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Flipping burgers and financials: QSRs COVID-19 Journey

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Abstract

The onset of the COVID-19 pandemic presented formidable challenges to India's Quick Service Restaurant (QSR) industry, profoundly impacting its revenue streams, employment landscape, and operational modalities. This analysis delves into the intricate ramifications of COVID-19 on India's QSR sector, elucidating short-, medium-, and long-term repercussions including alterations in consumer behavior, operational adaptations, and macroeconomic shifts. Amidst the pandemic's upheaval, QSR establishments navigated through a landscape fraught with uncertainties, resorting to agile strategies such as contactless ordering, delivery optimization, and workforce reskilling to endure and thrive in the face of adversity. Furthermore, the study underscores the imperative of addressing health apprehensions, mitigating supply chain disruptions, and countering competition from international players to fortify the industry's resilience and foster sustainable recovery.

Keywords: Fast food; QSR; COVID-19; pandemic; Financial decisions; Restaurants; Management; Adaptation

1. Introduction

1.1. COVID Arrival

India's QSR is estimated at 23.15 billion USD this year and is expected to grow to 38.70 billion USD by the end of this decade, with a growth rate of CAGR of 10.80% [1]. The COVID-19 and lockdown were a hard time for even the biggest QSR player. Players who were quick to adapt were the ones who survived the crisis the best [4].

Talking about NRAI (National Restaurant Association of India), the restaurant industry makes up 3% GDP of India, and gives employment to over 7.3 million individuals but when in 2020, the lockdown was initialized because of COVID-19, it led to the closing of eateries which had a severe impact on the QSR industry.

Around 75% of the industry revenue came from dine-in options but now due to this lockdown, this was non-existent. It was noticed that even after the lockdown was lifted, fear of infection held customers back. This also had an impact on the supply chain of QSRs. Transportation was a barrier and a reduction in the workforce gave rise to problems in sourcing the ingredients and maintaining the same quality fast food is famous for. The 7.3 Million people employed faced a decline of around 40% due to the pandemic [12].

1.2. World VS COVID 19: New Challenges and Implication

The pandemic's short-, medium, and long-term implications on India's QSR food service industry are highlighted in a recent report. The report provides a further examination of the QSR market's post-lockdown growth tendencies. The segment has risen significantly in comparison to other industry categories, and growth is expected to continue until

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FY2025. However, because of the fluctuations in the industry, this category will still suffer short- and long-term difficulties [9].

The short-term repercussions that were emphasized, aside from the first loss in income, were staff management, lack of working capital, and product expiration. Some of the medium- to long-term implications include shifting consumer preferences, improvements in training and development, an increase in real estate prices, and modifications to the macroeconomic components of the nation [9].

The unorganized segment relies mainly on third-party logistics to get the food to the final consumers, who have no food safety training and are not provided with clean and suitable vehicles and appropriate food boxes. The main issues that consumers face at the end of the day due to the lack of skilled manpower include food tempering and cold food, unsanitary food boxes, and sometimes unsanitary personnel. Similar issues are being faced by organized brands in the Indian QSR market. The lack of skilled manpower has forced the brands to settle for the less skilled manpower available at the time, even though they have a good delivery infrastructure, which has resulted in delivery delays, low food quality standards, and high consumer dissatisfaction [9].

A study stated that because of the ever-increasing value of homes over the past decade, house prices remain a source of concern. Rent, which generally represents 10% to 15% of the total revenue, is also an important cost item in addition to materials. In both organized and unorganized outlet segments, rental growth was predicted to be a barrier to growth [9].

About 94 percent of Indians worry about their family's health, compared to 82 percent globally. 52% of respondents expect changes in approaches to mental wellness to continue post-COVID-19, according to EY India, Sunrise Consumer Health & Nutrition Sector surveyed 40% the responses which were India said that they are willing to pay a 29% higher premium for products that promote health- wellness in comparison to global equivalents, compared to only 39% globally. Figures for this survey are based on the EY Future Consumer Index of November 2021, Overall 16,000 individuals responded from around the globe, consisting of 1,002 Indians [18].

All this goes to show that, it was clear that the consumers were getting more and more health conscious.

Additionally, the closure of outlets due to the pandemic created a primary concern regarding product expiry. Businesses, particularly in the organized market, had stocked products according to their anticipated needs. However, the sudden closure of food establishments posed a major challenge in utilizing these products and avoiding expiration. Products with shorter expiry dates were particularly affected [9].

The Economic Times reports that in some parts of the country, delivery drivers and restaurant workers are being prevented from leaving their homes due to police operations. Food delivery managers are faced with the challenge of delivering food from local authorities and police.

Other factors like competition from International imports [24] and competition for basic ingredients like bread, vegetables, and even spices were also imminent [25].

1.3. Fighting the Pandemic: Changes and Adaptation

Since the commencement of the lockdown in March 2020, the Quick Service Restaurant (QSR) industry has been severely impacted by a significant decline in sales. To sustain their businesses, QSR establishments have shifted their focus towards alternative revenue streams. Well-established brands like McDonald's, Domino, and KFC, which already possessed delivery systems and online ordering applications, experienced a notable increase in revenue share from deliveries, rising from 10% to 29% after the initial lockdown. To further boost their earnings, these brands implemented marketing strategies to promote their delivery platforms.

- On the other hand, smaller and unorganized QSR businesses, lacking their delivery infrastructure, collaborated with independent delivery partners such as Zomato and Swiggy to resume their operations.

Additionally, many QSR brands introduced table-top ordering systems to provide a contactless dining experience for their customers. Unorganized brands also capitalized on the availability of online payment applications like PhonePay, Gpay, and Paytm to facilitate contactless payments [9].

The Quick Service Restaurant (QSR) industry's organized segment effectively enhanced its working capital by reducing labor hours and optimizing manpower requirements due to limited business hours. Furthermore, they revamped their menu to increase equipment efficiency. The management of supplies also transformed, transitioning from regular deliveries to a Just-in-time system based on demand.

- Rent payments were either postponed or renegotiated with landlords. QSR brands operating in malls and food courts agreed with mall management to defer their payments. To effectively manage product expiration, high-traffic stores rotated products from other outlets, following a strict First In First Out (FIFO) approach for items with a short shelf life. These practices yielded a positive return on investment (ROI) and fostered improved relations within the supply chain, resulting in fewer credit notes being issued for expired products [9].

Many QSR players like McDonald's also adopted online learning and workshops to provide the right and required education and skills to their employees even when they couldn't be present physically in the store. Workshops and E-Learning videos were provided to make workers learn new techniques and still remember the old ones [27]. E-learning was also becoming more and more popular and being taught among employees to improve their financial and business skills [26]. Effective leaders trust their companies' good strength, after analyzing the market situation. They were calm and made smart decisions in the best interest of the company [28]. Many QSR also helped during the COVID times, by volunteering and providing help by various means. By helping with the sustainable developmental goals they showed value to their customers and investors [30][34][36]. Employing differently-abled people from various backgrounds, and also including minorities and empowers women [29].

1.4. Warzone: Pitfalls, Resilience and Emergence

The restaurant and quick-service restaurant industry has been severely impacted by this pandemic outbreak, as there is no dine-in service and online ordering has decreased dramatically. Food delivery platforms like Swiggy and Zomato are working, but with so few delivery managers and restaurants, overall orders are plummeting. Online orders fell by almost 60%.

The QSR industry faced significant challenges during the pandemic, particularly in terms of sales. Jubilant Foods, the leading franchisee of Domino, saw a decline of -3.4% in their sales targets, while Yum Brands, the parent company of Pizza Hut, experienced a decline of -2.0% in their sales. McDonald's (West & South) witnessed a decrease of -6.9% in their sales targets, and Burger King India saw a decline of -5.4% in their sales [9].

Unfortunately, these figures worsened in the first quarter of FY2021 when a nationwide COVID curfew was imposed by the Government. Jubilant Foods experienced a staggering decline of -61% in their sales targets, while Yum Brands' Pizza Hut witnessed a drastic decline of -74% in their sales. McDonald's (West & South) also faced a decline of -54% in their sales targets, and Burger King India saw a significant decline of -68% in their sales [9].

In the long term, COVID affected the working Capital, since this segment is labor intensive, this has led to a shortage of skilled and talented manpower in the industry.

- The attrition rate in the industry is almost 35-40%, which has led to an increase in manpower costs. The shortage of skilled manpower has hurt the service standards and overall food quality of the unorganized segment.

The operations of the QSR segment were greatly impacted by the nationwide lockdown and the Ministry of Health and Family. During the initial phase of the lockdown, restaurants were not permitted to operate in any capacity, resulting in zero sales and negative sales patterns for businesses [9].

- Another immediate concern for QSR businesses was the shortage of working capital.
- The lack of sales led to significant cash-flow shortages, making it difficult to cover operational expenses such as rent, electricity, employee wages, utility expenses, and equipment maintenance.

As a result, many QSR businesses, especially in the unorganized market, had to permanently close. Even smaller units of organized players had to shut down due to the inability to meet their financial obligations [9].

In addition to the lack of delivery staff, another major problem is the difficulty in obtaining the supplies and raw materials needed for kitchen operations, resulting in many kitchens being forced to close. During the lockdown, restaurant supply chains are not running smoothly. Most restaurants on food delivery platforms are closed due to a lack of staff and supplies. According to Anurag Katorial, president of the National Restaurant Association of India, 30% of restaurants were closed.

There was also the emergence of Cloud Kitchens which were more beneficial as they require lower cost of operation, which saw rise as competitors to major QSR brands. Cloud kitchens quickly captured around 15% of the market.

2. McDonald's India (Private)

2.1. Pre-COVID and COVID

During the Corno period, McDonald's sales almost came to a complete halt [5], but reinventing and adapting to make itself an Omnichannel made it possible to survive through the crisis.

The West Life franchise announced that they will implement 42 safety checkpoints, to ensure the safety of the workers and gain the trust of the consumers.

Convenience factors like On-the-go delivery, drive-through, and takeaways, contributed to 70% of the revenue income during COVID times, before it fairly made 50% of the income stream. Treating themselves like an omnichannel brand, and having both digital and retail presence, paved the way for such convenience services which even later added the to future revenue system [4].

- Falling behind in the digital and logistic space during the economic downfall of the company and recession in 2013 made it invest in such option, which made them instantly pivot into contactless delivery, contactless stores, etc. because the platform was already established [4].

They also made very smart real estate investing choices, big outlets in malls were the last to open during COVID-19 times. However, high street stores and drive-in stores, where many McDonald's stores were based got a chance to open quicker. Which they claim made a difference [5].

- They also claims that all this made them not lay off employees or shut down stores even in times of crisis.

2.2. Post COVID

The company made a bold decision to invest about Rs.100 Crores to open 30 outlets during fiscal 2021.

The company claims to have a strong plan built on understanding their customers, supported by ambitious initiatives, and a rigorous system to optimize costs. They believe that these factors will enable them to quickly bounce back and achieve a successful recovery [3].

Post COVID the franchise was in good recovery by July 2020, they estimate that they have got around, 70% sales of pre-COVID times [3]. It recovered a growth of around 47.5 % around Q2FY20.

They said on the EVO for the 25th anniversary that they are going to double the base of their restaurants over the next three to five years and they are going invest about eight hundred two thousand crores. The Chairman promises investors good traction in their business both in front of top-line growth and margin growth.

2.3. Current Times

The company's first-quarter revenue from the current fiscal was at ₹614.5 crore, with a 14% growth in comparison to ₹537.9 crore the previous year [4] .The company's board announced that they will be giving a dividend on shares having a face value of ₹2 of ₹3.45 per equity share in the year 23-24 [6].

3. Devyani International: KFC – Pizza Hut (Chicken and Non-veg sector)

3.1. Pre-COVID

Pre-Corona times, KFC had around 450 outlets, after COVID-19 the expansion took a slower rate, but they expanded nonetheless to over 480 stores across 130 locations in India. Before COVID, there was around 50% delivery, but now 60% of people prefer delivery options and only 40% choose to dine in [7] . 50% delivery pre-COVID, but now 90% of Pizza Hut revenue came from delivery [7].

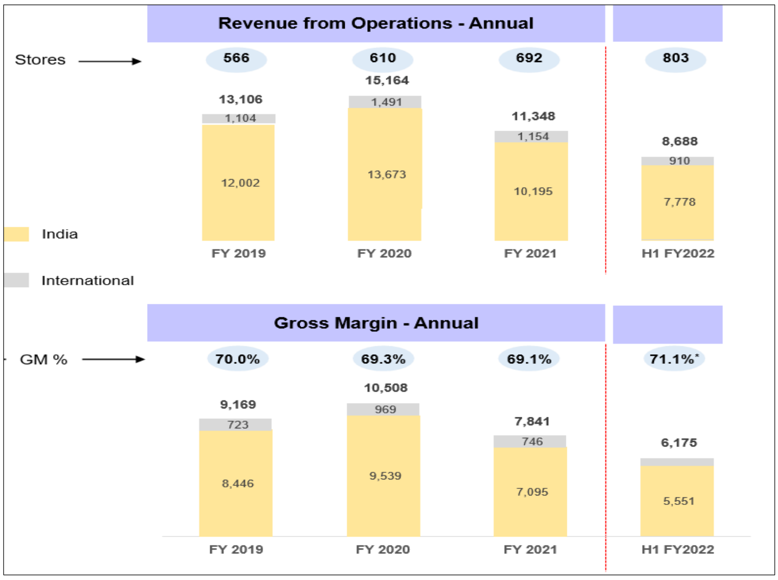


Figure 1 Annual Report FY2022 Devyani International – Revenue and Margins

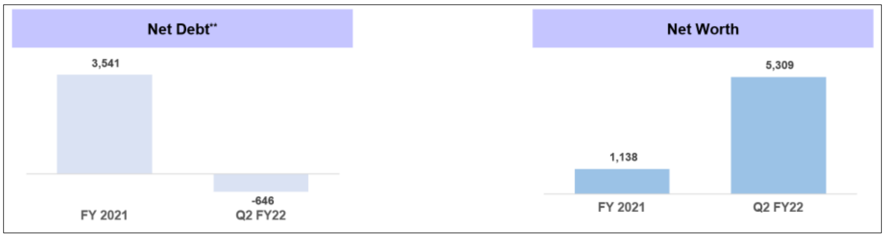


Figure 2 Annual Report FY2022 Devyani International: Net Debt and Net Worth

- Ravi Kant made it clear that once they have paid their debt, they are planning expansion inside India only as they still see huge potential [7].
- After COVID-19 began, the company made safety a top priority by implementing contactless delivery and takeaway, frequent cleaning and sanitization, and temperature checks were steps in following the pandemic theme [8].
- In response to the effects of COVID-19, they adapted their menus to prioritize delivery and takeaway choices, enacted measures to lower both fixed and variable expenses, and pursued rent waivers from the owners and lessors of their stores [8].

The pandemic and subsequent lockdowns initially caused a notable adverse effect on the business during the early stages of the financial year. Nonetheless, as the economy slowly reopened, there was a consistent recovery, particularly in the third and fourth quarters of FY21 [8].

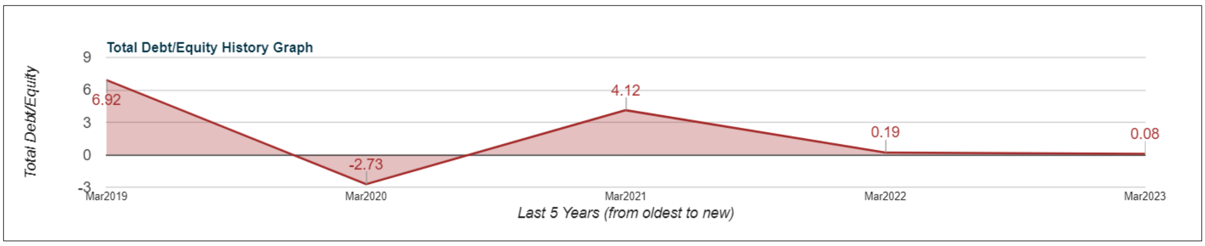
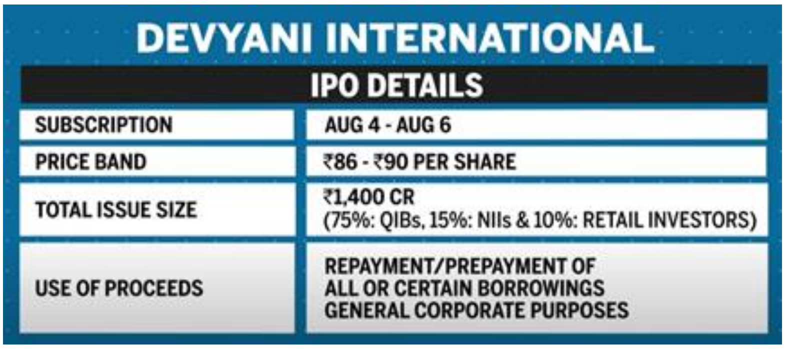


Figure 3 Devyani International Debt to Equity ratio annually [10]

We can see clearly from the graph that the total Debt/Equity ratio, went negative in May 2020, this is amid COVID-19, a negative Debt/Equity ratio indicates higher chances of Bankruptcy. This is a clear representation of the impact COVID-19 had on the company.

3.2. Post and Current Times



DEVYANI INTERNATIONAL

IPO DETAILS	
SUBSCRIPTION	AUG 4 - AUG 6
PRICE BAND	₹86 - ₹90 PER SHARE
TOTAL ISSUE SIZE	₹1,400 CR (75%: QIBs, 15%: NIIs & 10%: RETAIL INVESTORS)
USE OF PROCEEDS	REPAYMENT/PREPAYMENT OF ALL OR CERTAIN BORROWINGS GENERAL CORPORATE PURPOSES

Figure 4 Devyani International IPO

This is what the company IPO looked like post COVID. With things back on track, the limited organization is expected to expand to even more stores.

4. La Pino'z Pizza (An Indian Startup – the most emerging pizza chain and QSR)

4.1. Post COVID and COVID

Before the onset of the coronavirus outbreak, La Pinos maintained a balanced business model, with dine-in and delivery each contributing to 50% of sales. However, with the commencement of lockdowns and the suspension of on-site dining, the scale shifted in favor of delivery [11].

- Onset of COVID-19, the company also adopted the 42 safety checkpoints given by West Life, similar to McDonald's to ensure all safety measures and also gave 100% traceability back to their ingredients [12].

The lockdown was a tough time for La Pino's as well, their position in the market was in question, and it had to evolve and make amends, which they were successful in doing [11].

- With strong will and insights, this chain started focusing more on delivery, doubling its delivery services.

When faced with a pitfall due to the pandemic, The company promptly recognized that home delivery would become the new standard.

The company promptly recognized that home delivery would become the new standard. In response to the difficulties brought about by the pandemic, brands have adjusted their strategies to place a greater emphasis on delivery to ensure their survival. This strategic realignment has yielded positive results, with sustained strong growth in delivery sales even post COVID [11].

Amid intense competition and economic challenges, La Pino'z faced a tough battle for survival. Local pizzerias seized the opportunity, offering enticing deals and competitive pricing, surpassing both La Pino'z and international brands. Recognizing the need to adapt to this fiercely competitive landscape, La Pino'z strategically differentiated itself with offerings like giant one-time pizzas and monster pizzas, ensuring that they stood out in a crowded market. This innovative approach allowed La Pino'z to carve out its niche and maintain its presence in the face of local and international rivals [11].

- It's truly remarkable how La Pino'z has remained steadfast in upholding their celebrated "buy one, get one free" (BOGO) promotion, even as the market trend veered towards "everyday deals". This unwavering dedication to their distinctive service has proven to be a strategic advantage, fostering a steadfast and devoted customer base. Furthermore, their unwavering commitment to vegetarianism, emphasis on local flavors, and robust presence in Tier 2 regions have further fortified their position in the market. The influence of word-of-mouth endorsements has also played a pivotal role in carrying them through challenging times, underscoring the enduring value of genuine, local allure and sustained customer contentment [11].

4.2. Post COVID:

In 2021, La Pino'z once again experienced explosive growth while the landscape collapsed.

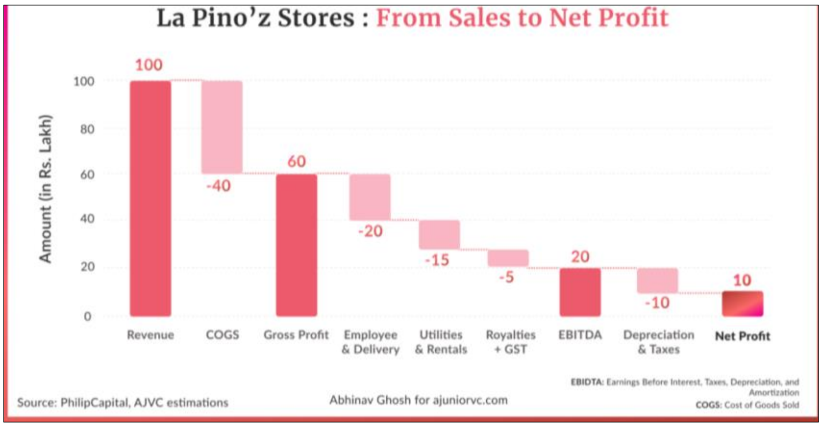


Figure 5 La Pino'z Net Revenue to Profit

5. Rebel Foods – Faasos, Oven Story, Mad Over Donuts, Wendy's, and Cloud Kitchens

5.1. Pre-COVID

Further spending was made to increase brand awareness. Advertising expenditure increased 3.4 times to Rs 73 billion in FY 2019 from Rs 21.7 billion in FY 2018, while commissions paid to Swiggy and Zomato and such, also increased by 3.75 times to Rs 48.2 billion in FY 2019 [16]. Faasos grew at an incredible rate in the year 2018.

In September, the enterprise secured a substantial $125 million in funding from investors, including Coatue Management, Goldman Sachs, and the Indonesian food technology firm GoJek. Under the leadership of Jaydeep Burman, the company's valuation soared to approximately $525 million during its most recent funding round [16].

- This year, the company has made significant strides in expanding its global footprint with the ambition of establishing itself as a prominent international brand. Additionally, reports have surfaced regarding Uber's former CEO Travis Kalanick's intention to invest in Rebel Foods for his ongoing project, Cloud Kitchens [16].

They were and are the biggest cloud kitchen worldwide, cloud kitchens as mentioned before got great leverage, especially during COVID times, and therefore. Therefore, this endeavor was beneficial for them in transitioning into the COVID market.

5.2. COVID Times

Rebel Food is expanding its creation and operations of virtual restaurant brands in India and around the world as the service grows in popularity amid the coronavirus (COVID-19) pandemic [18].

During lockdown, they saw a 30% decrease in their volumes but they have an increase in basket size. People were ordering more in bulk and bills were higher. Another phenomenon was people were more health conscious so investing in safety measures and immunity-boosting products showed a trend. There was less impact of discounts but people wanted to order food from where they felt safe and craved assurance [17][18].

- Around 1/3 of the kitchens were closed, around 100 kitchens, but the 2/3 kitchens that were open, around 200, are doing better than pre-times [17].
- 80% of the kitchens were fully operational since March 2020.
- To manage working capital, they made a major pole across the shareholders and decided to implement a 30% salary deduction to cope with the economic meltdown of 2020 [17].

- They steer clear from investing in real estate and continued their journey as a cloud kitchen with a belief that the consumer base is shifting to more of a delivery type [17].

They stoke a deal to open 250 cloud kitchens. They were already well established and were ahead of the curve in the aspect of delivery technology and workings inside a cloud kitchen.

Rebel Foods' FY20 revenue grew 84% year-on-year, while expenses increased 128% to ₹1,003. The commission paid by the company to distributors such as Zomato and Swiggy doubled from Rs 48 crore in FY19 to Rs 96 crore in FY20. Karol Banerjee, co-founder of Rebel Foods, said last year that the company's commissions were about 50% of the demand generated by Zomato and Swiggy [16].

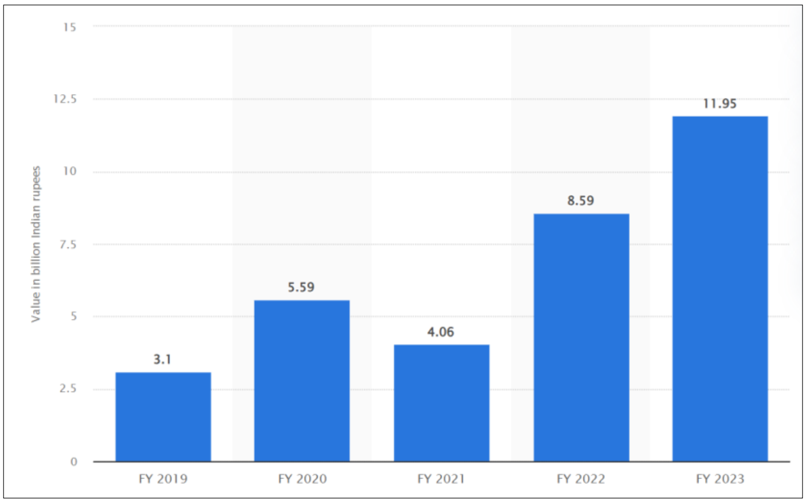


Figure 6 Rebel Food Sales Annually

5.3. Post COVID and Current

Faasos currently operates with a debt-to-equity ratio of 0.41.

Rebel Foods reported operating revenue of Rs 1,195. 2 crores in FY23, up 39% from Rs 8,586 crore in FY22. 4,444 Cr 4,444 Total expenses increased by 28% YoY increase in FY23 was 1,827 Cr due to a sharp increase in procurement costs [14].

Mumbai-based cloud kitchen major Rebel Foods' operating revenue crossed Rs 1,000 crore in the financial year ended March 31, 2023. Both Faasos and Behrouz Biryani reported operating revenue of Rs 1,195. 22 in FY23 as against Rs 858. 6, an increase of 39% [14].

Under the expanded relationship, Rebel Foods will open approximately 150 traditional Wendy's restaurants over the next 10 years. Wendy's currently has 90 stores in 19 cities, with three traditional restaurants operated by Rebel [17].

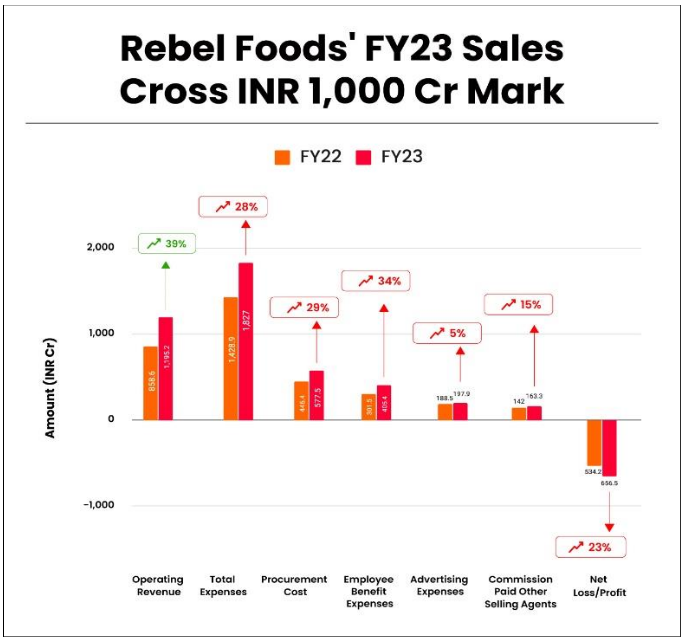


Figure 7 Rebel Food Net worth

Rebel Foods achieved unicorn status in October 2021 after raising $175 million in a Series F round, with the Qatar Investment Authority (QIA) leading the funding. The country's sovereign wealth fund contributed $1 million, along with participation from existing investors Coatue and Evolvence. This latest round of funding has propelled the company's valuation to $1.4 billion, a substantial increase from about $800 million in 2020 [18].

Last year's Cr. The startup's main source of income is food sales. Including other income, the startup's total revenue for FY23 was Rs 1,258. 7 Cr, a 1.3x premium compared to Rs 907.5 Cr in FY22, but it posted a loss of Rs 656.5 Cr in FY23. This was an increase of 23% compared to the previous year [14].

6. Discussion

6.1. How COVID changed the QSR

The need for contactless ordering and fast service has become even more important following the pandemic. This has caused food distributors to rethink how they deliver food completely. QSR has allowed us to provide people with quick food service through contactless ordering. For this reason, more and more food delivery companies are choosing fast-service restaurants over full-service restaurants. Therefore, it is safe to say that from now on, QSR is expected to become the top priority for both consumers and food suppliers [19].

COVID-19 was said to be to factor in favouring quick-service restaurants, especially as consumers change to more known brands. The lockdowns eradicated major supply in the market, which was in favor of large companies. The quick-service restaurant chain market is predicted to be one of the fastest-growing subsegment of the food service market over 5 years. India's food services market was valued at Rs 4,236 billion in FY20, Edelweiss said in a research note citing data from Technopak. The organized QSR market size in FY20 was Rs 3,480 crore. The future growth of this sector will be driven by the QSR market chain [23].

Cloud kitchens were originally just a gimmick, but now they are a reality. Opening a brick-and-mortar restaurant requires capital and risk, but Cloud Kitchen doesn't require that, reducing overhead costs and increasing profit margins. Additionally, Cloud Kitchen allows you to deliver on time and improve the customer experience. This has led more and more food delivery companies to choose cloud kitchens, and this trend is expected to continue shortly. According to RedSeer Management Consulting, India's cloud kitchen market is expected to grow from $400 million in 2019 to $2 billion in 2024 [19].

6.2. Future Expansions, Aftermath and Recapturing the Market

The quick-service restaurant (QSR) market is projected to represent 54% of the entire QSR sub-sector in FY20 and is anticipated to achieve 64% of QSR sales by FY25.

The companies have seen growth in the last decade due to a favorable demographic dividend, an increasing number of young Indians, increasing penetration of the internet in organized retail, and a preference for brands over unorganized players. The model gained momentum. All this has led to changes in consumer behavior. More importantly, people are eating out more. The trend of eating out, which was not previously part of Indian lifestyle, is changing. As a result, the amount remained at 4.3 million rupees, but it is expected to increase by 50% to 6.5 million rupees by 2025 [13].

India's QSR market is predicted to increase at an average AGR of 20% until FY25 as major restaurant chains such as McDonald's, Burger King, and Domino's Pizza expand their presence in smaller cities of India and leverage capital from the market. It is estimated to record growth at a rate of around 23% in the younger demographic [23].

We have also introduced digital solutions such as online ordering, contactless payments and table reservations to improve the customer experience and streamline operations. According to an IMARC report, The Indian online distribution market is forecasted to expand at a compound annual growth rate (CAGR) of 27.8% from 2023 to 2028, ultimately reaching a value of $118.2 billion. [22]. Experts believe that for demand to recover quickly, prices need to remain affordable. India's QSR industry is forecasted to grow 20-25 percent this fiscal due to rapid business expansion, credit rating agency ICRA said in April [20].

Expect adoption to increase significantly as the sector becomes more normalized, and given the changes in consumer behavior post-COVID-19, delivery as a medium will become far more acceptable. The industry is likely to open around 2,300 stores by FY23 -25, with capital expenditure expected to rise during this period [21]. It is estimated to be around Rs 5,800 crore (excluding renovations), which is twice as much as the pre-COVID-19 fiscal year.

6.3. New Challenges and Opportunities: Wars, Inflation and Technology advances

Inflation has soared around the world over the past year due to supply chain disruptions caused by COVID-19 and the war in Ukraine. Prices of key ingredients such as cheese and flour have increased by 20-40%. Edible oil, on which India relies on Argentina and Brazil, has also become significantly more expensive. Jubilant's raw material costs (pdf) rose 14% to $35 million in the March quarter. KFC passes some of that on to consumers, but pizza companies have little leeway to do so. Local quick-service restaurant chains are now expanding into cities outside the metropolitan area in hopes of restoring demand [20].

With new technologies like AI chatbots, [33][34] blockchains [31] , IoT services [35] and AR [32]. There is a lot of potential for change and growth. The Future market is going to open lots of new opportunities and the players which harness the power of these will be the ones who will pass the test of time.

7. Conclusion

COVID-19 has hit every industry except the food and beverage (F&B) industry. Due to the ongoing pandemic, many restaurants are closed. Unable to survive the second wave of coronavirus infections, many cafes, restaurants and bars have ceased operations. But as the infection progressed, nearly every industry learned how to deal with the pandemic, and living with the virus became the new normal. The value of India's hospitality industry was around Rs 4,200 billion in FY20.

Nevertheless, well-structured fast-food chains such as Domino's Pizza, Burger King, and McDonald's (West & South) minimized the decline to 45%. As of September, the sector had already displayed indications of improvement, with the rate reaching 85% of the levels seen before the coronavirus pandemic.

New Technology shaped and forged the QSR industry, Online ordering, contactless payments, and table reservations improved customer experience and streamlined operations. We saw the emergence of cloud kitchens, reduced overhead costs, improved delivery times, and attracted food delivery companies. QSRs benefited from COVID-driven preferences for fast, contactless service. Inflation and competition pose challenges, but future growth prospects remain positive. Embracing technology will be crucial for success.

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