

**The Effect of COVID-19 on The Chinese Restaurant Industry and
The Role That Third-Party Food Delivery Businesses Played in
Helping Restaurants Respond to The Crisis**

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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Abstract

The outbreak of the COVID-19 coronavirus in Wuhan, China, in January 2020 has had an unprecedented impact on the tourism, hotel and catering industry globally. The aim of this research is to explore the impact of COVID-19 pandemic on the Chinese restaurant industry and the role that the third-party food delivery platform companies played in helping the restaurants respond to the pandemic crisis. This study first reviewed the past pandemic crises and summarized their impacts on aspects of health and finance, then utilized the document analysis method within a qualitative research process to collect data.

Four themes came through the thematic analysis: 1) the impact of COVID-19 on the Chinese restaurant industry (with restaurant cashflow being the most affected); 2) the most important measure in response to the restaurant's cashflow crisis was to increase revenue and reduce expenditure; 3) the influence of the takeout business model in traditional restaurants' response to COVID-19; and 4) the effect of third-party delivery platforms in helping restaurants cope with the COVID-19 crisis.

The research findings revealed that, although SARS and COVID-19 have similar biological structures and modes of transmission, the impact of COVID-19 on the restaurant industry was far greater than that of SARS. Moreover, during the epidemic period, the third-party food delivery platforms launched a variety of measures to actively respond to COVID-19, such as providing contactless services and cooperating with restaurants to develop "peace in mind" reassurance programs, effectively helping restaurants to increase the number of customers, takeout, and food delivery orders. This research concluded that the third-party food delivery platform played a positive role in helping the Chinese restaurant industry respond to the COVID-19 crisis.

1. Introduction

1.1 Background

The COVID-19 pandemic has brought unprecedented challenges to the global tourism hotel and catering industry for the year 2020 (Gursoy & Chi, 2020). In December 2019, a case of pneumonia caused by a new coronavirus was reported in Wuhan, China; by January 2020, the virus had broken out into an epidemic in Wuhan, and had spread to many countries. In February 2020, the World Health Organization (WHO) officially named the disease as the “2019 Coronavirus Disease” (abbreviated as COVID-19), and by March, the WHO had declared COVID-19 a global pandemic. COVID-19 is caused by a severe acute respiratory syndrome (SARS) coronavirus (Brizek et al., 2021). The coronavirus spreads through the respiratory tract, quickly causing mild to severe respiratory pneumonia, and is highly infectious (Altakarli, 2020; Menegaki, 2020). Consequently, the WHO and many governments strongly advocated for social distancing as one of the key measures to prevent the person-to-person transmission of COVID-19, as carrying out activities in places with many people would allow the virus to spread quickly (Nhamo et al., 2020). Subsequently, many countries and cities implemented community lockdowns, travel restrictions, and social distancing policies in areas affected by the pandemic.

The restaurant industry is an vital part of the tourism and hotel industry, and was one of the industries hardest hit by the COVID-19 pandemic (Dube et al., 2020). As COVID-19 can spread from person to person in close spaces (Brizek et al., 2021), travel restrictions and social distancing requirements eventually led to a sharp drop in traditional dine-in restaurant bookings and customer turnover rates, and consequently, decline in revenue (Gössling et al., 2020). Deloitte China and China Cuisine Association (2020) reported that every time a pandemic crisis occurred, the main impact on restaurant companies (especially small and medium-sized enterprises) was facing significant challenges such as sharp decline in customer numbers and shortage of cashflow.

The COVID-19 outbreak caused an unprecedented impact on all Chinese traditional restaurant businesses, especially as Chinese New Year (one of the main holiday periods and celebrations for the Chinese population) coincided with the enforced urban lockdowns and banned large-scale gatherings, which were imposed to curb the cross-infection of the new coronavirus in many areas hardest hit by the pandemic. Since mid-March 2020, as China was recovering from the COVID-19 pandemic, the coronavirus had spread to more than 150 countries worldwide (Menegaki, 2020), turning a health crisis into an economic crisis (Hao, Xiao, & Chon, 2020). With the increased number of imported cases brought back by citizens returning from abroad, the reports of COVID-19 cases in China rose again in what was deemed the second wave. It was expected that the global COVID-19 pandemic would

continue to have a serious impact on the tourism and hospitality industries for the rest of the year 2020, and even into 2021 (Hao et al., 2020).

For the purpose of this research, a traditional Chinese restaurant is considered a full-service restaurant (FSR) - Wang (2020) defines a full-service restaurant as one that provides seats for customers to dine-in, with table service, and where the bill is paid for *after* eating. Filimonau et al. (2020) offers a similar definition, identifying full-service restaurants as those offering customers seating and full menu options. More commercial outlets, such as fast-food restaurants, mobile food stalls (food trucks), and workplace cafeterias, were considered limited-service restaurants where customers had to pay over the counter *before* eating, such as takeaway shops, fish and chip shops, and pizzerias (Filimonau et al., 2020). According to an industry report by MarketLine Industry Profile (2015), the full-service restaurants (such as restaurants, cafes, commercial cafeterias) accounted for 33.8% of China's foodservice industry, while fast food providers (including all limited-service restaurants, takeaway, mobile vendors) accounted for 60.7% of the industry's total value. However, according to the report, full-service restaurants are the most profitable among all catering sectors, generating 76.6% of total revenue in 2018 from full-service restaurants (MarketLine Industry Profile, 2015). While full-service and limited-service restaurants were both hit hard by the COVID-19 outbreak (O'Donoghue et al., 2020), this research will focus on exploring the impact of COVID-19 on full-service restaurants in China.

Responses to previous pandemics indicate that takeout and food delivery businesses played an important role in the overall restaurant industry's response to the pandemic crisis, for example, during the H1N1 flu pandemic of 2009 in Mexico City and New York City, the mayor of Mexico City closed all restaurants and only permitted delivery orders (Bell et al., 2009). Additionally, since the SARS pandemic in 2003, the rapid development of the internet and smartphone technologies in China have influenced consumer habits to shift from offline to online (Jia, 2020), resulting in the takeout and food delivery businesses becoming increasingly popular. As many governments imposed regulations on social distancing, self-isolation, and lockdowns during the COVID-19 crisis outbreak, the service scope of restaurant businesses became limited to operating with a takeout and food delivery business model (Gursoy & Chi, 2020).

Many traditional restaurants did not initially have the takeout and food delivery service before the COVID-19 pandemic outbreak (Jia, 2020), however they had to implement the takeout and food delivery model, in line with the government's regulations, in order to continue operating during the pandemic crisis. Restaurants were able to survive the COVID-19 pandemic crisis through the takeout and food delivery model, and the takeaway business model became regarded as one of the most effective measures for the Chinese restaurant industry in coping with the COVID-19 crisis (Ji, 2018).

The most popular takeout and food delivery business model in the Chinese restaurant industry is one where the restaurants choose to cooperate (by signing a contract) with third-party food delivery platforms for their distribution services, in return for a commission fee paid per order delivered (Jia, 2020). Prior to the COVID-19 pandemic, the commission fees charged by the third-party platforms for each order were an affordable expense for restaurants; however, these commission fees were not reduced during the COVID-19 crisis, which raises the second research question: *what role did third-party food delivery businesses play in helping restaurants respond to the COVID-19 crisis in China?*

1.2 Research Purpose

The purpose of this research is to explore the effects of the COVID-19 pandemic crisis on the traditional Chinese restaurant industry, and determine the role played by third-party food delivery businesses in helping restaurants respond to the COVID-19 crisis in China. There are many studies and reviews about past pandemics and crisis management on the tourism and hospitality industry, however, research is lacking on the role of third-party food delivery businesses in responding to a pandemic crisis, thus creating a gap in the knowledge. With the development of the internet and online services in the restaurant industry, it is important to provide insights into the co-operation with third-party food delivery platforms for restaurant and business owners, to inform their future business development. Therefore, to achieve the research purpose, the following two research questions are posed:

- 1. What effect has the COVID-19 crisis had on the restaurant industry in China?**
- 2. What role do third-party food delivery businesses play in helping restaurants respond to the COVID-19 crisis in China?**

1.3 Research Overview

This research first introduces the background and context of the research topic in the introduction chapter: the impacts of the COVID-19 pandemic crisis on the tourism and hospitality industry (with a focus on the restaurant industry), and the role of the takeout and food delivery businesses in responding to the pandemic crisis. The research gap is then described and the importance of the research topic explained, followed by an outline of the research questions and describing the research overview.

The second chapter reviews the literature, beginning with the definitions and types of crisis management in the tourism and hospitality industry. Then, research on pandemic crisis management is reviewed before summarizing the impacts, responses, and consequences of the SARS pandemic, which was similar to the COVID-19 pandemic. The COVID-19 pandemic impacts on the restaurant industry are

also discussed. This chapter then outlines the main takeout and food delivery business models (the one-shot, Cloud Kitchen, Ghost Kitchen, and Virtual restaurant), and explains third-party food delivery platforms' business models using *Meituan* as a business example.

To answer the research questions, the third chapter explains the research methodology, research design, and research method applied within this study. A qualitative research methodology was adopted for this study as it enables an in-depth analysis of a social phenomenon or research topic to emphasize the significance of the results (Atieno, 2009). The research method explored research questions through the systematic analysis of collected data. The data was collected from Chinese catering industry associations, government documentation, third-party food delivery platform websites, and news reports. The collected data was analysed by thematic analysis to compare the different perspectives on the research questions. The coding process was completed with the Qurikos software which saved time for what would otherwise have been a lengthy manual coding process. Finally, the trustworthiness and the limitation of methodology is presented.

The fourth chapter presents the results of the research findings: the COVID-19 pandemic has heavily impacted on the Chinese restaurant industry, causing a sharp decline in the business revenue following the government's policy on temporary business closures and consumer fears of contracting the virus through shared services. The findings suggest that the use of takeout and food delivery during the crisis were not as helpful as expected, due to the inflexible commission fees being charged by companies operating third-party food delivery platforms. However, the third-party food delivery platforms established the "contactless" service models for their takeout and food delivery services, which ultimately helped restaurants draw in more customers to safely order takeout food during the pandemic.

The fifth chapter discusses the main findings presented in chapter four: the Chinese restaurant industry's response measures to the COVID-19 crisis were based on the experiences from the previous pandemic crises, particularly the lessons learnt from the 2003 SARS pandemic. The implementation of contactless service and its improvement of third-party food delivery platforms provided support to the Chinese restaurant industry in response to the COVID-19 crisis. Moreover, the food delivery business model continues to play a crucial role in the future development of the traditional restaurant industry.

The chapter then summarises the significant practical implications, including re-establishing customers' confidence in eating out, and the contactless delivery model becoming widely trusted and praised by customers. The limitation of the research and recommendation for future research are then discussed, before finally concluding the research with the following findings: the COVID-19 pandemic has had a larger impact on the Chinese restaurant industry than any previous pandemics, and third-party food

delivery platform businesses played a generally positive role in helping the restaurant industry's response to the COVID-19 pandemic, and will continue to support the restaurant industry's recovery from the crisis.

2 Literature Review

2.1 Introduction

This chapter starts with providing definitions of crisis management in the tourism and hospitality management context, including internal crises and external crises that require different responses. Then, the impacts, responses, and consequences of previous pandemic outbreaks on the restaurant industry will be described, followed by an explanation of the business models of the takeout and food delivery and third-party food delivery platforms, with *Meituan* as a business example.

2.2 Crisis Management in the Tourism and Hospitality Industry

2.2.1 Definitions & Types

Crises can be described as unpredictable events with low probability, large impact, rapid development, uncontrolled consequences, and unclear outcomes, which result in negative impacts that threaten the interests of enterprises and stakeholders (Liu et al., 2015a). Pforr (2006) suggested that crises can be further divided into *internal* and *external* crisis. Internal crises often result from management failures (Israeli, 2007), whereas external crises result from uncontrollable events in a variety of forms, such as disease pandemics (e.g. SARS and Bird Flu in Asia in 2003-2004); natural disasters (e.g. 2004 Indian Ocean earthquake and tsunami); terrorist atrocities (e.g. Terrorist bombings in Egypt and Mumbai in 2006, and the 9/11 terrorist attacks in New York in 2001); and the global financial crisis in 2008 (Green et al., 2004; Kukanja & Planinc, 2013). Tse et al. (2006) further suggested that external crises can be caused by peripheral factors such as the physical environment (e.g. natural disaster and technological failures) and the social environment, that is, caused by humans (e.g. terrorist attacks, war, and strikes). Crises in the tourism and hospitality industry are usually associated with economic, political, health, and energy crisis events (Hall, 2010), and these various forms of crises have all had severe adverse effects on the global tourism industry in the past, with the most obvious impact being a reduction in business customers and overall revenue (Kukanja & Planinc, 2013).

Ritchie & Jiang (2019) reviewed and summarized the literature on tourism crisis management over the past four decades, and concluded that the risks posed by any crises have a heavy influence on customers' and tourists' choice of tourism destinations and behaviours, which ultimately impact on the wider consumer base and industry practitioners. The tourism and hospitality industries have recovered differently from various different crises, for example, the industries' recovery from a terrorist attack may be relatively shorter compared to recovery from a natural disaster (such as an earthquake), which

may take several years or more for local tourism to recover and infrastructure to be rebuilt (Ritchie & Jiang, 2019).

An effective crisis management plan can help enterprises quickly respond to the crisis, such as targeted scenario plans, which help to deal with crises caused by natural disasters. However, pandemic or disease outbreaks may be more difficult to manage due to the unpredictable and potentially uncontrollable nature of the virus (Ritchie & Jiang, 2019). Hence, industry associations and government departments need to establish effective communication with enterprises to support their crisis management (Yang et al., 2020). The government is the biggest promoter of crisis response and recovery for the affected enterprises, providing assistance such as financial subsidies, promoting marketing strategy by new policies, and supporting facilities reconstruction (Yang et al., 2020). Furthermore, Wang & Ritchie (2010) suggested that crises can be both a threat and an opportunity - they can be turned into opportunities if practitioners use effective strategies in crisis management.

2.3 Pandemic Crisis Management in the Tourism and Hospitality Industry

2.3.1 Pandemic Crisis

A pandemic is defined by Doshi (2011) as a global, border-transcending epidemic affecting many nations and their people. However, Kelly (2011) argued that Doshi's definition of a pandemic excluded the important relationship to population immunity, virology, or disease severity - seasonal epidemics occur every year in the northern and southern hemispheres and affect large numbers of a population, but seasonal epidemics cannot be considered as pandemics. When an epidemic breaks out globally, it becomes a pandemic, and its impact on the local communities and industries can be devastating, for example, the SARS outbreak from 2003 to 2004; the outbreak of H1N1 (bird flu) which spread across the world from April to September 2009; and the H7N9 (another type of bird flu) outbreak in 2013 in China (Kelly, 2011; Qiu et al., 2018).

2.3.2 Impacts of the Pandemic crisis

- On Health

Davahli et al. (2020) reviewed the impact of different previous crises on global tourism, such as the global economic crisis (2008-2009), SARS (2003-2004), and the September 11 terrorist attacks (2001), and found that previous crises have had a little long-term impact on global tourism; however, with the rapid growth of the world's population, the purchase and consumption of many low-nutrient processed

foods, and the rapid development of global public transport systems, the instances of pandemic diseases have increased (Davahli et al., 2020).

A study on the impact of SARS and H7N9 (avian influenza) on health, economy, and society in China showed that the H7N9 identified in 2013 in China was a serious disease that caused human illness and death by consumption of infected poultry meat. Avian influenza had a high fatality rate, but while the H7N9 virus was highly toxic to poultry, there was no evidence of human-to-human transmission (Qiu et al., 2018). The impact of the H7N9 outbreak on human health had caused the Chinese consumers to change their preference for eating fresh chicken - during the H7N9 outbreak, many health-conscious families did not buy live poultry due to the health risk, but the H7N9 has had no discernible impact on urban life in China (Qiu et al., 2018).

On the contrary, SARS caused a great panic in China when it broke out in 2003 - in the early days of the SARS outbreak, the absence of reliable official reports meant that false rumours about SARS were spread quickly through social media, leading to heightened tension and fear of infection. SARS was not only a widespread influenza virus that had caused many deaths – it became a serious psychological threat, causing panic attacks and paranoia about contracting the SARS virus (Bell et al., 2009). In the study by Qiu et al. (2018), a comparison of the H7N9 and SARS crises found that most people surveyed believed that SARS had a more serious impact on all aspects of people's lives - SARS endangered human lives more than any other influenza pandemics due to the possibility of human-to-human transmission (Bell et al., 2009). The Chinese government had no prior experience responding to public health emergencies when the SARS outbreak occurred in 2003, which led to the rapid spread of the disease and social panic; however, they were later able to respond quickly and effectively to the 2013 H7N9 outbreak and the panic that stemmed from ignorance about the virus, because of the lessons learned from their response to SARS in 2003 (Qiu et al., 2018).

- On Finance

Pandemic crises also have a financial impact - the study by Davahli et al. (2020) showed that the 2009 H1N1 pandemic caused an economic loss of over \$2.3 billion in Mexico, and the government did not provide financial compensation to businesses or workers (Bell et al., 2009). Additionally, Qiu et al. (2018) found that the SARS crisis caused a \$12 - \$18 billion loss to Asian countries in tourism and retailing, and as demand for travel and entertainment reduced dramatically, the number of hotel guests and revenue to also took a plunge. Moreover, due to the government's travel restrictions, many workers lost their jobs and income, but the spending on medicine and health services continued to increase simultaneously, causing extreme financial pressure on many families (Qiu et al., 2018).

2.3.4 Response to Pandemic Crisis

The 2009 H1N1 pandemic in Mexico City led the City's mayor to temporarily close down all restaurants' dine-in services, allowing restaurants to serve only takeout orders; later when restaurants were allowed to reopen, the government continued to encourage social distancing of at least two meters apart in public places (Bell et al., 2009). Moreover, people were discouraged from greeting each other with a hug or kiss as they would normally do, and frequent hand washing and cough etiquette were encouraged, with disinfectant provided at all public places; as water supplies were limited in some areas, the government distributed sanitizing alcohol gel free of charge, and government officials distributed disposable masks in public places, advising people to wear them at all times regardless of whether they were sick or not (Bell et al., 2009).

During the SARS period, the Hong Kong General Chamber of Commerce began to lobby the government to provide financial relief to enterprises affected by SARS, including the catering industry - in response to the lobbying, the Hong Kong government announced a HK\$11.8 billion package to help affected companies, which included tax rebates, lower rents in public shopping malls, and reduced water and sewage charges for restaurants (Tse et al., 2006). Additionally, Hong Kong restaurants improved their social responsibility reputation by establishing community funds and sponsoring SARS-prevention-related activities, and in order to restore customers' confidence in their hygiene standards, restaurants actively took measures to disinfect their restaurant areas; besides food quality and cost, many restaurants also started using their cleanliness as a selling point (Tse et al., 2006). Furthermore, Tse et al. (2006) emphasized that it was important to evaluate the effectiveness of the strategies and obtain up-to-date feedback to help managers improve their crisis response strategies until the crisis was brought under control.

Tse et al. (2006) also studied the management plans and recovery strategies formulated by Hong Kong restaurants in response to the SARS crisis, and proposed a four-step crisis management process to help the restaurant industry respond to a similar influenza pandemic crisis:

- 1) *Identify* the type of crisis - allows managers to find appropriate measures to deal with the crisis in the shortest time.
- 2) *Assess* the type of crisis damage - in the case of SARS, the cashflow was a severe problem for many restaurants, therefore, the appropriate countermeasures should include minimizing the operating costs while improving the restaurant's liquidity to increase the restaurant's cashflow.
- 3) *Implement* the strategies - negotiating with suppliers to reduce food costs, reducing rent and labour costs (for instance, letting employees take paid or unpaid leave), and seeking government support, such as wage subsidies.

- 4) *Evaluate* the strategies' effectiveness and get timely feedback - helps managers improve their crisis response strategies until the crisis could be brought under control.

2.4 The COVID-19 Pandemic

As China had experienced the SARS pandemic back in 2003, the Chinese government was able to respond quickly to the COVID-19 outbreak by taking corresponding measures of regional lockdown and enforcing household isolation. However, these measures hindered the production chain and logistics, and further travel restrictions led to a decrease in demand for certain goods and services, causing a direct and serious impact on the tourism and hospitality industry (Menegaki, 2020). Additionally, international travel restrictions and media reports also created an atmosphere of fear, which in turn discouraged many forms of travel and group gatherings; like other pandemics in the past, it is expected that the COVID-19 pandemic will have a long-lasting impact on the tourism and hospitality industry (Glaeser et al., 2020).

As the impact of the COVID-19 pandemic on the tourism industry will depend on when the virus can effectively be brought under control (Glaeser et al., 2020), the response measures should be specific and based on previous similar experiences (Menegaki, 2020). The WHO used the impact of SARS as a benchmark to analyze the scale and dynamics of the impact of COVID-19 (Glaeser et al., 2020). Compared with the SARS pandemic in 2003, the COVID-19 pandemic in 2020 was more geographically distributed and spread faster (Davahli et al., 2020). Although the relevant protective measures adopted by various countries were stricter compared to the SARS pandemic, the impact of the COVID-19 pandemic on the restaurant industry seemed to far exceed that of the SARS pandemic in 2003 (Menegaki, 2020). Therefore, the first question of this research is raised:

1. What effect has the COVID-19 crisis had on the restaurant industry in China?

The SARS pandemic in 2003 in China became a turning point in the internet technology, and many online platforms were created, such as food delivery platforms. Similarly, the COVID-19 crisis may bring new opportunities to further develop the traditional Chinese restaurant industry.

2.5 Food Delivery Business Models

Modern food distribution systems started with economic necessity - Matthew (2020) defines takeaway food delivery as 'a courier service' by which stores, restaurants, or third-party applications can deliver ordered food to their customers on demand; today, most orders are placed through mobile apps, websites, or by telephone.

According to Matthew (2020)'s research on the origins of the food delivery business model, middle-class Americans watched T.V. at home most of the day in the 1950s, which led to the American restaurant industry's collapse, so restaurants started food delivery services to survive, resulting in food takeaway sales increasing at many restaurants by 50% in a short period (Matthew, 2020). Nowadays, busy city dwellers want to eat in the shortest possible time, whether at home or outside, causing an increased market demand for food delivery, which is considered a threat to the traditional restaurant business (Jia, 2020). The convenience, flexibility, and diversity of the takeout model challenges traditional restaurants' dining experience and table service (Jia, 2020). It is predicted that the takeout business model will eventually surpass the traditional dining market within a decade (Matthew, 2020).

However, in his research on food delivery in the restaurant industry, Muller (2018) argued that takeout and food delivery service had existed since long ago in the history of the restaurant industry, that it was not a new technology, and it would not necessarily generate a significant profit increase for the restaurant. With the rapid development of food commercialization, food distribution has become a rapidly growing distribution channel. While the food delivery business seems simple and easy to operate, it also has specific operating and management models, just like other business models in catering management - Muller (2018) summarized the four main popular business models of takeout and food delivery in his research:

- 1) The *one-shot*: usually a small local restaurant with only a few seats, accepting orders over the phone and delivering them to customers nearby. The advantages include the ability to control the food quality, the business retaining all the income, not having to pay the service fee of the third-party delivery platform, and a stable customer base. However, labour and rent costs are high.
- 2) *Cloud Kitchen*: a hub-and-spoke system. This model works for large scale companies, such as Domino's, which specializes in takeout or drive-through businesses through a centralized delivery system set up by the big company, usually with little or no dine-in seats. The advantages are the low-cost chain store site selection, product standardization, and customer data collection, but the products offered can be relatively simple.
- 3) *Ghost Kitchen*: similar to the Cloud Kitchen, except that the Ghost Kitchen never has seating available for customers to dine-in, and it does not offer takeout food either. It only works with third-party food delivery platforms through mobile apps and websites, and offers a diverse menu that allows the kitchen to make different styles of cuisine. This model is characterized by flexible kitchen locations, low cost, and high efficiency, but the third-party delivery platform can take up to 30% commission.

- 4) *Virtual restaurant*: a new type of ‘restaurant’ created by an existing famous restaurant through a third-party platform, offering different types of menus. Restaurant stores only exist on the internet. For restaurants with existing physical stores, this operation mode can increase their sales and lower operating costs because the third-party platform's commission is cheaper than the rent and labour cost of opening new stores.

In order to cater to growing customers' consumption needs, the restaurant industry is increasingly developing online business channels, so the number of restaurants offering takeaways has been steadily increasing over the years. Most traditional restaurants, especially small and medium-sized restaurants, choose to cooperate with third-party food delivery platforms to develop their food delivery service, mainly because the food delivery platforms already have an established food delivery system – together with the potential increase in revenue, exposure and convenience, these are the most significant factors influencing a restaurant's decision to cooperate with certain third-party food delivery platforms (Muller, 2018).

2.5.1 The Third-party Food Delivery Platform

The restaurant industry is the traditional pillar industry of China's tertiary industry (Cheng & Wang, 2019); Statistically, the tertiary sector accounts for “around 44 percent of total output in China, and consists of Wholesale and Retail Trades; Transport, Storage, and Post; Financial Intermediation; Real Estate; Hotel and Catering Services and Others. The value is cumulative” (National Bureau of Statistics of China, 2020).

With changing times comes changing consumer lifestyles and behaviour, which means the restaurant industry will continue to face many challenges through the changes. For example, the changing consumer habits and evolution of the internet platforms have brought about a subversive impact on the traditional restaurant industry - in China, the earliest form of takeout food was simply taking away the leftover uneaten food in a restaurant (Feng, 2018), but after the SARS outbreak in 2003, customers' dining habits began to change as the demand for online orders for food delivery increased. Simultaneously, with the development of internet technology, the food delivery application platforms gradually became a trend for the restaurant industry, and a ‘must-have’ to meet the changing needs of customers (Li, 2016). From telephone ordering, then website ordering, to the current mobile ordering on smartphones and application platforms, the new food business model became a combination of "Internet + Restaurant". In recent years, the accessibility of the food delivery business model was slowly changing the Chinese population's eating habits, with food delivery increasingly becoming the dominant form of obtaining ready-to-eat food.

In the restaurant industry, the third-party delivery platform plays an essential role in the food delivery business (Kwong et al., 2017). In their research, Kwong et al. (2017) interviewed 12 restaurant administrators on the interaction between restaurants and third-party delivery platforms - the research results pointed out three main factors that encouraged restaurants to cooperate with third-party delivery platforms in the food delivery business: increasing revenue, improving restaurant brand awareness, and expanding the sales market. As small and medium-sized restaurants had limited seating in-store, the food delivery service could help increase their revenue from the delivered food sales. Additionally, cooperation with third-party platforms could provide more online visibility for the restaurant - when hungry diners search for particular dishes or food items online, they may see the restaurant's name in the search results, thereby expanding its visibility and reach to a potential new customer base. Moreover, by working with a third-party food delivery platform, restaurants did not need to create their own online food ordering system, or hire more staff to accommodate the food delivery services - they only had to pay the third-party platform a commission fee to increase the number of orders and gain additional revenue. For some restaurants in less popular locations, the use of a food delivery business could help them increase sales dramatically.

Kwong et al. (2017) also outlined why some restaurants may not want to work with third-party delivery platforms. Firstly, in order to maintain quality and freshness of the type of food served, only delivery to nearby areas was possible - this could be done by existing restaurant staff, so there was no need to use a third-party delivery platform. Secondly, restaurants with popular locations and high customer turnover would not need to outsource any food delivery service as they would already be popular enough and already have difficulty meeting large orders at peak times, therefore, they would not need to increase their income through additional food delivery. Thirdly, the high commission rates charged by third-party delivery platforms made it difficult for small restaurants to collaborate with them (for example, customers may only pay \$5-10 for a meal, but the delivery fee could be \$5 minimum). Additionally, some restaurants may be concerned about the lack of control they have over the delivery time, quality of the food upon delivery, and customer satisfaction when partnering with the delivery platforms.

When third-party food delivery platform applications (such as Grubhub, Ubereats) appeared, they were approachable to the restaurant industry – restaurants only had to pay a small commission fee to get online orders and food delivered, and this opened up an alternative revenue-generating channel for many traditional restaurants (Currington, 2019). Unfortunately, in recent years, the increasing commission fees from third-party platforms have left many restaurants struggling with third-party online ordering, especially during the COVID-19 outbreak. Many small and medium-sized restaurants tried to survive through the COVID-19 outbreak by working with third-party delivery platforms

(Currington, 2019), however, the high commission fees for the delivery platforms have left some small and medium-sized restaurants unprofitable and barely surviving.

2.5.2 Meituan

Meituan.com is a Chinese online shopping site that provides different business services, such as food delivery services, consumables/products, and retail services. *Meituan* is also the largest third-party food delivery platform in China (Fuyuntong, 2020; Ji, 2018).

Meituan's food delivery business model operates on four revenue-generating aspects:

- 1) *Commission fees* - it acts as an intermediary for businesses, providing online promotions for partner companies and taking a commission on the total amount of products sold on the website page and the Meituan App.
- 2) *Delivery fee* - distribution fee revenue is the main revenue source of Meituan food delivery.
- 3) *Advertising revenue* - Meituan charges advertising costs when its customers (restaurants) put advertisements on the Meituan App or webpage.
- 4) *Referral fee* - Meituan charges a fee for including a company's link directly on Meituan's webpage to expand the company's brand awareness and potential marketing.

It is important to understand the business profit model of Meituan - the main targeted restaurant partners are small and medium-sized restaurants, as the platform could provide these restaurants with increasing customer visibility and popularity, so that they would become highly dependent on Meituan and have weak bargaining power (Ji, 2018). When the restaurant bargaining power is weak, Meituan would have more power in formulating business model rules and commission ratios, for instance, if a small barbecue restaurant signs a contract with Meituan for 17% commission, they would also need to pay for advertising, referral fees, and potentially delivery fees, which meant for every dish delivered, the restaurant could end up paying up to 30% commission on the Meituan platform (Ji, 2018).

In the past decade, the food delivery industry has developed rapidly in China (Zhang, 2020). Since the COVID-19 pandemic, the restaurant industry could only provide takeout and food delivery services in accordance with government policies, therefore, for many restaurants, adopting the food delivery business model was the only way to survive the COVID-19 crisis (Qiu et al., 2018). However, according to a related report, many food delivery platform companies (including Meituan) did not reduce their commission fees ratio during the pandemic crisis, because the food delivery platforms also relied on the restaurants' commission fees to pay their own employees, for technical maintenance, and app updates (Zhang, 2020). Overall, it was not entirely clear whether the food delivery business would help the Chinese restaurant industry survive the pandemic crisis. Moreover, there were very few studies on

the relationship between the food delivery business model and the restaurant industry in the existing crisis management literature, therefore, this research aims to answer the second research question:

2. In response to the COVID-19 crisis, what role does the food delivery business play in the Chinese restaurant industry?

2.6 Summary

Since the COVID-19 pandemic outbreak, the restaurant industry's customer turnover and revenue had fallen sharply due to government policies and people's fear of contracting the virus, causing an international crisis for the tourism and hospitality industry. This chapter first reviewed the definition and types of crisis management in the tourism and hospitality industry, then examined previous examples of pandemic crises management, particularly the SARS pandemic in 2003, as the viruses were similar. Next, the four main takeout and food delivery business models in the restaurant industry were introduced, followed by an explanation of the profit model of *Meituan* (the largest food delivery platform company in China), and its commission model, which was the most profitable service model with restaurants in the food delivery business. The next chapter will explain the research method of this study.

3 Methodology

3.1 Introduction

This chapter explains the methodology and research objectives and method utilized in this research. The research paradigm is then discussed along with the reason for using an interpretive paradigm. The chapter then introduces the use of qualitative research and document analysis as a research method, within which the data collection and thematic analysis processes are outlined. Finally, the credibility of the research process is discussed, before the possible methodological limitations are presented.

3.2 Research Objectives

This research aims to explore the crisis management of the Chinese restaurant industry in response to the COVID-19 pandemic, and the role of the food delivery business model amidst the COVID-19 pandemic in the Chinese restaurant industry. To achieve the research purpose, the following two research questions will be answered:

- 1. What effect has the COVID-19 crisis had on the restaurant industry in China?**
- 2. What role did third-party food delivery businesses play in helping restaurants respond to the COVID-19 crisis in China?**

3.3 Research Paradigm

Social science research is grounded in basic philosophical assumptions, and recognizing these philosophical assumptions helps researchers to establish a theoretical framework (Tuli, 2010). There are several paradigms which form the philosophical orientation of research, including positivism, post-positivism, critical inquiry, and interpretivism - each of these paradigms explores and interprets research from different perspectives or worldviews (Gray, 2014). Moreover, the choice of paradigm affects decisions in the research process, such as methodology and method (Gray, 2014). The two main philosophical dimensions that distinguish research paradigms are *ontology* and *epistemology*. Their choice affects the choice of research methods, research design, and research tools (Tuli, 2010). *Ontology* puts forward the methodology of the reality of social science research, whereas *epistemology* proposes a methodology about the nature of knowledge, that is, how to seek knowledge - how do we know what we know? The two common paradigms applied within research are the *positivist* and the *interpretive* paradigm (Thomas, 2006).

The *positivist* paradigm usually employs quantitative analysis methods, and its research foundation is that social phenomena can be measured, expressed, and quantified (Gray, 2014). Quantitative methods tend to use raw statistical data to test scientific hypotheses and objectively explain human and social behaviour by collecting measurable data in digital form (Tuli, 2010). Quantitative methods include

sampling, measurement, and questionnaire surveys, and the results of quantitative research are usually expressed in numbers (Pham, 2018). Positivism researchers believe that numbers have explanatory power and high-quality validity and reliability standards (Pham, 2018). This study did not adopt a positive paradigm because it relied on text data, such as government reports, industry reports, and social media news, to answer the research questions, rather than statistics or numerical data. Therefore, as the research purpose is not to test hypotheses, the positivist paradigm was not suitable for this research.

3.3.1 Interpretivist Paradigm

From an epistemological point of view, the purpose of *interpretive* paradigms is to explore people's experiences and viewpoints. Tuli (2010) points out that social reality is too complicated, and as each individual's perception of the world and perception of values are different, the interpretive paradigm accommodates multiple perspectives and multiple dimensions of social reality. An interpretivist paradigm aims to understand social phenomena and help explain reality within society (Tuli, 2010); it also enables personal subjective explanations and opinions to be combined and understood to capture the reality of the social phenomenon under investigation (Scotland, 2012). As Thomas (2006) pointed out, an interpretivist paradigm allows the results of data analysis to be explored and explained, and the meaning of the data to be compared with existing theories and opinions.

As this research collects, observes, and summarizes information and data about how people responded to the COVID-19 pandemic within the context of the restaurant industry in China, an interpretive paradigm has been applied within this research.

3.4 Qualitative Research

Qualitative research usually requires an in-depth analysis of a social phenomenon or research topic to emphasize the significance of the results (Atieno, 2009), and is a more flexible and specific method of research. Thomas (2006) explained that inductive analysis in qualitative research refers to how researchers interpret collected data in detail to generate concepts, topics, or models, establish clear links between the research objectives and the conclusions drawn from the original data, and ensure that these links are both transparent and effective. The commonly used inductive research methods mainly include participatory observation, in-depth interviews, and document analysis (Atieno, 2009). In contrast, quantitative methods are often deductive - the deductive method proposes hypotheses through the existing literature and then collects data to test these hypotheses (Pham, 2018). In addition, qualitative methodology is an explanatory epistemology, and the results of qualitative research methods are usually reported in language-rich text, while quantitative methodology usually presents the research results in

numbers and diagrams (Pham, 2018). As no hypotheses were established for testing in this study, the inductive research method in qualitative research was applied.

3.5 Research Methods

The research method provides a process for the collection and analysis of data to answer the research questions (Gross, 2018). Document analysis was used in the research methods to conduct a thematic analysis of the data to answer the research questions.

3.6 Document Analysis

Document analysis is a qualitative research method that explores research questions through systematic analysis of collected data (Frey, 2018). Document analysis requires researchers to be familiar with the collected data, and conduct an in-depth exploration and analysis of the data to answer the research questions. According to Bowen (2009), in qualitative research, two or more evidence sources are required to collect data in various ways to reduce the possible deviations in research processing methods.

Document analysis can utilize different document data types and research backgrounds to provide data and reveal information from multiple angles, to help explain social phenomena (Bowen, 2009). To answer the research questions for this study, the COVID-19 crisis is discussed from the perspectives of restaurant owners, industry associations, governments, and customers. There are two types of document data: primary data and secondary data (Frey, 2018) - this research uses secondary data from documents with different perspectives, such as industry reports, government reports, and blogs, because according to Bowen (2009), it is a low-cost, high-efficiency, stable, wide-coverage, and convenient data collection method. Based on the above characteristics, the document analysis method was deemed suitable for this research.

3.6.1 Data Collection

The impact of the COVID-19 pandemic on the restaurant industry in China required cooperation from multiple parties to respond to the crisis. The data was collected from catering industry associations, government, third-party food delivery platform websites, and news reports.

When analyzing large amounts of data, Harris (2001) stated that the reliability of the data is enhanced as secondary data has more resources than primary data. Furthermore, secondary data is objective, and it is necessary to maintain a neutral perspective when collecting and organizing data during the data collection process (Harris, 2001). Moreover, secondary data comes from published documents, so ethics approval is not required, which saves time and enhances feasibility within the research process.

Secondary data is also a low-cost data collection method with the advantages of high efficiency, wide-coverage, and easy access (Frey, 2018). For these reasons, secondary data collection methods were applied for this study.

According to Bengtsson (2016), in qualitative research, the amount of data sources is usually based on small numbers of sources, often between one to 30 in number, however, the size of data sources is determined according to the research question's scale and the information needed for the research questions, to ensure enough data and information is collected to answer the research question effectively. When a theme or category has been saturated with the collected data and can no longer generate new ideas or display new content, the collection of new data should be stopped (Bengtsson, 2016). Frey (2018) recommends a statistical record of the collected samples, including title, author, source, purpose, generation date and audience - this step helps to understand the relationship between the sample documents and ensure they are representative. Numbers are not important when it comes to ensuring the adequacy of the sampling strategy - this is a misunderstanding of sampling in qualitative research; the sample size of qualitative research should not be too large, as it will lead to difficulties in extracting rich data (Onwuegbuzie & Leech, 2007).

Additionally, the selection of samples needs to specify a set of clearly defined exclusion criteria because there may be many materials to choose from in the existing documents related to the research question. Therefore, the focus of data collection should be the *authenticity* and *representativeness* of the total amount of data (Bengtsson, 2016). For example, to analyze a new policy and its regulations and better understand its future implementation, data should only be selected from official government documents, rather than personal opinions (Frey, 2018). The data search keywords are based on the research questions and background, and the most effective samples are actively selected to answer the research questions (Marshall, 1996), such as COVID-19, pandemic crisis, responses, full-service, Chinese restaurant industry, takeaway, food delivery.

For the purpose of this research, 38 documents were selected for analysis, as shown in Table 3.1. The selected government documents came from ten different regions representing the Chinese government's unified support policies and specific measures for the restaurant industry. Fifteen catering industry association reports were selected from different provinces, including the industry reports that cooperated with third-party companies. The reliability of the data was ensured through comparison. The ten news reports were collected to obtain different perspectives on the COVID-19 pandemic in different roles, such as restaurant industry practitioners and customers. There were also three other articles from

social media related to this research purpose. Refer to Appendix 1: Extended Document Information, for further information of the documents selected for analysis.

Table 3.1. Documents sources

		Document No.
Government Report		10
Industry Report	Association Report	11
	Third-party	4
Social Media	News Report	10
	Others	3
Total		38

3.6.2 Data Analysis

Thematic analysis was used for this study's data analysis as it is an effective qualitative research method for qualitative research (Vaismoradi et al., 2013), and can be widely used to provide detailed but complex data for answering the research questions (Braun & Clarke, 2012). One of the main advantages of thematic analysis is flexibility - through theoretical freedom, thematic analysis provides a highly flexible data analysis method for research, which can be modified according to the research needs, and provides data from multiple aspects and perspectives (Nowell, 2017). Comparing different viewpoints on the research question shows the similarities and differences of perspectives which may produce unexpected research results (Nowell et al., 2017).

Vaismoradi et al. (2013) also outlined that thematic analysis needs a *context*, and researchers need to find an available theme in the context to create an analysis framework in which the meaning of the data within that context is reflected. Thematic analysis is also useful for summarizing the key characteristics of a large data set as it provides a good structure to organize and analyze the data and then produce a clear and logical report (Nowell et al., 2017).

Coding

Creswell and Creswell (2017) proposed six specific steps of thematic analysis which is widely cited in qualitative research data analysis, however, the focus was mainly on case studies and ethnographic studies. Alternatively, Thomas (2006) outlined a different approach to qualitative data analysis using induction as a systematic procedure for analyzing qualitative data - a method to obtain concepts, themes, or models through detailed interpretation of raw data. The main purpose of the inductive method is to generate research results from frequently occurring, dominant, or important data, without being restricted by structured methods (Thomas, 2006). Therefore, according to the aim of this research, analysis combined Creswell and Creswell's six-step subject analysis with Thomas' five-step subject induction analysis. The specific analysis steps are as follows:

Step 1. Prepare and familiarize with the original data file

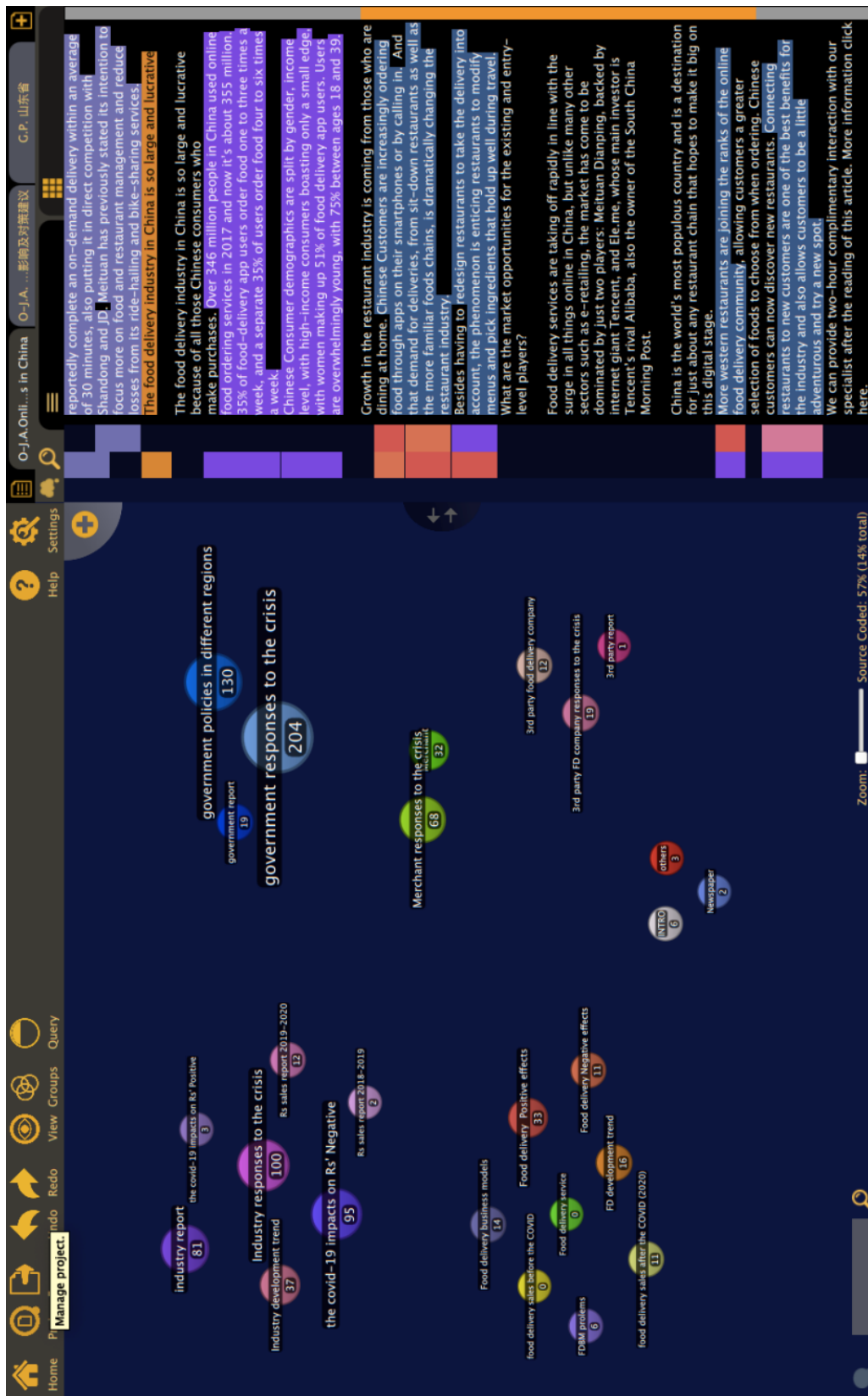
The selected documents are organized and classified according to different data and information sources and then stored in the files (Creswell & Creswell, 2017). For this study, the government reports collected were sorted according to the Chinese province's size, and news reports were organized according to the timeline of the COVID-19 development. Then the researcher familiarized with the data by repeatedly reading through the collected documents to consider the content that may be related to the research questions. This step is a critical thinking process to obtain an in-depth understanding of the document's content (Braun & Clarke, 2012).

Step 2. Generate initial code

As this research follows an inductive thematic analysis process, there were no existing theoretical frameworks or coding instructions for the research, therefore, *open coding* was used to develop and modify codes during the coding process (Thomas, 2006). Then, the content in the documents that were related to the research question were matched and summarized in the codes (Creswell & Creswell, 2017). The coding process is the beginning stage of data analysis, which splits a large amount of data into small clusters of different themes - in this step, the data was systematically organized to generate the initial code (Braun & Clarke, 2006). This study collected data on the impact of the COVID-19 pandemic on the Chinese restaurant industry and customers, and then collected various response strategies from different perspectives such as restaurant owners, catering industry associations, governments, and customers, as shown in Image 3.1.

For the coding process of this research, the Quirkos software was used to encode data in the database, as it had a variety of effective functions to adjust the coding. A significant amount of time was saved compared to an otherwise manual coding process.

Image 3.1. Initial code

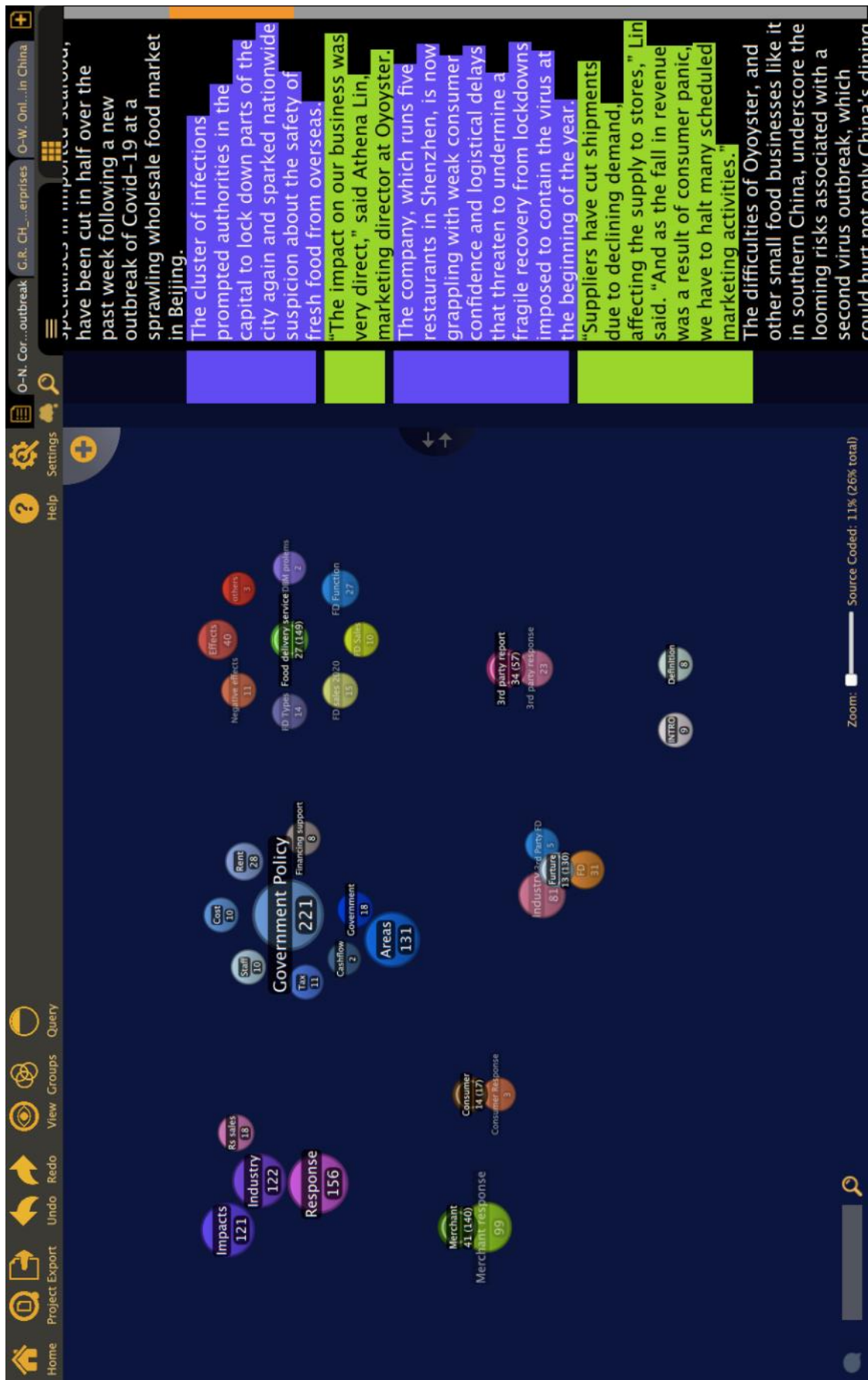


Step 3. Search for themes

The theme should have a central concept that contains many related but different perspectives. To identify the subject, it was necessary to review the original code by re-reading the relevant data, organizing all relevant coded data, managing the relationship between codes and the relationship between themes, finding the sub-themes in each theme (and the hierarchical relationship between the main theme and the sub-themes), and grouping different codes into potential themes (Braun & Clarke, 2012).

Accordingly, for this research, after the theme was determined by the open coding, the original data was reviewed again to identify the relationship between the themes and the sub-themes. Finally, the selected candidate themes and sub-themes were organized as shown in Image 3.2:

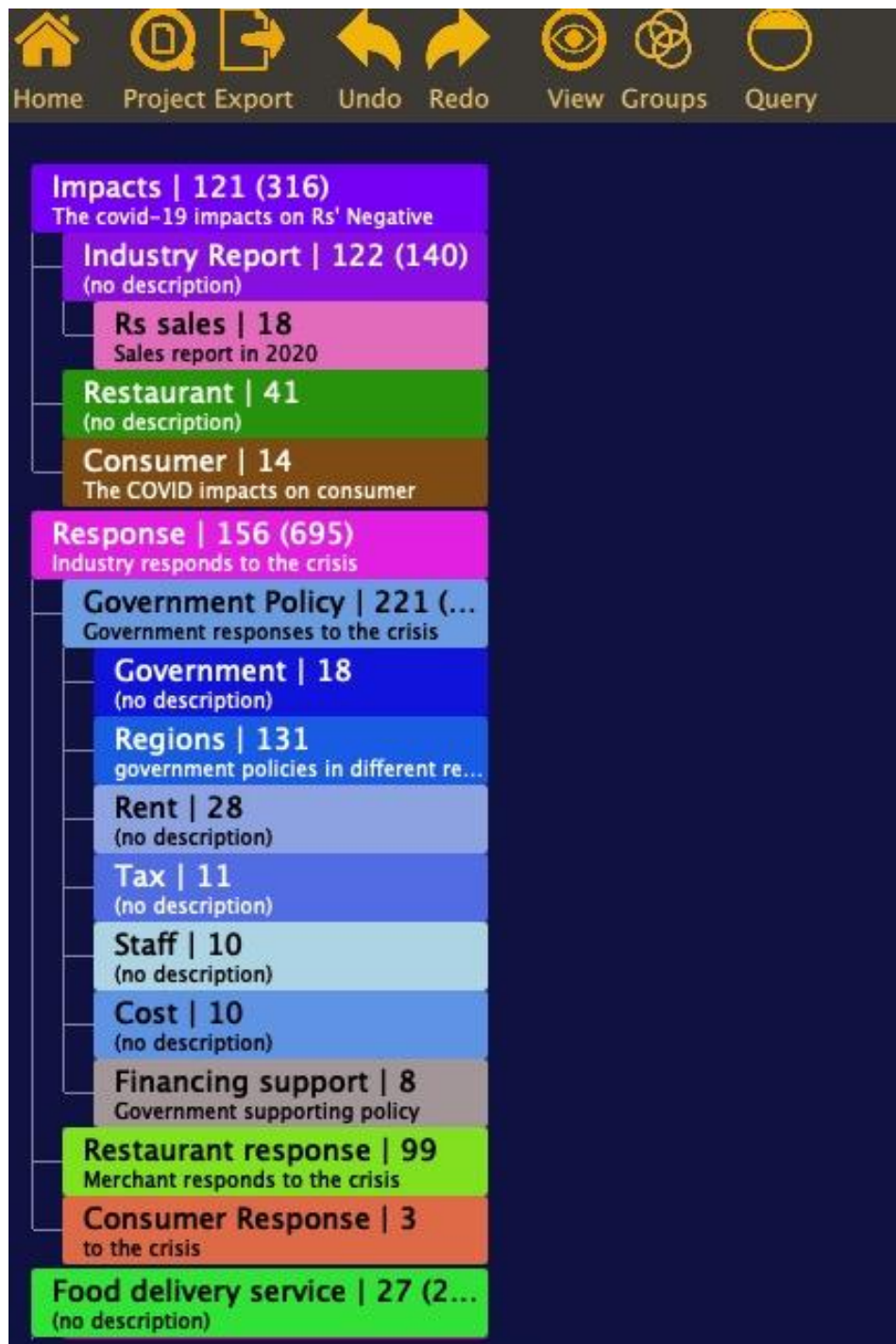
Image 3.2. Themes and sub-themes



Step 4. Define the theme

In this step, the initial theme was reviewed and modified to determine whether the themes matched the coded data (Braun & Clarke, 2012). The data within the themes should be meaningfully combined, and there should be clear distinctions between the themes. Then, all the uncoded data was read and associated with the research question to ensure that the established themes represented the meaning of the data set (Braun & Clarke, 2012), as shown in Image 3.3.

Image 3.3. Defined themes



Step 5. Generate report

Each theme needed to be defined at this stage, including the sub-themes and the refined data. The sub-theme provides structure to the themes and different hierarchies of data (Braun & Clarke, 2006). Each theme needed a detailed analysis, which required selecting valid data to present the research findings so that readers can understand the meaning of the themes (Braun & Clarke, 2006). Then, the report was

generated. This research produced a conceptual diagram of the theme interpretation in the analysis. The themes were defined as “Impact”, “Respond”, and “Third-party food delivery platform”, each with different sub-themes under it, as shown in table 3.1.

In this step, the research questions were also reviewed. Declining number of customers, revenue, and cashflow crisis were the sub-themes under “Impact”, as those categories showed the most impact of COVID-19 on the restaurant industry. The theme “Respond” included three sub-themes: consumption capacity falls, cashflow interruption, and innovative business models, as they were the measures utilized the most by the restaurants to respond to the crisis. Finally, there were four sub-themes under “Third-party food delivery platform”: the *effects* of third-party platform in responding to the COVID-19, the *cooperation* with restaurant during the pandemic, the *response* in helping the restaurant industry, and the health *safety* measures the third-party food delivery platform used for supporting the restaurant industry.

Table 3.2. Themes and sub-themes in reports

Themes			
Sub-themes	Impact	Respond	Third-party food delivery platform
	Decline in the number of customers	Consumption capacity falls	Effects
	Decline in revenue	Cash flow interruption	Cooperation
	Cash flow crisis	Innovative business models	Third-party food delivery platform respond
			Safety

3.7 Trustworthiness

To ensure the research is trustworthy, the research process needs to have a rational theoretical basis to enhance objectivity within the selection of the research method, data collection, and analysis processes (Tuli, 2010). To help achieve objectivity within the cognition of research problem and findings, research data was collected from a variety of government reports, third-party food delivery platform financial reports, and industry association business reports for comparison and analysis. This is in line with Lincoln and Guba (1985)’s recommendations for achieving reliability and objectivity through the collection of data from different perspectives, and its evaluation against other information sources (Frey, 2018). Carefully selected secondary data sources coming from professional research or government

reports are considered credible and verifiable (Frey, 2018). In this research, coding and themes were carried out following the research steps proposed by Creswell and Creswell (2017) and Thomas (2006), and each step was explained. Frequent checking of specific structured coding schemes helped to ensure the effectiveness of thematic analysis (Thomas, 2006).

Some selected data resources were published in the Chinese language, such as the government report and industry association reports, and the data quality after translation by the research (author) may contain inconsistencies - thus, a professional Chinese-speaking teacher (who taught Chinese as a second language) was invited to verify the quality of the translation in this research.

3.8 Limitations

Although there are many advantages to using document analysis, some limitations still exist when using this research method. Firstly, secondary data may lack sufficient details to solve the research questions - documents may be biased because they represent the views of the source author. Therefore, it is necessary to clarify the selection and rejection criteria in the secondary data collection of qualitative research, and use appropriate methods to manage document samples (Frey, 2018). Data relevant to the COVID-19 crisis was collected between December 2019 to October 2020 because the COVID-19 pandemic in China had surfaced in December 2019, and is still ongoing. As this research has a time limit, the timeliness of the data had to be considered, therefore, to complete this research on time, the data collection process was stopped on October 31st, 2020. Moreover, as the method of coding and defining themes may vary for different researchers and research directions, the themes of coding may show differences in data analysis. The scope of this research was also limited to the restaurant industry and food delivery businesses in China, which was the context of the research question, and therefore would have limited applications to other industries and other countries.

4. Findings

4.1 Introduction

This chapter presents the findings of this research from the thematic analysis of the collected secondary data from Chinese catering industry associations, government reports, third-party food delivery platform websites, and news reports. Data relevant to the COVID-19 crisis was collected between December 2019 to October 2020, and five themes and sub-themes were drawn out in this study of the Chinese restaurant industry, which will be discussed in detail as follows:

- The financial impacts of COVID-19 pandemic (decline in customer numbers, revenue, and cashflow crisis),
- Response to the COVID-19 pandemic via mitigation of cashflow crisis,
- The takeout and food delivery business (including online innovation)
- The influence of third-party food delivery platforms in responding to COVID-19, and
- Health & safety.

4.2 The Financial Impacts of COVID-19 on the Restaurant Industry

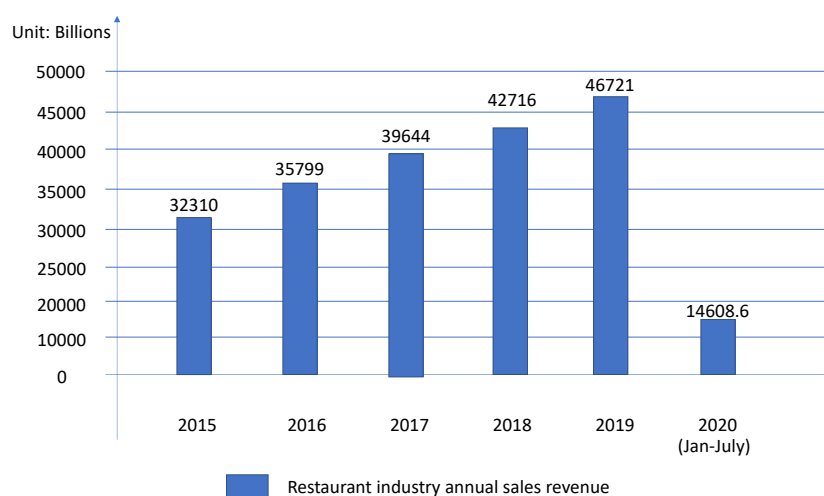
4.2.1 Decline in Customer Numbers

Since the outbreak of COVID-19, the lockdown and social gathering restriction policies implemented in many cities have left restaurant customers mostly confined at home (Deloitte China and China Cuisine Association, 2020), leading to a significant drop in customer turnover. As COVID-19 is an infectious respiratory disease, customers carried a psychological burden to prevent the spread of the virus to protect themselves and their families. Although China achieved initial success in controlling the pandemic from April to May 2020, most customers still choose not to dine out or visit restaurants for health and safety reasons (Deloitte China and China Cuisine Association, 2020). Additionally, travel restrictions and restaurant closures severely inhibited customers' demand for dining-out during the outbreak (Yang, 2020). Furthermore, under the requirements of government policies, many traditional restaurants could only provide takeout and food delivery services, so customers were already gradually shifting their consumption habits into online ordering (Yang, 2020), which contributed to declining customer numbers in restaurants.

4.2.2 Decline in Revenue

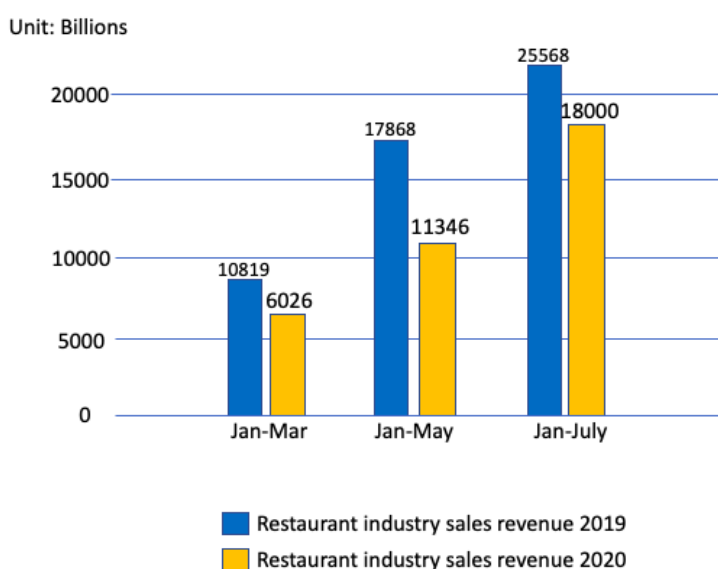
According to the 2020 China Catering Big Data Development Report, income from China's restaurant industry had maintained an upward trend for many years, however, the COVID-19 pandemic triggered a sharp decline in income in the first six months of 2020 (Canbaodian, 2020) as shown in Figure 4.1.

Figure 4.1 Restaurant industry annual sales revenue



The National Bureau of Statistics and China's Catering Industry Annual Report from January to July 2020 indicated the significant losses incurred compared to the same period in 2019, as shown in Figure 4.2:

Figure 4.2



In 2019, China's total restaurant industry revenue was 4.7 trillion yuan, a year-on-year increase of 9.4%; however, due to the COVID-19 pandemic, China's total restaurant industry revenue from January to July 2020 was only 1.8 trillion yuan, a reduction of 32.8% compared to the same period in 2019. The revenue decline from January to March 2020 (Chinese New Year holiday) was particularly significant,

with sales falling by 44.3% compared the same period in 2019. This data set clearly illustrates the significant financial impact of the COVID-19 pandemic on revenue in the China's restaurant industry.

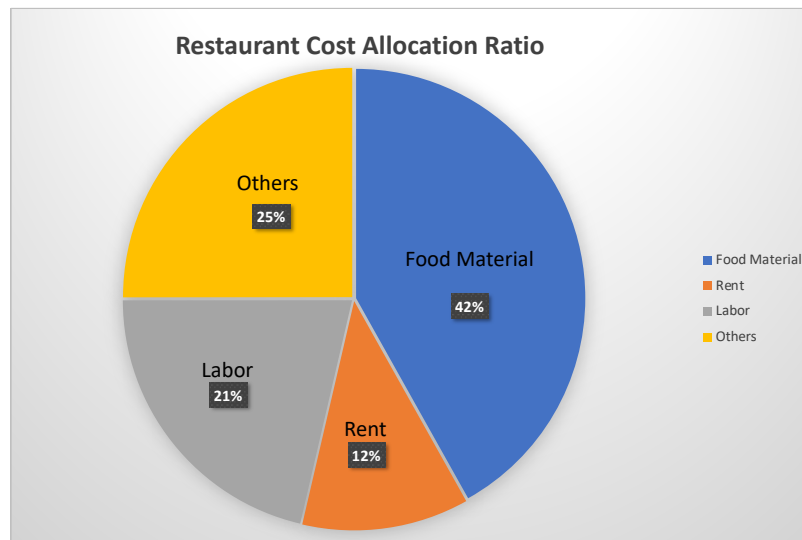
4.2.3 Cashflow Crisis

During the outbreak, the Chinese government mandated restaurants to suspend operations for at least several weeks in response to the spread of the COVID-19 virus, severely affecting the restaurants' revenue and available capital (Lu et al., 2020). The restaurant industry normally operated with a high cash turnover rate, and the cashflow available at any stage in time generally lasted 1-2 months (Li, 2020). However, most small and medium-sized restaurants in China barely had enough cashflow to pay their fixed expenses such as rent, staff salaries, and bank loans, due to the closures (Lu et al., 2020). During emergencies such as the outbreak of a pandemic, when customer numbers drop, the restaurant income would inevitably suffer, causing businesses to shut down and ultimately leading to a cashflow crisis in the restaurant industry. The cashflow crisis caused by business suspension was similar to the findings of this study - according to reports from Deloitte China and the Chinese Culinary Association (2020), if the COVID-19 pandemic continues along with its restrictions, and restaurant operations could not be restored, most restaurants (especially small and medium-sized restaurants) would experience cashflow issues within three months. If restaurants were to close for a month or more, over 25% of them would not survive - it was evident that the COVID-19 pandemic crisis had led the Chinese restaurant industry into serious cashflow crisis.

4.3 Responses to Mitigate the Cashflow Crisis

China's restaurant industry comprises of over 8 million stores, mainly small and medium-sized restaurants with weak anti-risk capabilities (China Hotel Association, 2019). Most restaurants faced serious financial pressures in 2020 due to the sharp decline in customer turnover and revenue. The labour costs, store rents, and loss of materials were the most critical challenges for restaurant owners - according to the China Hotel Association (2019), the cost of raw materials accounted for 41.31% of the restaurant industry's average total revenue, and the average labour cost and rental cost accounted for 21% and 12% respectively, as shown in Figure 4.3.

Figure 4.3



- Loss of food materials & mitigation responses

The COVID-19 outbreak occurred on the eve of the Chinese New Year, and as an industry that relied heavily on high cashflow turnover, restaurant normally used cash for raw food materials, wages and Spring Festival bonuses (China Cuisine Association, 2020). The largest expense for Chinese restaurants was the cost of ingredients, and to cater for the upcoming surge in demand, restaurants generally prepared 3-5 times more inventory than usual just before the Spring Festival (China Cuisine Association, 2020). During the outbreak, the restaurants that stocked mainly fresh ingredients (such as hotpot restaurants) were most affected by the COVID-19 pandemic, whereas fast food and casual restaurants mainly serving pre-cooked food, suffered less losses due to stocking food items with longer expiration dates (China Cuisine Association, 2020); nevertheless the losses in overall costs of food stock across the restaurant industry were still significant.

According to the China Cuisine Association report (2020), while restaurants had an excess of raw materials in stock due to the lack of customers during the pandemic, it was very difficult for normal citizens to buy fresh vegetables, so many restaurants adopted various countermeasures to solve the food supply problems and minimize raw material inventory (China Cuisine Association, 2020), for example, some restaurants set up "convenient food stations" to sell food at a reduced price to nearby residents during the Spring Festival, and some provided free food for the elderly. Moreover, many restaurants donated food materials to the affected areas and set up "field canteens" to provide free meals for medical staff (China Cuisine Association, 2020).

According to the China's National Bureau of Statistics (2020), 15.5% of China's total restaurant industry revenue in 2019 came from the traditional peak season of consumption during the Spring Festival. For the year 2020, due to the COVID-19 outbreak, 78% of restaurants lost all their income during the Spring Festival, which caused unprecedented damage to China's restaurant industry.

- Labour costs & mitigation response

As shown in Figure 4.3 above, labour costs accounted for 21% of the total operating costs of a restaurant enterprise in China, including employee wages and social insurance. Social insurance refers to the “five social insurances and one housing fund”, which includes endowment insurance, maternity insurance, medical insurance, work injury insurance, unemployment insurance, and housing provident fund (Non-statutory) (Yang, 2020). Social insurance was an important part of enterprise labour costs as it accounted for almost 40% of employee's wages (Guan, 2016). Although each company could pay different rates of social insurance for its employees based on their annual income, and even if the employer chose not to pay for the housing provident fund, the "five insurances" would still account for approximately 30% of the employees' total wages (Guan, 2016).

During the pandemic, restaurant businesses adopted different strategies to deal with wage payment pressures, such as delayed payment, unpaid leave, full payment in January, and basic salary in February (excluding social insurance). The catering industry associations supported the restaurant businesses in a variety of ways (Deloitte China and China Cuisine Association, 2020), for example, traditional restaurants that could not provide dining services had idle employees during the lockdown period, however, due to the exponential growth in online orders, the online retail platforms urgently needed a large number of extra staff, and the industry associations helped connect the supply and demand of employment information across industries through initiatives such as the “shared employees” program run by ‘Hema’ (Xinhuanet, 2020a), an online fresh food retail platform under the Alibaba Group (freshhema.com/, n.d.). The "shared employees" program relieved the restaurants' labour cost pressure and helped e-commerce platforms secure the necessary staff to service their influx of online orders.

To ensure that companies avoided too many layoffs, the Chinese government introduced policies to help restaurant businesses operate, for example, granting subsidies and delaying social insurance payments. Director Nie Mingjun, the Human Resources and Social Security Department of the Pension Insurance Department, confirmed that 2.329 trillion yuan (NZ\$483 billion) would be exempted nationwide from February to March 2020, and from that, 189.3 billion yuan (NZ\$42 billion) accounted for 81.3% of small and medium-sized and micro-enterprises, indicating that small and medium and micro-enterprises were the main beneficiaries of this social insurance exemption (Li, 2020). Moreover, training subsidies were increased in 2020 for companies that organized employees to participate in

vocational skills training (China Cuisine Association, 2020; Xinhuanet, 2020a), for example, the skills upgrade training subsidy increased from 1,400 yuan per capita to 2,000 yuan (Shenzhen, 2020).

- Store rent & mitigation responses

Store rent had always been a long-term fixed operating cost for restaurants (China Cuisine Association, 2020). Business owners had to actively seek policy support and maximize use of the government's support policies to respond to the pandemic, such as seeking tax exemptions, tax rebates, and payment extensions. Some large real estate groups actively responded to the pandemic crisis, such as Wanda management group who, during the period from January 24 to February 25, waived rent and property fees for tenants in Wanda plazas across the country (Xiang, 2020).

Many local governments in China (such as Beijing, Jiangxi, and Suzhou) also announced rent reductions for small and medium enterprises (Deloitte China and China Cuisine Association, 2020). For the cities who suffered from large losses due to the COVID-19 pandemic and had difficulty paying urban land use tax and real estate tax (such as in Shandong Province and Suzhou City), the tax authorities reduced or exempted land use tax and real estate tax (Guangdong, 2020; Henan, 2020; SiChuan, 2020; Zhejiang, 2020).

- Financing difficulties

In order to relieve pressure on cashflow, many restaurants needed the help of financial institutions (Guangdong, 2020; Henan, 2020; SiChuan, 2020; Zhejiang, 2020). Under normal circumstances, it was already difficult for many small and medium-sized restaurants to obtain loans as they were not considered 'high-quality' clients for financial institutions (China Cuisine Association, 2020), therefore, restaurants had to proactively apply for relevant financial support packages during the pandemic. Many local governments introduced a series of fiscal support policies, including low-cost loans, accounts receivable financing, and encouraging direct financing, to help restaurants alleviate the cashflow crisis (Deloitte China and China Cuisine Association, 2020). The government policy also helped restaurants reduce financing costs by encouraging banking institutions to reduce the loan interest rates and handling fees appropriately (Deloitte China and China Cuisine Association, 2020). Furthermore, restaurants could obtain long-term financial support through equity financing to utilize strategic investors, or cooperate with strategic investment institutions to obtain high-quality investments (Deloitte China and China Cuisine Association, 2020).

Moreover, during the total and prolonged lockdown, the restaurant industry, which had actively participated in the fight against the pandemic, continued to display corporate social responsibility (CSR)

- CSR reflects a company's efforts in fulfilling ethical responsibilities, transparent management, environmental protection measures, equal recruitment opportunities, and community service for

employees and customers (Hao et al., 2020). For instance, some restaurants started "convenience food stations" during the Spring Festival to sell fresh food to nearby residents at below-market price, provided free food for the elderly in the neighbourhood, donated food, and even set up "picnics" to provide free meals for medical staff.

4.4 The Takeout and Food Delivery Business Model

As the traditional restaurants could not provide dine-in services during the COVID-19 pandemic (only food delivery services were permitted), many traditional restaurants were expected to survive by adopting food delivery business models to cope with the pandemic crisis. Additionally, restaurant companies started diversifying into other online businesses besides the food delivery business, for example, the WeChat community (an online community group established through the WeChat App) created a community supermarket to promote semi-cooked products and fast food products (Xinhuanet, 2020a).

However, not all traditional restaurants adopted the online retail model. *Haidilao* is the largest hotpot chain restaurant in China (Xiang, 2020), and freshness of ingredients is a requirement to complete the dining experience, which meant they were therefore unsuitable for delivery - this was consistent with the findings of Kwong et al. (2017), who suggested that foods requiring fresh ingredients were not suitable for the takeout business. Moreover, Haidilao prided themselves on their high-quality customer service that would have been difficult to replicate in a takeout or food delivery model. According to Haidilao's financial report, the food delivery business earned a revenue of 450 million yuan in 2019, a year-on-year increase of 29% compared to 320 million yuan in 2018, however, this only accounted for 1.7% of its total annual revenue. Therefore, since the COVID-19 outbreak, Haidilao innovated other business models to respond to customer's demand changes, for instance, working with their food suppliers to launch a direct distribution of fresh ingredients, which provided customers with more convenient grocery shopping services. Based on their customers' needs, they launched the "*Haidilao ready to go*" series of pre-cooked meals that customers could receive within 24 hours of ordering online - these products were fresh, pre-cooked dishes with the cooking instructions explained in each package, as shown in Image 4.1 below:

Image.4.1 Pre-cooked dish sample



The takeaway delivery business had also become a "self-help" move for some branded restaurant companies across the country to survive the pandemic crisis:

"Due to the reduction in the flow of people caused by the control of the pandemic, the takeaway business is an important way to help the catering industry overcome the pandemic." (Yang, 2020)

According to a report released by the China Council for the Promotion of International Trade (Beijing Youth Daily, 2020), the period from January to May 2020 saw 106,000 new companies open with takeaway business services, an increase of 766% compared to the same period in 2019. In April and May 2020, the number of new takeaway-related companies exceeded 43,000, which surpassed 2019's 40,000 total number of new additions (Beijing Youth Daily, 2020).

Many small and medium-sized restaurants in China operated on small profits and quick sales, with net profit margins of 8-12% (Beijing Youth Daily, 2020), therefore, it was difficult for them to bear the cost of building their own distribution teams. Third-party food delivery platforms (represented by Meituan) already had a comprehensive online ordering system, strong user flow, and a systematic delivery team and network - these benefits were the main reasons why most small and medium-sized restaurants chose to cooperate with third-party food delivery platforms when developing their food delivery business model (Beijing Youth Daily, 2020).

The two most important aspects for restaurants when it came to selecting certain third-party takeaway platforms to partner with, were the platform user flow and delivery services - the customer hit rate was the one factor that restaurants valued the most, as high customer turnover numbers translated to more potential orders and higher revenues. Additionally, the cooperation between well-known restaurant brands and third-party food delivery platforms were considered a win-win strategy (Canbaodian, 2020). The restaurant brands could expand the source of income through the takeaway platform, and the third-party platform companies could use the restaurant brands to uplift their own variety and quality of product offerings (Canbaodian, 2020).

4.5 The third-party food delivery platform (Meituan)

The Meituan Research Institute and the China Hotel Association conducted a survey on the food delivery businesses in February 2020, with 13,015 valid questionnaires - using data based on the big data of the Meituan food delivery platform, the survey results showed that over half of the respondents believed that launching a takeaway business broadened sales channels, increased customer flow, and expanded sales scope. Among them, 74.8% of traditional restaurant respondents believed that their total income had increased since they started using the delivery service (Meituan & China Hotel Association, 2020).

In March 2020, Deloitte China and the China Culinary Association jointly issued a research report showing that 91.6% of restaurants had implemented food delivery business models, with 23% of the restaurants surveyed continuing to provide food delivery services during the Spring Festival. However, the effect of food delivery business models was not as prominent this time, with 89% of the companies who responded stating that their takeout orders had actually decreased to varying degrees. Over half of the restaurant owners said takeout orders have fallen by more than 80%, and only 15% of the companies thought their takeout orders had increased since the lockdown period (Deloitte China and China Cuisine Association, 2020).

The main reasons for the decrease in takeout orders were due to:

- Decline in food delivery orders during the Spring Festival;
- The strict restrictions of non-essential travel, including food delivery workers in various communities during the pandemic prevention and control period; and
- The high commission fees charged by the food delivery platform company.

Additionally, 91% of the participating restaurants reported that the commission rates of third-party food delivery platforms were not reduced during the pandemic, with 2% of the restaurants pointing out that the commission rates had actually increased for them (Deloitte China and China Cuisine Association, 2020). In general, 55% of the restaurants' takeaway orders fell by more than 80% during the Spring

Festival, which meant the restaurant operations' main pressure was to increase revenue from the takeout business and online operations – this in turn increased the financial burdens on the restaurants in general (Deloitte China and China Cuisine Association, 2020).

Many restaurants established food delivery services to provide meals for the front-line medical personnel and government agencies and institutions, which to a large extent, was a display of CSR, guarantee the supply of medical personnel catering, and reduce the inconveniences caused by the pandemic (Jia, 2020). For many restaurants, providing takeaways during the pandemic actually cost more than closing down the business - additional expenses such as disinfection and pandemic prevention costs, multiple packaging costs, and staffing resumption costs, meant that some restaurants continued operating at a loss (Jia, 2020).

However, the China Hotel Association confirmed that the food delivery business model was extremely beneficial to the catering industry's recovery and development through the pandemic crisis, stating that:

"For the current market situation, in the short term, utilizing online channels will become an important outlet for the catering industry. Under the background of the pandemic, catering companies can use the takeout platform's positive measures to actively communicate with the takeout platform to find a way to maintain business."
(Jia, 2020).

For example, "Nanchengxiang", a Chinese fast-food chain, started providing takeout services via Meituan to continue their business operations and brand building during the pandemic:

Meituan's "Anxin [Peace of mind] Restaurant" plan refers to the platform through digital capabilities to guide catering businesses to process, standardize, and online prevent pandemic safety measures such as employee temperature measurement, mask-wearing, and environmental disinfection. Becoming an "Anxin Restaurant" catering business can visually display the store's anti-pandemic and sanitation service measures in the front house and back kitchen to customers and obtain further support for online promotion resources such as pandemic prevention label display (iimedia, 2020).

By participating in Meituan's "Anxin ("Peace of mind") Restaurant" program, Nanchengxiang's takeaway orders achieved 70% recovery from early February (the Spring Festival period) to late February 2020. This was accomplished through the high customer hit rate and contactless delivery service provided by Meituan's food delivery platform (iimedia, 2020).

4.4.1 Commission Conflicts

Many restaurants that suspended their dine-in services during the lockdown, had expected to increase their revenue through the food delivery business model to cope with the COVID-19 crisis, with up to 90% of the restaurants choosing to work with a third-party food delivery platform company. However, the high commission fees of third-party food delivery platforms had constricted the restaurants' already small profits, which led to small and medium-sized restaurants struggling to survive (Guangdong, 2020; Zhejiang, 2020). Conflicts between the restaurant and third-party takeaway platforms drove the catering industry associations in various provinces and cities to lobby for third-party food delivery platforms to reduce their commission fees to ensure continuity of urban catering supply and demonstrate social responsibility towards restaurants during the pandemic crisis (Guangdong, 2020; Zhejiang, 2020).

The representatives of several catering associations in Shandong province jointly issued an open letter calling on third-party food delivery platforms to reduce the commission fees during the pandemic crisis. They pointed out that if the restaurants registered on Meituan and other food delivery platforms simultaneously, Meituan's commission fees were increased by 3% to 7%, an exclusivity rule that many restaurants could not afford, especially smaller restaurants. The Guangdong Catering Service Industry Association wrote demanding Meituan to cancel the "exclusive partnership restriction" clause and reduce the commission fees for restaurants in the Guangdong province by 5% or more during the pandemic. Moreover, industry associations statements issued by catering associations in Chongqing, Sichuan, and other regions also called on third-party food delivery platforms companies to reduce their commission fees for struggling restaurants during the pandemic.

There were two key points in the commission dispute for Meituan: one was that the commission rates charged by Meituan were not reduced during the pandemic, and the other was that Meituan required restaurants to agree on the "exclusive partnership restriction" clause, which did not facilitate healthy competition (China.com, 2020).

4.4.2 Response to the conflicts

Since the COVID-19 outbreak, Meituan required new restaurant partners to sign exclusive agreements with a 16% commission charge; if no exclusive agreement was signed, then a 21% commission would apply (Xinhuanet, 2020a). Furthermore, if the new businesses did not sign an exclusive contract, the platform approval process would take 2-3 weeks, whereas by signing the exclusive contract, the approval could be obtained within one or two days. These policies resulted in many small restaurants closing down as they were unable to survive the COVID-19 pandemic.

In response to the above dispute, Wang Puzhong, the Senior Vice President of Meituan, responded that Meituan too was in a tough financial position: "Since its beginning, Meituan Takeaway has been losing money for five years. It was break-even in 2019. However, the average profit per order in the fourth quarter was less than 20 cents (Yuan)" (Legal Daily, 2020). Later, according to a joint statement issued by Meituan Takeaway and Guangdong Catering Service Industry Association, Meituan expressed respect for restaurants to independently choose to partner with multiple online platforms, and refunded the commission fees (3%-6%) for takeout restaurants in severely affected provinces such as Wuhan (OuYang, 2020). The commission fees that were returned to a restaurant's account on Meituan could be used for future advertisement, promotion, and online marketing with Meituan (OuYang, 2020).

Meituan stated that it had initiated specific assistance measures for restaurants in Wuhan (Meituan & China Hotel Association, 2020), as well as the "Seven restaurants assistance measures" across the country since the pandemic outbreak, detailed as follows:

1. From February 1, 2020, Meituan Takeaway would exempt commission for all catering takeaway restaurants in Wuhan for one-month.
2. For in-store business areas in Wuhan, commission was reduced for one month and the annual merchant fee extended for two months free of charge.
3. Meituan provided free insurance products for restaurants and employees in Wuhan. A special guarantee of up to 300,000 yuan would be granted for staff deaths caused directly by COVID-19.
4. Gifted 10,000 sets of cash register systems to restaurants in Hubei province.
5. Provided 350 million yuan in special support funds to support cooperative restaurants nationwide to resume operations; provided more than 50,000 commodity stores in 38 cities; and provided "one-click" online channels to help partner small and medium-sized restaurants solve their food stock procurement issues.
6. Cooperated with banks to provide preferential interest rate loans with a scale of no less than 10 billion yuan for restaurants (priority would be provided to merchants' capital needs in Hubei to receive special support).
7. Meituan University provided more than 800 free online courses to help restaurant staff learn skills such as pandemic response and food safety.

Due to the second wave of the pandemic in Beijing in June 2020, Meituan Takeaway had progressed its support to help cooperative restaurants improve their online business capabilities by using the internet platform's digital power, thereby increasing restaurants' takeaway orders and revenue (Zhang, 2020).

4.6 Health & Safety

After some restaurant staff in Beijing were tested positive with COVID-19 in early June, concerns about the coronavirus being transmitted through handling of takeout food, and whether the delivery staff had contracted the virus, again heightened the general public's concerns about food safety (Zhang, 2020). Li Fengqin, the Director of the National Food Safety Laboratory, reassured the public that the delivered food from existing restaurants and well-cooked food could be purchased and consumed safely (Zhang, 2020). Additionally, the food delivery platform companies also updated their delivery service models to reduce the risk of spreading the virus and to ensure customer safety, for example, Meituan Takeaway first launched its "contactless delivery" program in Wuhan on January 26, which was then rolled out nationwide (Meituan & China Hotel Association, 2020).

To rebuild customer confidence in consumption, Meituan Takeaway also continuously launched a variety of different innovative service plans to ensure customers' dining safety (Meituan & China Hotel Association, 2020), such as:

- The electronic version of the "*Takeaway Safety Card*", which recorded the names and body temperatures of food producers, packers, and delivery staff online. Customers could check those records directly on their mobile phones when ordering online.
- Based on the mobile ordering function of the Meituan App, restaurants could provide QR codes for any menu item, allowing customers to make orders without human contact – after scanning the code to place the order on their mobile phones, the kitchen directly received the orders for processing. When the food was ready, the restaurant staff delivered the meal to the designated meal-pickup area where customers could then collect the orders with their order number, making the whole process contactless.
- Using robots with delivery functions to help restaurants deliver meals from the kitchen to the designated pick-up areas in the restaurant.
- Promoting online the restaurants providing contactless services for ordering, takeout/pick-up, delivery, and providing the logos for partner restaurants who offer contactless services, so that customers could easily identify and find partnering 'contactless restaurants'.

Contactless restaurants catered for a variety of food needs and tastes, such as Chinese snacks, Chinese fast foods, and Western fast foods (Zhang, 2020). The contactless restaurants also set up a contactless pick-up area to separate the in-store customers from the food delivery platform delivery pick up area. Delivery drivers had to follow strict contactless delivery protocol, and customers could track food safety information through the app on their mobile phones. According to Meituan Takeaway's "Contactless Delivery Report," from January 26 to February 8 of 2020 (the Chinese Spring Festival period), orders

through the contactless delivery logo accounted for more than 80% of the total order volume (Zhang, 2020).

In July 2020, Meituan Takeaway upgraded the "Anxin [*Peace of mind*"] Restaurant" standard to include a nucleic acid test certificate for COVID-19, uploaded to its portal for restaurants in Beijing. The restaurants with a nucleic acid test status could provide the certificate to customers, who could then scan and check the restaurant's pandemic prevention measures and safe operation status through the Meituan App (Meituan & China Hotel Association, 2020).

Furthermore, some contactless restaurants also provided customers with an online live broadcast of the kitchen hygiene status that could positively influence customer satisfaction. Some restaurants switched to antibacterial cooking materials, such as copper, in their operations. To respond to the requirements of social distancing, restaurants redesigned their seating floor plans and service operation protocols to reassure customers of their standard of hygiene and health safety (Jia, 2020; SiChuan, 2020; Xinhuanet, 2020b; Zhejiang, 2020).

As at the conclusion of this study in October 2020, the pandemic was yet to be eliminated completely. The food delivery service could provide the convenience of contactless delivery to customers in isolation at home, and help mitigate the full impact of the COVID-19 pandemic on the catering industry. The '*contactless restaurant*' could be the next emerging business model for traditional restaurants to cope with the effects of the pandemic crisis, as customers' dining safety could be guaranteed by contactless services for ordering, delivery, and takeaways (Zhang, 2020).

4.7 Summary

This chapter outlined the research findings from restaurant owners, industry associations, government, and customers, and demonstrated that the significant impact of the COVID-19 pandemic on China's restaurant industry was the cashflow crisis caused by the decrease in the customer numbers and the reduced income of restaurants. The Chinese restaurant owners, restaurant industry associations, and the government, therefore had to formulate and implement specific countermeasures for the cashflow crisis, such as tax reduction, rent reduction, online business models development, and adoption of the takeout and food delivery business models. Additionally, this research found that the takeout businesses who partnered with third-party delivery platforms played an important role in the restaurant industry's response to the COVID-19 crisis. However, due to the high commission fees charged by the third-party food delivery platforms, the takeout and food delivery businesses had no obvious positive effect on small and medium-sized restaurants' revenues in responding to the crisis. The key findings of this chapter are discussed in the next chapter.

5. Discussion

5.1 Introduction

This chapter summarizes and discusses the key findings of this research. According to the research on the SARS epidemic by Pforr (2006), the epidemic affected customers' purchasing strength and had a serious negative impact on merchants' sales. This study found that the Chinese restaurant industry had taken proactive measures in the face of the COVID-19 pandemic, not only by adopting operational measures to deal with a pandemic crisis (based on previous experience), but also by innovating new business opportunities (such as online retail businesses, contactless services). This chapter also discusses the role of the food delivery businesses in responding to the epidemic. Findings suggest that the food delivery business model had little effect on the restaurant's struggle against the epidemic – it only helped some restaurants to just survive, without achieving extra profitability. This study also revealed that the partnership between restaurants and food delivery platforms was helpful to the business model of the traditional restaurant industry. Finally, this chapter discusses the limitations of this research and suggestions for future related research.

5.2 Response

When the COVID-19 outbreak occurred, the Chinese government responded aggressively (based on previous experiences of responding to pandemic outbreaks) by locking down cities, mandating restaurant closures, and restricting non-essential travel by instructing non-essential workers and the general public to stay home (Pforr, 2006; Tse et al., 2006). Although those policies helped to control the spread of the virus, they had simultaneously brought various impacts to other aspects of people's lives. On January 30, 2020, during the Chinese New Year holiday, the World Health Organization declared COVID-19 an international pandemic crisis, a move which would plunge the restaurant industry into dire straits. As the COVID-19 pandemic crisis occurred during the Chinese New Year / Spring Festival holiday, it was estimated that the restaurant industry sustained 3-5 times more damage than it would have if the outbreak had occurred outside of the Spring Festival period – this was because restaurants' required 3-5 times more capital input (including the purchase of food materials and staff wages) for this peak season than usual (China Cuisine Association, 2020; Deloitte China and China Cuisine Association, 2020).

Tse et al. (2006) studied the management plan and recovery strategy of Hong Kong restaurants in response to the SARS crisis, and found that cashflow was the main challenge in the catering industry during the pandemic crisis. The cashflow problem was also found to be the greatest challenge brought on by COVID-19 in China's catering industry, and both the Chinese government and the restaurant owners had to take proactive measures to reduce operating costs while improving the cash liquidity for

restaurant businesses. In China, the restaurant industry used coping measures in response to COVID-19 which were in line with Tse et al. (2006)'s recommendations in their study - for example, negotiating with suppliers to reduce food costs, allowing employees to take paid or unpaid leave to reduce labour costs, and seeking government support such as reducing rent and taxes. During the outbreak, cost reduction was a core element of the restaurant businesses' activities.

A finding of interest in this research was the cross-industry "shared staff" program launched by Hema, which helped balance the labour cost pressure of restaurants and e-commerce platforms - this "shared staff" strategy not only reduced the labour costs, but also helped e-commerce platforms secure enough delivery personnel, which in turn reduced staff turnover and layoffs. Since employees were the key and a well-defined part of the restaurant industry's success, laying off too many staff would be detrimental to the business (Yang et al., 2020), especially for small and medium-sized restaurants. Competitiveness was not achieved by cutting labour costs, and its importance is elevated during a crisis, as being more competitive during an epidemic could help restaurants survive (Israeli, 2007). Government assistance and improved marketing channels were some identified opportunities to improve competitiveness.

The findings in this study were consistent with those of Tse et al. (2006) regarding government support in the pandemic crisis - the government looked at the difficulties caused by the crisis, provided financial support, and allowed some flexibility or expense waivers. For example, during the epidemic period, the Chinese government provided subsidies to enterprises with little or no redundancy, while social security department permitted delayed tax payments (China Cuisine Association, 2020). Furthermore, the Chinese government had also increased training subsidies for enterprises that organized workers to participate in vocational skills training.

Additionally, this research found that some restaurants set up "convenience food stations" during the Spring Festival to sell fresh food to nearby residents at below-market price, provided free food for the elderly in the neighbourhood, donated food, and even set up "picnics" to provide free meals for medical staff. CSR indicators measure the reliability of catering enterprises' brand value also had a positive influence – a positive display of CSR. The CSR shown by the restaurant industry during this pandemic was in line with previous studies (Hao et al., 2020) - for many restaurants, the additional operational costs during the pandemic (such as covering delivery costs, absorbing extra expenses such as disinfection and prevention-related costs, multiple packaging costs, and staff recovery costs) could add up to exceed the cost of just closing down the business; consequently, many restaurants were operating at a loss during this time. Over the total and prolonged lockdown, the restaurant industry, which actively participated in the fight against the pandemic, demonstrated CSR, reflecting the businesses' efforts in fulfilling ethical responsibilities, transparent management, environmental protection measures, equal recruitment opportunities, and community service for employees and customers (Hao et al., 2020).

5.2.1 Improving customer confidence in safe dining

As the COVID-19 virus is airborne (like the SARS virus), restaurants had to reduce the risk of transmission by minimizing dine-in services to reassure customers' confidence in dining at restaurants. Due to the fear of COVID-19, consumer confidence for dining in at restaurants had dropped dramatically, therefore, to create safer dining environments, restaurants should enhance their staff management processes (Beijing Municipal Commerce Bureau, 2020). Since the pandemic is still ongoing, restaurant patrons' expectations of disinfection and hygiene standards in the dining environment would be higher than before the pandemic - customers should be reassured that all possible contact areas of the restaurant had been adequately cleaned and disinfected, so as to restore their confidence in the safety and hygiene of the food they consume in the restaurant (Beijing Municipal Commerce Bureau, 2020).

5.2.2 Stimulating consumption

To stimulate consumption, rewards in the form of coupons and discounts were used. As of the end March 2020, 16 provinces and cities in China had issued or planned to issue electronic vouchers to the value of over 4.2 billion yuan, to encourage and stimulate consumption (Zhang, 2020). Previous research on SARS also indicated that restaurants offered more discounts or other forms of promotion to attract potential customers to dine (Tse et al., 2006). Moreover, in light of the restaurant industry's business restrictions, restaurants needed to stimulate customers' consumption through various incentives, such as grants and discounts (Dube et al., 2020). While minimizing costs and increasing revenue, other factors such as dine-in restrictions and lack of customer confidence meant that restaurants had to develop innovative new business channels. The next sub-section will summarize the innovative business channels found in this research.

5.3 Food Delivery Business

Due to the government's mandated temporary closure of restaurants, the takeout-only policy, and the population's general fear of the virus transmission during the pandemic, the customer numbers and income of restaurants plunged, causing a cashflow crisis (Deloitte China and China Cuisine Association, 2020). Takeout and food delivery services played an important role in the restaurant industry's response to the pandemic crisis during the 2009 H1N1 influenza pandemic in Mexico City and New York City, as the mayor of Mexico City closed all restaurants to allow only takeout orders (Bell et al., 2009). During the COVID-19 outbreak, the Chinese government's takeout only policy meant restaurant owners had to actively establish takeout business models to continue operating, and many small and medium-sized restaurants chose to cooperate with third-party food delivery platforms to provide this service

(China Cuisine Association, 2020). As the third-party food delivery platforms already had established distribution systems, they could also help the restaurants increase their income and expand their popularity online (China Cuisine Association, 2020). However, this research also found that the commission fees charged by the third-party food delivery platforms did not help the restaurants' delivery business to improve its profitability during the pandemic period. Additionally, through the takeout business model, many smaller restaurants could only pay necessary fixed expenses (such as rent, salary, food materials, and delivery commission), and barely made any profit during the epidemic (Xinhuanet, 2020a). It was also reported that during the 2020 Spring Festival period, 55% of restaurants' takeout orders fell by more than 80% (Xinhuanet, 2020a).

Since the outbreak of the COVID-19 pandemic, the high commission rates of the third-party food delivery platforms also drove the catering associations in different provinces across China to continuously issue statements to Meituan (the largest third-party food delivery platform in China), lobbying for reduction to the commission fees and cancellation of the exclusivity agreement clause in the contract during the epidemic period, to help the restaurant industry through the crisis (Deloitte China and China Cuisine Association, 2020). The study later found that Meituan not only agreed to cancel the exclusivity agreement clause for the newly partnered restaurants, but also adopted the commissions return/refund policy (where the commission fees refunded could be used on Meituan's website for other online marketing and promotion costs) for the areas seriously affected by the epidemic, such as Wuhan, Beijing and Guangzhou. Meituan also launched a series of initiatives in China to help restaurants through the crisis, such as commission cuts in regions heavily affected by COVID-19, partnerships with restaurants to provide contactless delivery services, and the launch of the “*Anxi [Peace of mind] Restaurants*” program (Xinhuanet, 2020a). Meituan's policies to support restaurant enterprises' recovery during the COVID-19 pandemic showed its commitment to CSR and its business values (iimedia, 2020).

To avoid unnecessary contact with others after the nationwide lockdown, many consumers developed a preference to order takeout rather than physically dining-in at restaurants (Xinhuanet, 2020b). It was found that the impact of SARS on the tourist catering industry was largely caused not by the actual direct consequences of the virus, but by the panic and widespread fear of the virus that could not be seen or controlled (Tse et al., 2006). Wen (2020) suggested that restaurants promote their takeout service options during the outbreak and emphasize their safety and health commitments to reassure consumers, which in turn would help the survival of restaurants affected by the impacts of the outbreak. This research also found that the contactless service implemented by Meituan greatly increased the number of restaurant takeout and food delivery orders, as it eliminated interpersonal contact (and therefore greatly reduced the risks of virus transmission) and gave customers the reassurance to enjoy their food safely; it was also an easy and accessible way to support the survival of local restaurants during a pandemic outbreak (Wen et al., 2020).

The change in consumer consumption habits and the technological development of internet platforms have brought a disruptive impact on the traditional catering industry – after the SARS pandemic crisis in 2003, customers’ dining habits began to change in China. With the development and popularization of the internet and sophisticated smartphone technology, online takeout food ordering application systems became the new trend in the restaurant industry to meet the changing needs of customers (Li, 2016). However, it was also important to recognize that the takeaway delivery model was not applicable to all restaurants or food items - the *Haidilao* hotpot offerings were found to be unsuitable for takeaway delivery due to the need to provide fresh and high quality ingredients to complete the hotpot dining experience. Nevertheless, Haidilao persisted through innovation, launching other convenient takeout service products to generate revenue and cope with the epidemic crisis.

5.4 Practical Implications and Recommendations

Due to the impacts of the pandemic, customers' confidence in dining out had yet to be re-established. Therefore, in addition to creating a safe and pleasant dining environment, catering businesses should improve their staff management and operational processes (Beijing Municipal Commerce Bureau, 2020), for example, taking employees’ temperature measurements before and after their shifts, wearing face masks and gloves for customer service, better management of crowds in the store, requiring customers to comply with the restaurant's entry registration, and openly displaying the photos and videos of kitchen preparation and disinfection standards, to improve customers' confidence in a safe and hygienic dine-in experience. Moreover, restaurants could post health tips in prominent locations at dining venues, use display screens in restaurants to promote prevention measures for coronavirus and infectious diseases, set up social distancing signs in areas where people gather (e.g. waiting areas, pick-up areas, checkout areas), and visually remind customers to keep a safe social distance from others inside and outside the store, and how to wear their masks correctly (Beijing Municipal Commerce Bureau, 2020). It was recommended that all restaurants provide contactless ordering and checkout service as the contactless delivery business model was widely trusted and praised by customers, according to the Beijing Municipal Commerce Bureau (2020).

Therefore, when considering long-term plans, restaurant managers should include the establishment of a strong brand image through intensive marketing, implementation of new distribution channels, and shifting to new market segments. In the long-term strategy of responding to the pandemic, traditional restaurants can develop new online operating models based on market demand and customer needs, for example, partnering with e-commerce platforms and inviting celebrities to bring sponsored products onto the live broadcast studio set, and expanding online business offerings to include seasonal vegetables and seasonal dishes. Moreover, traditional restaurants can provide wider varieties of product

offerings (such as self-heating food, pre-cooked or semi-cooked food) by establishing a trustworthy brand image (Xinhuanet, 2020a). Furthermore, traditional restaurants can also sell products through offline stores and online e-commerce channels to increase sales - the offline and online combination can expand the restaurant's online marketing, improve brand awareness, and increase total revenue. Considering the cost factor, large catering companies can build their online business systems, while small and medium-sized companies can partner with third-party online platform companies (Cheng & Wang, 2019). By gaining more online exposure and building brand awareness on the takeout ordering platform, the restaurants can also indirectly save on advertising costs.

5.5 Limitation

Along with the many practical implications and recommendations, this research also has a few limitations. Firstly, although the research was conducted in Auckland, New Zealand, the research focus was on the restaurant industry in China. Therefore, the findings may not be applicable to other industries or other countries. Additionally, this research aims to explore the impact of COVID-19 on full-service restaurants in China, and therefore, the findings may not be applicable to other types of restaurants operating outside of the full-service model, such as those with limited service (e.g. mobile food stands, food trucks, takeaway stores). Future research might utilize this research to further study the effect of the takeout and food delivery businesses in responding to the pandemic crisis inside and outside of China.

Secondly, this research used secondary document analysis in the qualitative research method, so the findings are more *indicative* than descriptive. For future research purposes, interviews or focus groups with restaurant practitioners could be used to obtain the primary documentation data to further explore responses to the COVID-19 crisis.

Thirdly, a few interesting topics were raised during the research process that may interest other researchers for further research, for instance, studying the e-commerce business model in the restaurant industry further. It would also be beneficial to study the business model trends from implementing the combination of online service and traditional offline services. The role, influence, and commitment to corporate social responsibility (CSR) in the recovery of the restaurant industry post-COVID-19 would also be an interesting topic to explore.

5.6 Conclusion

This research first introduced the background of the research topic: the outbreak of the COVID-19 coronavirus in Wuhan, China, in January 2020 has had an unprecedented impact on the tourism, hotel,

and catering industry in China and the world, causing and various crises to follow. This research then reviewed the definition of crisis management in the tourism and hospitality industry, with a focus on the crisis management of this pandemic outbreak in the tourism and restaurant industry, and reviewed the previous cases of epidemic and pandemic outbreaks such as SARS, H7N9, and H1N1. It then summarized their health and economic impacts on China's consumers and restaurant businesses.

Using the document analysis method in qualitative research, secondary data from 38 sources, including government reports, catering industry reports, and news reports were collected. The collected data was managed and classified by thematic analysis, which produced four main themes: firstly, the influence of COVID-19 on the Chinese restaurant industry (with restaurant cashflow being the most affected); secondly, the most important measure to respond to the restaurant's cashflow crisis was to increase revenue and reduce expenditure; thirdly, the effect of the takeout business model in traditional restaurants' response to COVID-19; and finally, the influence of third-party delivery platforms in helping restaurants cope with the COVID-19 crisis.

To answer the first research question:

“What effect has the COVID-19 crisis had on the restaurant industry in China?”

This research analyzed and discussed the specific content of the above topics and concluded that, although SARS and COVID-19 have similar biological structures and transmission patterns, the impact of COVID-19 was far greater than that of SARS, because the COVID-19 pandemic lasts longer, spreads faster, and has a higher fatality rate than SARS. When the restaurant industry responded to the COVID-19 crisis, they not only had to reduce and control costs actively, but also create new sales channels to increase revenue, such as online retail business, and introduce new product offerings, for instance, the pre-cooked and semi-cooked melas launched by *Haidilao*.

This study also reviewed the restaurant's takeout business models, and the profit models of the popular third-party takeout and food delivery platform, *Meituan*. Research results showed that most small and medium-sized restaurants in China chose to partner up with third-party delivery platforms for the food delivery service, because the third-party food delivery platform already had an established comprehensive distribution system, which saved the restaurant costs in developing their own independent distribution system. Simultaneously, the third-party food delivery platforms could also help improve the restaurants' popularity and increase order numbers. However, the high commission fees on delivery platforms did not help small and medium-sized restaurants to make more profits during the COVID-19 pandemic, with many businesses only barely managing to survive. Compelled by the provincial catering associations lobbying for reducing commissions and cancelling exclusive contracts during the epidemic period, the third-party delivery platform, *Meituan*, responded positively by cancelling exclusive contracts for new restaurant partners, and reducing commissions for areas severely

affected by the pandemic. Moreover, the delivery platforms partnered with restaurants to develop contactless services and the “*Anxin ["peace of mind"] Restaurants*” program, helping restaurants increase customer confidence, numbers, and revenue again.

This leads to the answer for the second research question:

“What role did third-party food delivery businesses play in helping restaurants respond to the COVID-19 crisis in China?”

As described above, it was evident that the third-party food delivery platforms had played a generally positive role in helping restaurants cope with the pandemic crisis. With the rapid development and popularization of the internet and sophisticated smartphone technology, consumers today rely more heavily on online services than ever – this reliance on online services led to the rapid growth of third-party food delivery platforms. Especially since the outbreak of COVID-19, when the government required restaurants to suspend dine-in services, and consumers had to stay at home, restaurants were prompted to develop and implement takeout and food delivery business models for the survival of their business during the crisis. Previous studies had not specifically examined the role of food delivery businesses and the third-party food delivery platforms in responding to the pandemic crisis, however, this study indicated that the third-party delivery platforms had played a mostly positive and valuable role in the takeout business model for restaurants in response to the pandemic.

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Appendix 1: Extended Document Information

No.	Date	Source	Government Report
1	2020-04	China Outsourcing Institute	Evaluation report on the impact of the coronavirus pneumonia epidemic on Chinese companies
			新冠肺炎疫情对中国企业影响评估报告
			http://images.mofcom.gov.cn/coi/202005/20200529105504537.pdf
2	2020-03	The People's Government of Sichuan Province	Press conference on the prevention and control of coronavirus pneumonia in Sichuan Province
			四川省新型冠状病毒肺炎疫情防控工作新闻发布会
			https://www.sc.gov.cn/10462/10464/10797/2020/3/17/0286455a29074cb8900c7e56ccd4adfa.shtml
3	2020-03	Sichuan Daily	Sichuan Province introduces a regional and hierarchical prevention and control technology plan for the coronavirus pneumonia in the catering industry
			四川省出台餐饮业新冠肺炎分区分级防控技术方案
			http://www.gov.cn/xinwen/2020-03/10/content_5489478.htm
4	2020-03	Tancheng County Bureau of Commerce	Opinions on responding to the COVID-19 epidemic and supporting the healthy development of the wholesale, retail trade exhibition, and service industry
			关于应对新冠肺炎疫情支持生活服务业批发零售业展览业及电影放映业健康发展的若干意见
			http://www.tancheng.gov.cn/info/1669/143251.htm
5	2020-02	The People's Government of Zhejiang Province	"Several Policies of the Hangzhou People's Government on Strictly Preventing and Controlling the Epidemic to Help Enterprises Resume Work and Production"
			《中共杭州市委杭州市人民政府关于严格做好疫情防控帮助企业复工复产的若干政策》实施细则
			http://hrss.hangzhou.gov.cn/art/2020/3/5/art_1229000893_42098142.html
6	2020-02	Website of Guangdong Provincial People's Government	Notice of the People's Government of Guangdong province on issuing policies and measures to support the resumption of work and production of enterprises in response to the coronavirus pneumonia epidemic.
			广东省人民政府关于印发应对新型冠状病毒感染的肺炎疫情支持企业复工复产若干政策措施的通知
			http://www.gov.cn/xinwen/2020-02/07/content_5475760.htm
7	2020-02	Zhejiang Business	Zhejiang Province introduced 12 assistance policies to help catering companies tide over the coronavirus pneumonia epidemic crisis.
			浙江省出台 12 项帮扶政策助力餐饮企业共渡难关

			http://www.mofcom.gov.cn/article/yqfkscbg/dfgz/202002/20200202936475.shtml
8	2020-02	General Office of the People's Government of Jiangsu Province	<p>Policies and measures of Jiangsu Province on supporting small and medium-sized enterprises to mitigate the impact of the coronavirus pneumonia epidemic and maintain healthy development</p> <p>江苏省关于支持中小企业缓解新型冠状病毒肺炎疫情影响保持平稳健康发展的政策措施</p> <p>http://www.jiangsu.gov.cn/art/2020/2/12/art_46144_8970100.html</p>
9	2020-02	Shenzhen Municipal People's Government	<p>Notice of the Shenzhen People's Government on issuing measures in response to the coronavirus epidemic to support enterprises to overcome the pandemic crisis</p> <p>深圳市人民政府关于印发应对新型冠状病毒感染的肺炎疫情支持企业共渡难关若干措施的通知</p> <p>http://www.sz.gov.cn/zfgb/2020/gb1135/content/post_6725774.html</p>
10	2019		<p>Ranking of total population and GDP of China's provinces in 2019</p> <p>2019 年全国各省人口和 GDP 总数排行榜</p> <p>http://www.chamiji.com/2019chinaprovincepopulation</p>

No.	Date	Source	Industry Report - Association Report
1	2020-12	China Hospitality Association Data Report	<p>"China Food Delivery Industry Survey Research Report (First Three Quarters of 2019)"</p> <p>《中国外卖产业调查研究报告（2019 年前三季度）》</p> <p>http://www.retail-it.cn/m/view.php?aid=2235</p>
2	2020-09	Beijing Food and Beverage Industry Association	<p>Guidelines for the operation and service of the catering industry under the three-level emergency response to the coronavirus pneumonia epidemic</p> <p>北京：新冠病毒肺炎疫情三级应急响应下 餐饮行业经营服务指引</p> <p>http://www.bjscyxh.com/html/dongtai/2020/0928/214.html</p>
3	2020-09	Xinhuanet	<p>"2020 Annual Report on China's Catering Industry" released from January to July</p> <p>《2020 中国餐饮业年度报告》发布 1-7 月</p> <p>http://www.xinhuanet.com/food/2020-09/02/c_1126443974.htm</p>
4	2020-09	Xinhuanet	<p>China's Catering Big Data Panoramic Development Report in the First Half of 2020 Major Release</p> <p>2020 上半年中国餐饮大数据报告发布</p> <p>http://www.xinhuanet.com/food/2020-09/02/c_1126443974.htm</p>
5	2020-08	China Hotel Association	<p>China's catering industry released report 2019</p> <p>2019 中国餐饮业年度报告</p> <p>http://www.199it.com/archives/918594.html</p>

6	2020-06	Jiangsu Catering Industry Association	Jiangsu Province Catering Industry Association proposes to strengthen the management of the catering industry during the normalization of epidemic prevention and control
			江苏省餐饮行业协会倡议疫情防控常态化期间加强餐饮业管理
			http://www.js.xinhuanet.com/2020-06/15/c_1126115417.htm
7	2020-03	China Economic Net	"Guidelines for the Implementation of "Safe Restaurants" and "No Contact Restaurants" during the Prevention and Control of the New Coronary Pneumonia Epidemic of Catering Companies
			中饭协等 6 家机构联合发布《餐饮企业新冠肺炎疫情防控期间“安心餐厅”与“无接触餐厅”实施指南》
			http://finance.eastmoney.com/a/202003131417543982.html
8	2020-03	Xinhuanet	Report on the development status and trend of China's catering industry under the new crown epidemic
			新冠疫情下中国餐饮业发展现状与趋势报告
			http://www.xinhuanet.com/food/2020-03/02/c_1125652997.htm

9	2020-02	Shandong Provincial Department of Commerce	Shandong Catering Associations jointly called for Meituan and other food delivery platforms to reduce fees to overcome the Covid-19 crisis
			山东涉餐饮相关协会联合呼吁美团等外卖平台全面降费共克时艰
			http://commerce.shandong.gov.cn/art/2020/2/25/art_16068_8845023.html
10	2020-02	Beijing Food and Beverage Industry Association	A letter to a member of the Beijing Catering Industry Association
			致北京市餐饮行业协会会员的一封信
			http://www.bjscyxh.com/html/dongtai/2020/0214/208.html
11	2020-02	China Cuisine Association	China Cuisine Association releases report on the impact of the new crown pneumonia epidemic on China's catering industry in 2020
			中国烹饪协会发布 2020 年新冠肺炎疫情对中国餐饮业影响报告
			http://www.ccas.com.cn/site/content/204393.html

No.	Date	Source	Industry Report - Third-Party
12	2020-06	CBNData	China's food delivery industry development report in 2019 and the first half of 2020
			2019 年及 2020 年上半年中国外卖产业发展报告
			https://cbndata.com/report/2335/detail?isReading=report&page=7&readway=stand
13	2020-04	Ai Media Research Center	Impact of COVID-19 on finance and operations in the Chinese catering industry
			2020 疫情期间中国餐饮外卖市场商户专题研究报告
			https://www.iimedia.cn/c400/70742.html

14	2020-03	Deloitte & China Cuisine Association	Research report on the impact of the coronavirus epidemic on the finance and operation of China's Catering industry-Deloitte
			新冠病毒疫情对中国餐饮行业财务及运营影响调研报告
			https://www2.deloitte.com/content/dam/Deloitte/cn/Documents/consumer-business/deloitte-cn-cb-new-pattern-of-catering-consumption-zh-200327.pdf
15	2020	Sinoss Net	Influence of COVID-19 epidemic on marketing of China's catering industry and countermeasures
			新冠肺炎疫情蔓延对中国大众餐饮业营销的影响及对策建议
			https://www.sinoss.net/uploadfile/2020/0415/20200415041514231.pdf

No.	Date	Source	Social Media - New Report
1	2020-07	Beiguo.com	Rebate 3%-6% in Beijing area, Meituan Takeaway and Bei Peng assist merchants to tide over difficulties
			北京地区返佣 3%-6%！美团外卖联合北京协助力商家渡过难关
			http://www.cnr.cn/rdzh/cxxhl/zxxx/20200703/t20200703_525154566.shtml
2	2020-06	China Economy	Coronavirus: China's food companies face fresh disruption on new virus fears of new Beijing outbreak
			https://www.scmp.com/economy/china-economy/article/3090396/coronavirus-chinas-food-industry-grapples-fresh-disruption
3	2020-06	CBN	Takeaway helps the catering industry save itself, the industry calls for full coverage of takeaway food information traceability
			外卖助力餐饮业自救，业界呼吁外卖食品信息追溯全覆盖
			https://www.yicai.com/news/100676004.html
4	2020-06	China News Network	The ranking of the permanent population of 31 provinces is released: Shandong Province ranks second in the country
			31 省份常住人口排行榜出炉：山东省排名全国第二_新浪山东
			http://sd.sina.com.cn/news/2019-06-17/detail-ihvhiew9351646.shtml
5	2020-06	China News Network	How do catering companies respond to Beijing's epidemic prevention and control upgrade?
			北京疫情防控升级 餐饮企业如何应对？
			https://finance.sina.com.cn/chanjing/cyxw/2020-06-20/doc-iirczymk7982905.shtml
6	2020-05	Insight	The resumption of catering is accelerated, and government subsidies are followed up.
			餐饮复工加快，政府补助跟进，这个五一餐饮业怎么样
			http://www.foodaily.com/market/show.php?itemid=22097
7	2020-04	Xinhuanet	The "commission war" between the catering industry and the food delivery platform
			餐饮业与外卖平台间的“佣金大战”

			http://www.xinhuanet.com/2020-04/24/c_1125897728.htm
8	2020-04	China.com	Guangdong Catering Association issued a letter of negotiation: canceling exclusive cooperation restrictions and reducing commissions
			美团外卖被几百家餐企投诉！广东餐饮协会发交涉函：取消独家合作限制，减免佣金
			https://finance.china.com/consume/11173302/20200411/37235562.html
9	2020-04	Kerry	6 Lessons from China's recovering food and beverage industry after COVID-19
			https://www.kerry.com/insights/kerrydigest/2020/china-food-and-beverage-after-covid-19
10	2020-03	China Youth Network	Henan: Achievement of affordable enterprise assistance policy to help restaurants resume work
			河南：落实惠企帮扶政策助力餐饮复工开业
			https://df.youth.cn/yczq/202003/t20200320_12249235.htm
11	2020-03	United Business Network	Shanghai government boosts morale for catering recovery
			上海政府为餐饮复苏再添士气
			http://www.linkshop.com.cn/web/archives/2020/443954.shtml
12	2020-3	Harvard Business Review Home	How Chinese Companies Have Responded to Coronavirus
			https://hbr.org/2020/03/how-chinese-companies-have-responded-to-coronavirus#
13	2020-02	People's Daily	"After the crisis, there is vitality, and the catering industry will usher in a new opportunity for intelligent upgrading"
			山东：危机过后是生机，餐饮业将迎来智慧化升级新契机
			https://www.culturechina.cn/fangtan/2020/0224/24128.html