

## Footfall at restaurants drop 20-30%

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Whether it's the weekend corporate parties or the customary kitty party lunches, consumers seem to have put everything on the back-burner as they scramble to deal with the nuances of demonetisation.

Restaurant industry players said footfalls have dropped and sales have fallen by at least 20-30 per cent. While the industry players are backing the government's move for the long-term benefit of all, they are concerned that it will take a couple of months before sales pick up.

Rohit Aggarwal, Director, Lite Bite Foods, said, "Footfalls and revenues have been impacted as consumers are trying to deal with currency demonetisation. There is no precedent for a move like this; so the industry is still gauging the real impact. But, we believe consumers will get used to the change in the next few months."

Aggarwal said that nearly 50 per cent of the payments are usually done in cash at the various outlets of the restaurant chain, which runs brands such as Punjab Grill, Zambar and FresCo. "We are also working on expanding and strengthening our tie-ups further with mobile wallet companies," he added.

Umang Tewari, Founder, Big Fish Ventures, said that the drop in sales has been as high as 50 per cent across his restaurants.

Some industry players believe that QSR outlets have been hit harder compared to fine-dining restaurants. Rahul Singh, Founder and CEO, Beer Café, said, "Nearly 70 per cent of the transactions in the past were already being done through cards at our restaurants, which have now gone up to nearly 95 per cent. There has been drop in sales at some of our outlets largely located in non-metro areas. This is just for the short term as in the long term restaurant industry will see many benefits."

Singh pointed out that in the long term, rents will come down due to a far-bigger impact on real estate companies due to the currency demonetisation.

Murali Krishna Parna, CEO at Sagar Ratna, added that sales have been impacted but consumers are increasingly opting for payments through cards.

Meanwhile, Varun Puri, Co-Founder and Director, Delhi-based Viva Hospitality, said that the impact varies depending on the locations and demographics. "Restaurants in a location like Gurugram have seen a drop in sales by 15 per cent as they serve largely corporate customers who are more savvy with card payments.

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