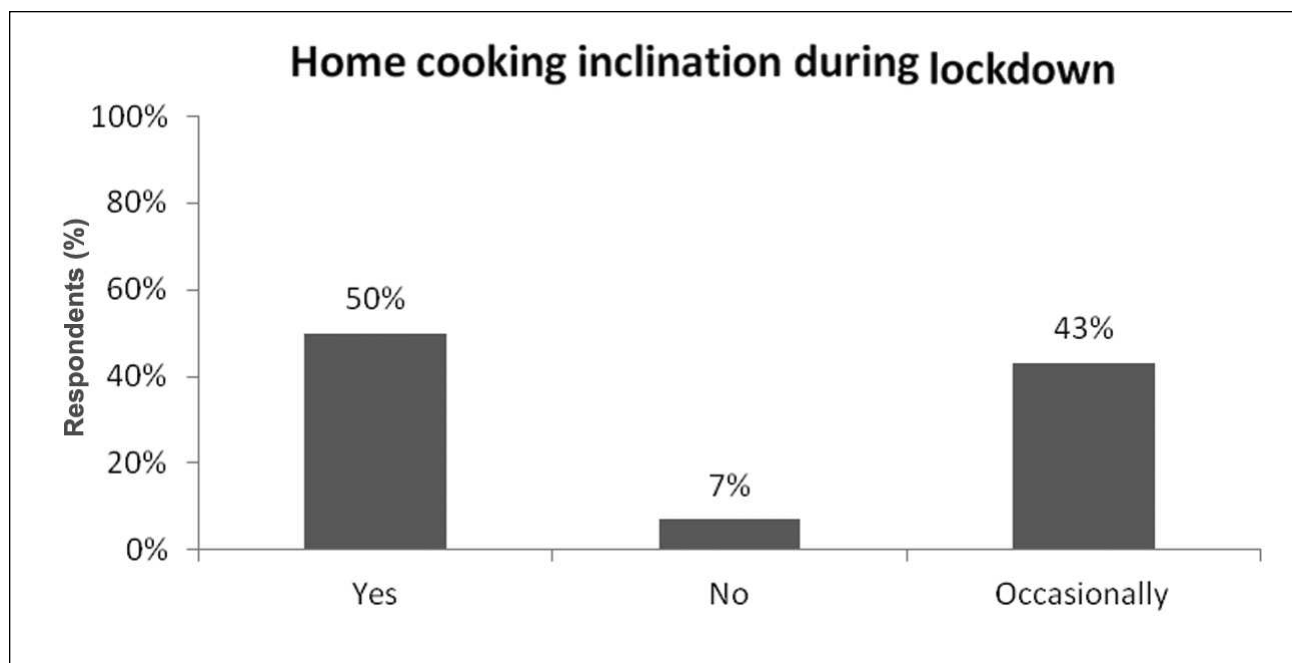


Figure 8: Home Cooking Inclination during Lockdown

The respondents were asked if the lockdown declaration had impacted the food preparing and food consumption trends. Majority of the respondents shifted towards home-cooked meals during lockdown accounting to 50%. About 43% of the respondents chose to cook occasionally during the lockdown phases in South Kolkata. Due to the disruptions in the supply chains of various food retail businesses, the readymade meals were in short supply for the consumers. On the other hand, people could not go out to enjoy their meal times at the local restaurants. Therefore, all these can be assumed to be the reason for people shifting towards home-cooked meals during the lockdown period specifically in South Kolkata. On the contrary, Calle (2020) had noted that 21% of the respondents shifted to home cooking because they wanted to stay fit and healthy.

Table 3: Likelihood of availing dine-out services during next 6 months

Response	Percentage
Very Likely	8%
Likely	47%
Less Likely	36%
Not Likely	9%

Question was asked to identify the likeability of the respondents to avail the dining out services over the next six months starting from April, 2021. About 47% of the respondents were likely to avail the dining out services. About 36% of them are less likely but the percentage of respondents to be the most likely to avail dining services was as low as 8%. This proves that the participants

are not over the threats posed by the coronavirus pandemic as the present situation (April, 2021) seems to give rise to another wave of Covid-19.

Table 4: Shortage of Consumable Products

Response	Percentage
Yes	39%
No	11%
Maybe	50%

The respondents were asked whether the food retailers ran out of consumable products as short term effects of lockdown. This question was directed to the participants associated with either consumption or the food commerce directly. The short availability of time for the research has led to opting for one set of questionnaires that targeted both sets of audiences (both consumers and food commerce employees). The question is relatable for the food commerce employees but maybe it is difficult to assume by the customers. However, a rough estimation has been provided by the respondents associated with the consumption. Therefore, in general about 50% of the respondents were unsure about the consequences faced by the food retailers regarding the consumable products as an impact of the lockdown. About 39% of the respondents were positive about the food retail running out of consumable products during the initial phases of lockdown as a short-term effect. This shows that though the respondents may not be directly associated with the food businesses, between both the definite answers they chose ‘yes’ to indicate the obvious effects of lockdown on food shortages.

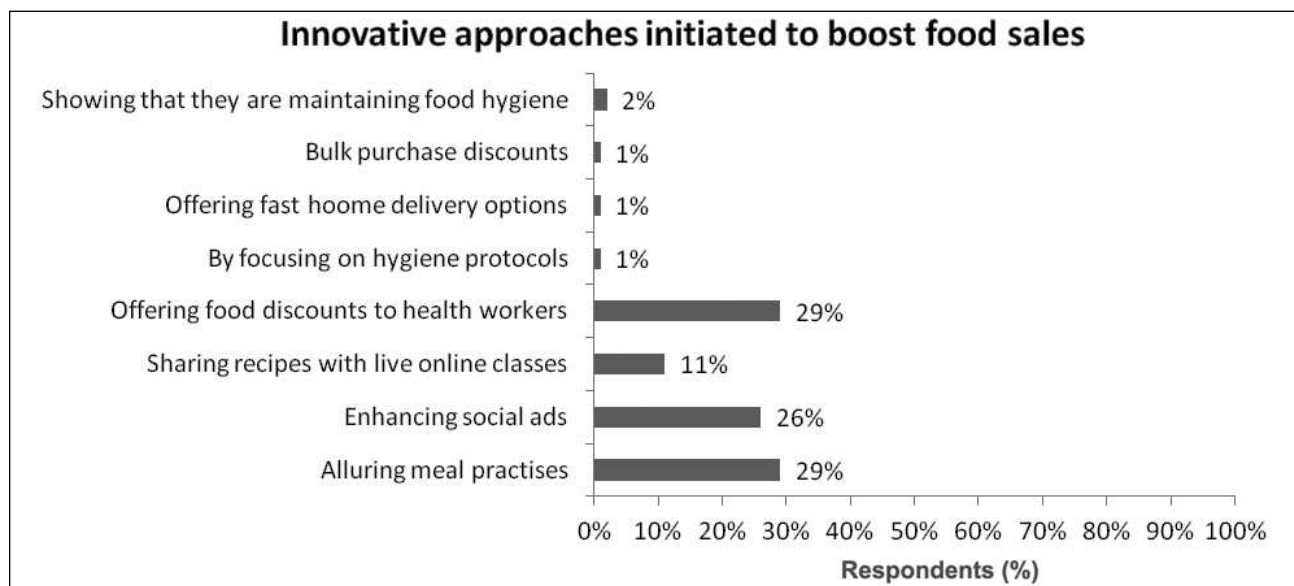


Figure 9: Innovative approaches initiated to boost food sales

This was a close ended question which was provided with an extra option for receiving an open-ended answer from the respondents. The options that were closed-ended included, “alluring meal packets”, “enhancing social ads”, “sharing recipes with live online classes”, “offering good discounts to the health workers” and “other”. There were two most preferred options which accounted for about 29 %. These options included “alluring meal packets” and “offering good discounts to the health workers”. “Enhancing social ads” accounted for about 26% which was the next best preferred option for innovative approaches to boost food sales by the food businesses. However, the other recommendations for innovative approaches provided by the respondents included the factors like hygiene protocols, offering home delivery options, bulk purchase discounts and others.

Table 5: Likelihood of growth of Digitalization

Response	Percentage
Very Likely	45%
Likely	49%
Less Likely	6%
Not Likely	0%

The respondents were asked about the likeability of the growth of digitisation of food, drink and meal shopping experience to increase over the next few months given the Covid-19 pandemic situation. After facing challenges in the previous year after the hit of the pandemic, the food businesses started shifting towards a digital transformation. Several chefs have initiated delivery services and people ordered from the limited eateries that were still operational during the lockdown days. All these had been controlled and executed through digital media. This was evident even from the participants’ responses projecting their strong likeability towards the growth of digitisation of food, drinks and meal shopping experiences over the next few months as 49% of them chose the option ‘likely’ and 45% of the respondents chose the option ‘very likely’. Therefore, it can be said that digitisation of food commerce businesses has a strong potential to expand in the coming days.

Similar results were also seen the research of Calle (2020) where he mentioned that 60% of the respondents came to know about new food outlets from social media platforms.

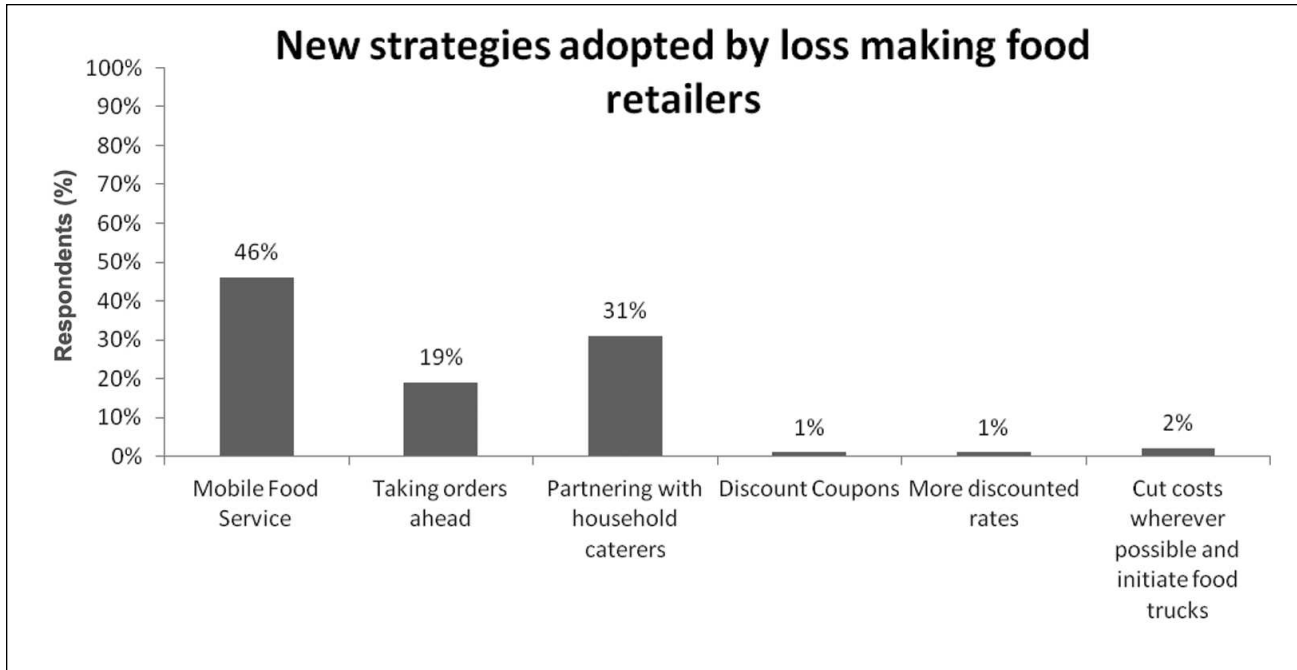


Figure 10: New Strategies adopted by loss making food retailers

The respondents were asked about the new strategies of the present loss-making food retail establishment (Eg. Restaurants, Cafes, and QSRs) in South Kolkata. This question was aimed to get an idea about the innovative approaches in order to boost food sales. This question focussed on the suitable strategies that can be adopted specifically by the loss-making food retail establishments in South Kolkata. The strategies offered in a closed ended manner included ‘mobile food service’, ‘taking orders ahead’, ‘partnering with household caterers’, ‘discount coupons’ and ‘other’ options. The most preferred option was the utilisation of mobile food services. Food trucks are a common aspect in foreign countries which can be seen more or less in South Kolkata over the past few years. When people are unable to physically reach restaurants or other street food shops, these food services can take an initiative to reach their customers instead. There is no doubt that the home delivery option was preferred during the lockdown period but initiating food trucks in South Kolkata can offer more food services targeting a specific region, area or locality. However, these food trucks need to keep a safe approach towards air pollution by opting for biodiesel or operating on electrically charged batteries. In the other option the suggestions provided by the respondents included aspects like cutting costs within the businesses wherever possible to initiate these food trucks, to offer more discounts and to try innovative ideas. However, offering more discounts can prove to be unsuitable for many loss-making food businesses. Therefore, other innovative options can be considered for loss-making food retail establishments.

CONCLUSION

Due to the global pandemic, the world tourism industry had struggled to keep their heads above water, with the food retail outlets of South Kolkata being no exception. This research was able to highlight the comparison between the present situation of food businesses in South Kolkata and the scenario prior to the pandemic and subsequent lockdown. This research has also pointed out some of the popular and innovative techniques adopted by food retail outlets of the aforementioned region to revive business. With millions of businesses around the world slowly and gradually adapting to the new 'normal', it is safe to say that food businesses of South Kolkata had already begun doing the same. Revenue and profits are looking up and it is hoped that they will be able to regain their business and get back to their original locus in the economy like how things were before the pandemic hit.

RECOMMENDATIONS

Digital marketing should be adopted to attract more consumers. Costs can be curtailed by streamlining the operations. Collaborating with food delivery apps can help in reaching more customers. Food retailers can take the help of cloud kitchens for increasing production.

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