

# Reimagining F& B Analytics

## ORR, Bengaluru

By Compset Vision Technosoft Private Limited™

### Overview

As per the *IBEF Knowledge Centre Report dated 03 December 2020*; the Food and Beverage industry accounts for nearly 3% of India's GDP and is the single largest employer in the country, with a workforce of more than 7.3 million. The lockdown set this industry on a downward spiral with some predictions suggesting that nearly a quarter of all restaurants may shut down by the end of 2021. India's US\$50 billion restaurant industry lost US\$9 billion in 2020 according to the National Restaurant Association of India.

To offset these challenges and regain profitability, the F & B industry has been adapting and innovating since Unlock 1.0. New service offerings and COVID-19 hygiene protocols are emerging to gain customer confidence, limit further financial losses and boost revenues.

An article in *The Hindu dated 21 June 2021* stated that the (Bengaluru) city opening was clearly evident in the return of traffic snarls on the streets on Monday morning. BBMP Civic Commissioner Gaurav Gupta said the response to the unlocking was good in Bengaluru. He pointed out that most people were wearing masks and following COVID-19 Appropriate Behaviour (CAB) but added there will be no let-up in enforcement of CAB. Businesses in the city re-opened after nearly two months. However, most areas reported very low footfall, but were hopeful that business will pick up gradually.

Chandrashekhara Hebbar, President, Karnataka Regional Hotels and Restaurants' Federation, said footfalls were very low and business had not improved from the "only takeaway days". "People seem to fear having a meal in a restaurant. We need to build confidence, which will take time. So, we have made a rule that only staff who have been vaccinated will be posted on duty at our restaurants," he said.

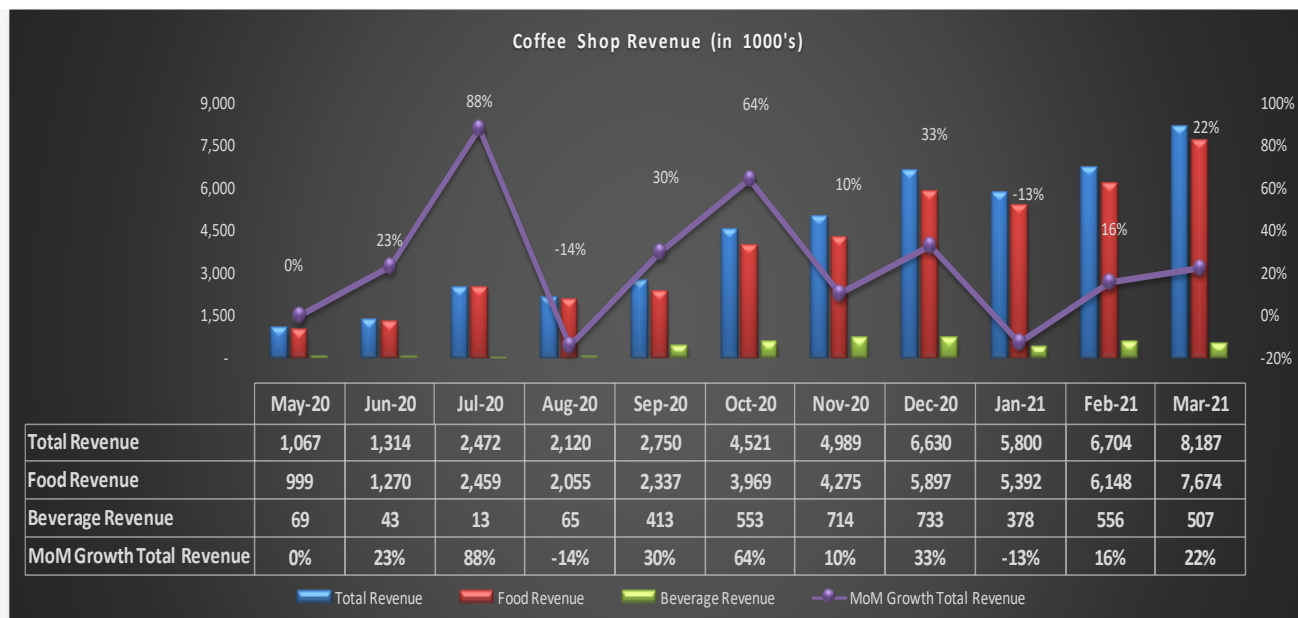
## ***ORR Hotel restaurant Revenue Insights -***

Now that the second wave is over and Unlock 2.0 has begun, it is important to draw and build on business insights from Unlock 1.0. At Compset™, we are looking at the performance of hotel restaurants located on the Outer Ring Road from May 2020 to March 2021 to pre-empt the expected performance for Unlock 2.0.

**The Analysis below is done by Compset Vision Technosoft Private Limited™**

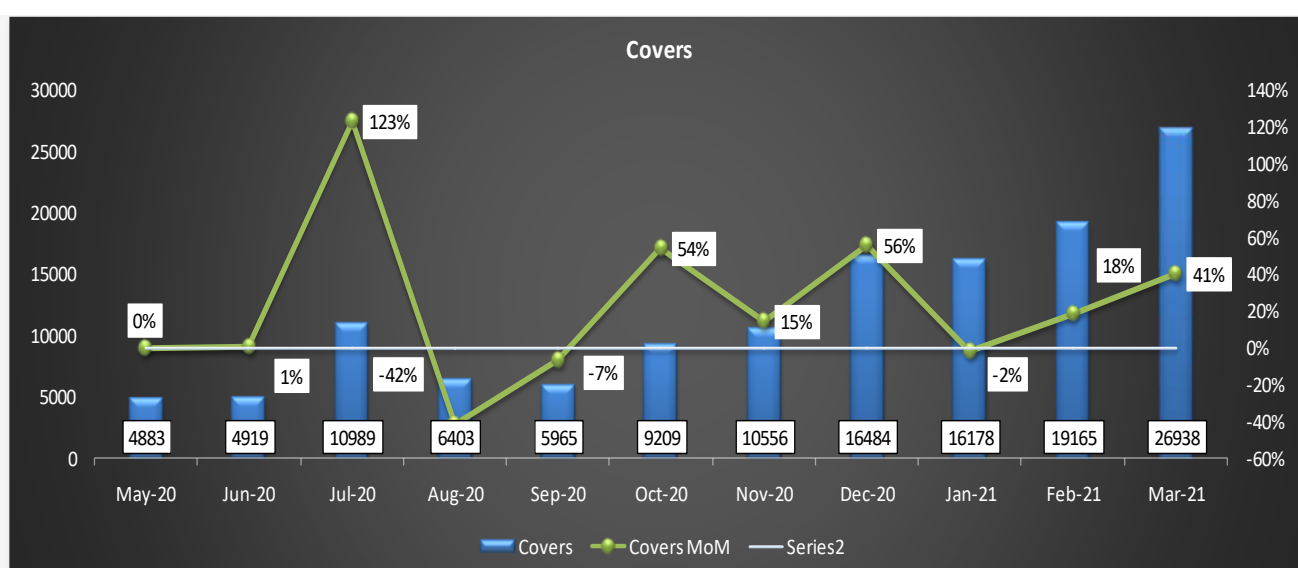
## All day dining in ORR

Revenue from May 2020 to March 2021 reduced by 85% vs. same time last year, dropping from a whopping INR 3.08 Cr. to just 4.65 Cr.

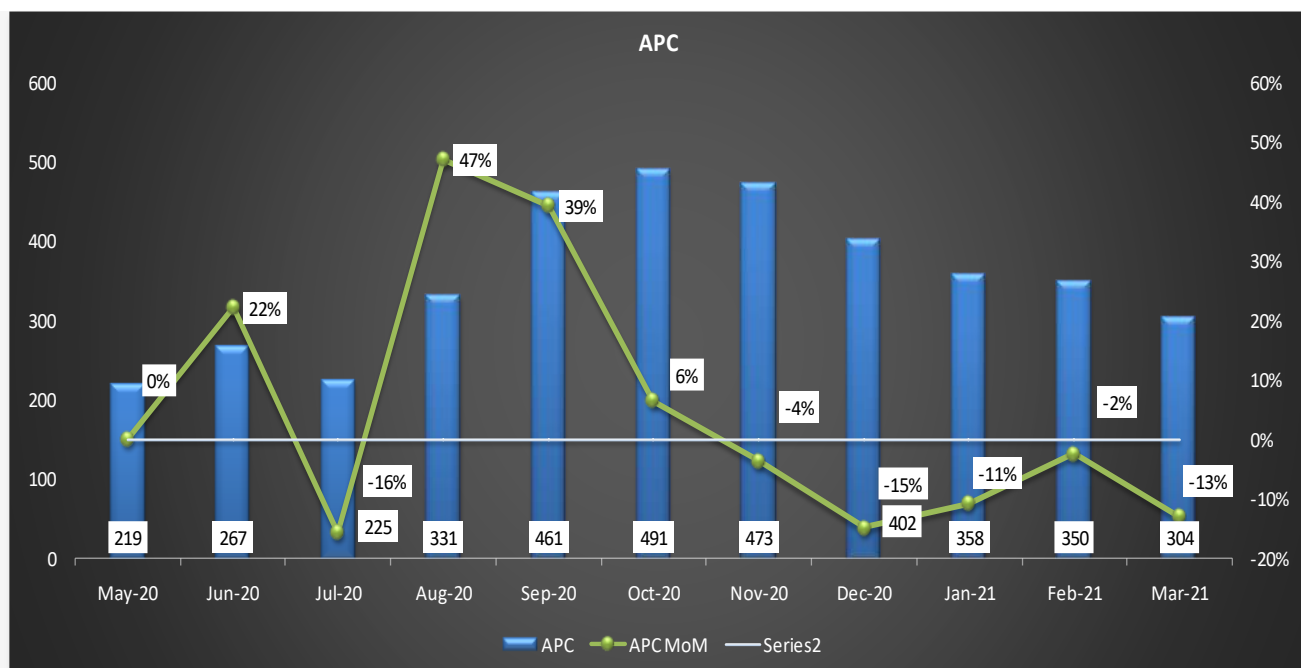


*Illustration: Month wise Total Revenue for All day dining's by segment and % change month on month from May 2020 to March 2021. [Click Here](#) to know about your market. \*MOM (Month on Month growth)*

The decline in revenue was a result of a steep decline of both covers and average per cover (APC). Covers scaled down by 70% from INR 4.46 Lacs to 1.31 Lacs. Whereas APC was down from INR 692 to 359 indicating a decline of 48%. The drop in APC was evident given the falling lunch and dinner revenues hence increasing the contribution from breakfast package revenue.

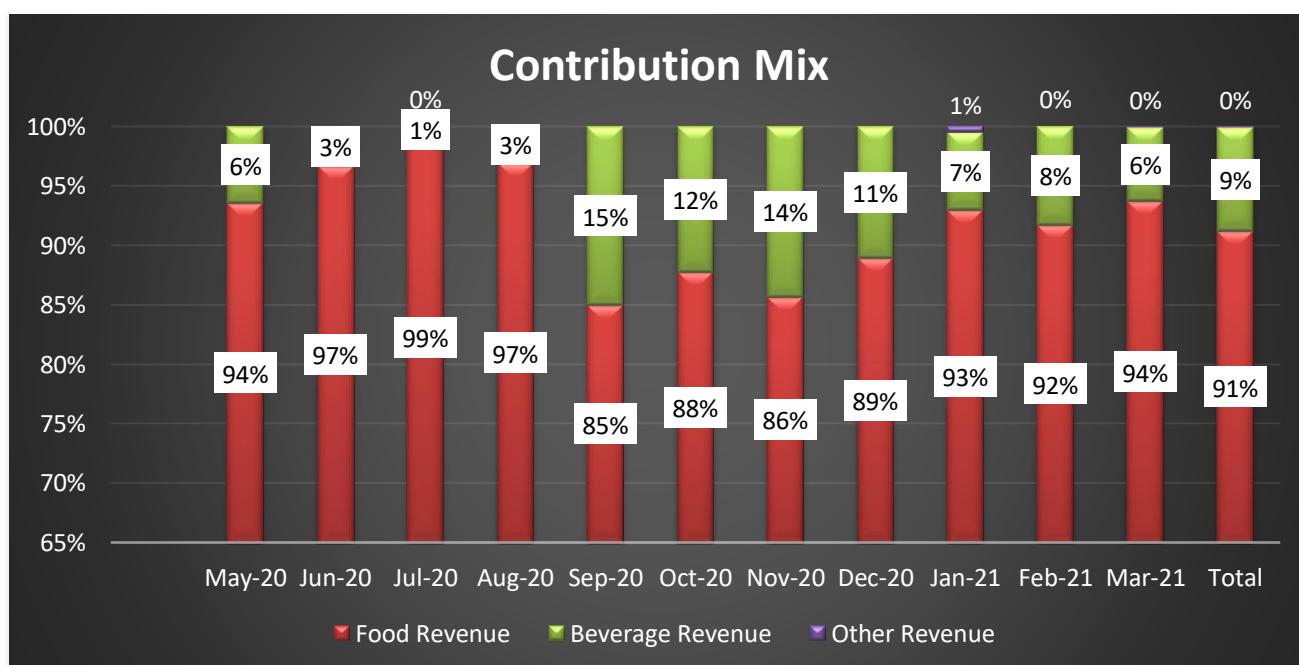


*Illustration : Cover Performance by month and % change month on month from May 2020 to March 2021. \*MOM (Month on Month growth)*



*Illustration : APC Performance by month and % change month on month from May 2020 to March 2021. [Click Here](#) to know about your market. \* MOM (Month on Month growth)*

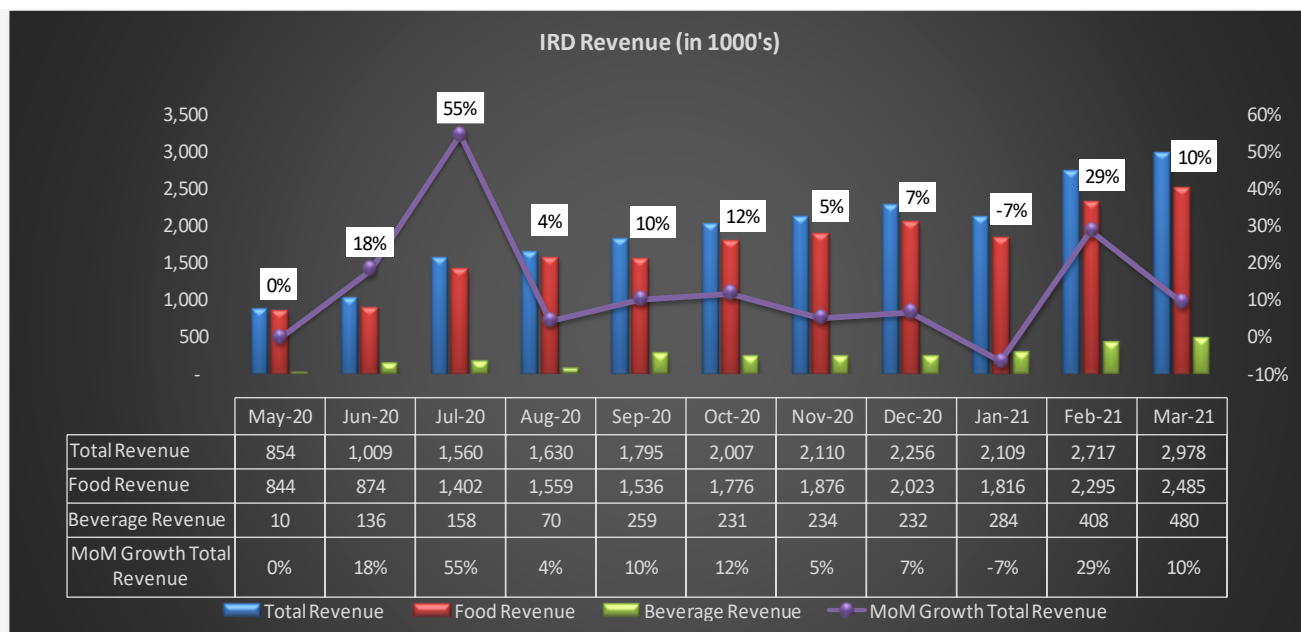
Food contributed to 91% of the total revenue with the rest coming from beverage. However, both showed a drop of 85% and 87% respectively vs. same time last year.



*Illustration : Contribution Mix by segments month on month from May 2020 to March 2021. [Click Here](#) to know about your market.*

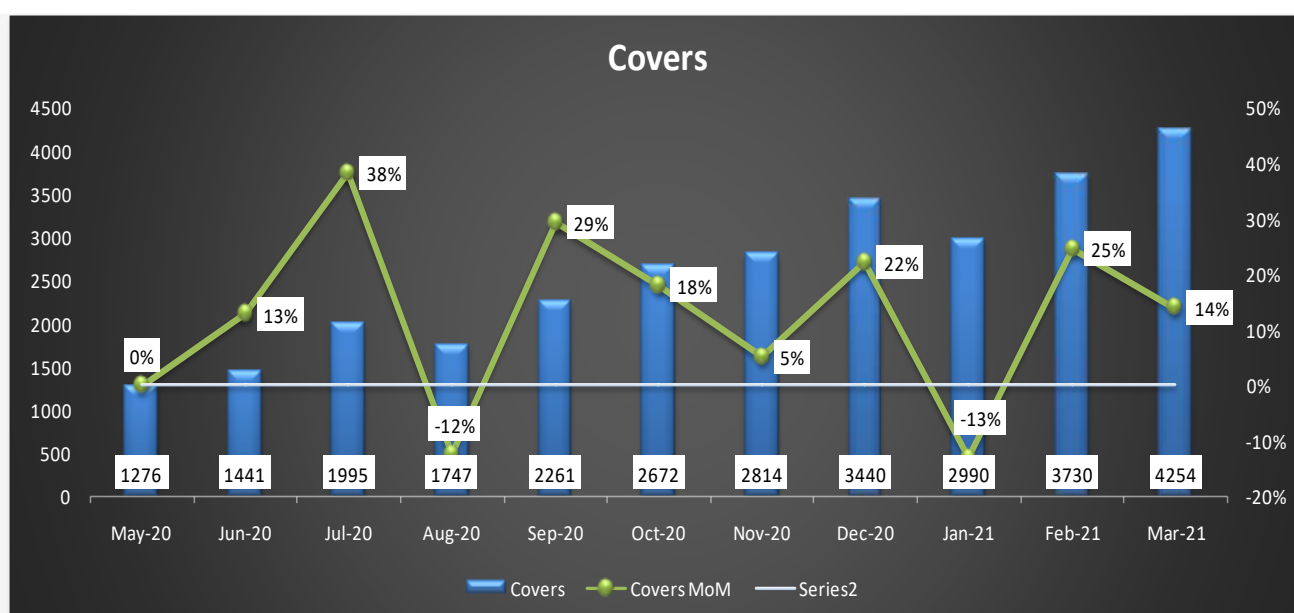
## In Room Dining in ORR

In-room dining was one of the few venues that hotels could operate even through the lockdown. Hence the impact was considerably less in comparison to other venues. As per STR, due to low occupancy, IRD revenues were greatly impacted. Occupancy from May 2020 to March 2021 declined by 78 % vs. same time last year. This negatively impacted IRD revenues by 35%, dropping from INR 3.2 Cr. to 2.1 Cr.

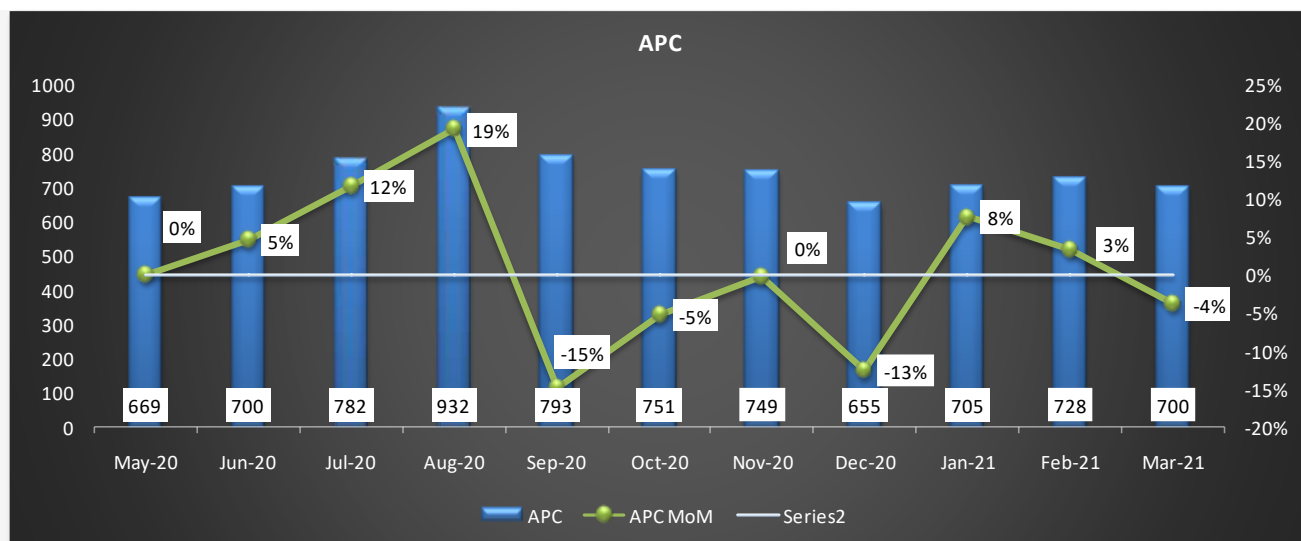


*Illustration: Month wise Total Revenue for In room dining's by segment and % change month on month from May 2020 to March 21.*

The drop in revenue was caused by covers which were down by 34% with numbers dropping from 43,161 guests to 28,620 guests. While hotels were still able to maintain the APCs with just a drop of ~INR 19 vs. last year. APC was down from INR 754 to 735; a mere drop of 3%.

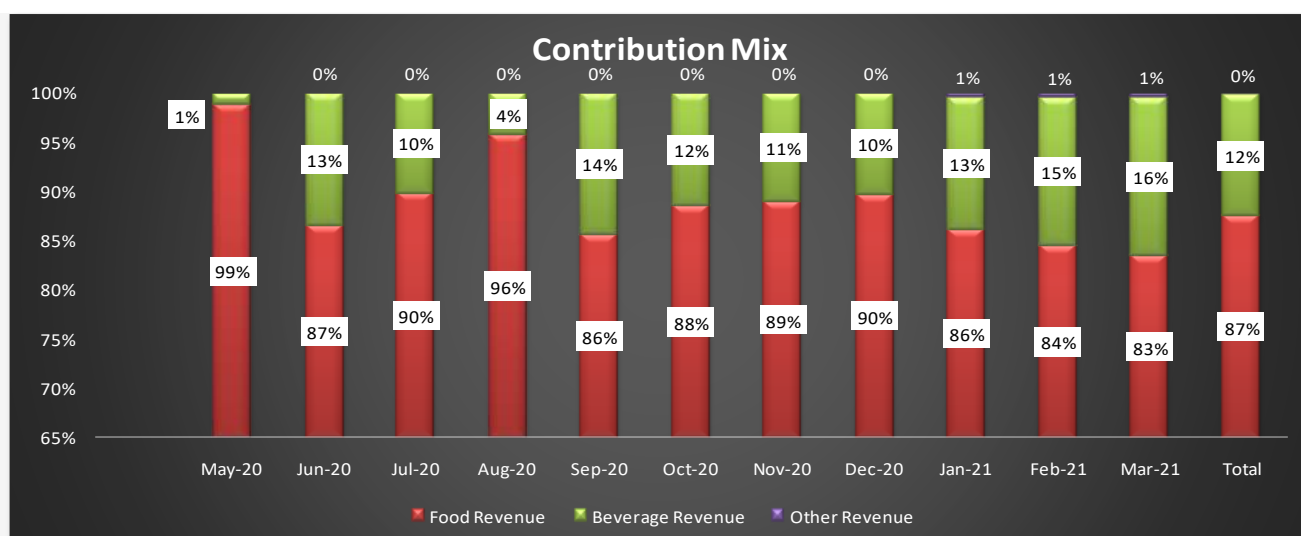


*Illustration : Cover Performance by month and % change month on month from May 2020 to March 2021. [Click Here](#) to know about your market.*



*Illustration : APC Performance by month and % change month on month from May 2020 to March 2021. [Click Here](#) to know about your market.*

Food revenue eventually ended up contributing 87% of the total revenue with the rest coming from beverage.



*Illustration : Contribution Mix by segments month on month from May 2020 to March 2021. [Click Here](#) to know about your market.*

With room revenue still struggling to revive, food and beverage revenue has become the focus for all hotels. In these unprecedented times, F & B, targeted at local guests, remains to be the only revenue generator which can drive cash flow to hotels.

Reach out to Compset Vision Technosoft Private Limited™ to be a part of a novel revolution in restaurant market intelligence.