

A Online Appendix

Table A.1: State-connected restaurants

Estimates of the coefficient β_1 and t -statistics in parentheses in panel regressions of restaurant performance variables using specification (1) in different subsamples. Panel (a) presents results for the sample in which the set of treated restaurants includes only those located in state-owned shopping malls. Panel (b) presents results for the sample in which the set of treated restaurants includes only those located in shopping malls whose CEOs are members of the National People’s Congress. Panel (c) presents results for the sample in which treated restaurants are only SMEs located in state-owned shopping malls. Panel (d) presents results for the sample in which treated restaurants are only those located in shopping malls that offer a three-month rent waiver and whose CEOs are members of the National People’s Congress. Standard errors are clustered at the shopping mall level. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)
Dependent variable:	Open	Revenue	Employee
	(a) SOE		
Treat \times Post	0.035*** (2.76)	9.064*** (2.85)	0.297*** (2.69)
Treat	0.003 (0.24)	0.731 (0.35)	0.014 (0.11)
Time FE	Y	Y	Y
City FE	Y	Y	Y
R^2	0.139	0.158	0.226
	(b) CEO with political connections		
Treat \times Post	0.038*** (3.10)	11.268*** (2.91)	0.311*** (2.97)
Treat	0.002 (0.73)	0.819 (0.83)	0.026 (0.41)
Time FE	Y	Y	Y
City FE	Y	Y	Y
R^2	0.161	0.176	0.240
Difference	-0.003	-2.204	-0.014
Z-test	-0.170	-0.439	-0.092

Table A.1: State-connected restaurants (continued)

	(1)	(2)	(3)
Dependent variable:	Open	Revenue	Employee
(c) SME in SOE shopping mall			
Treat×Post	0.052***	15.215***	0.526***
	(2.84)	(2.74)	(2.53)
Treat	0.004	1.003	0.004
	(1.25)	(1.42)	(0.95)
Time FE	Y	Y	Y
City FE	Y	Y	Y
R^2	0.273	0.285	0.367
(d) Three-month rent waiver, connected CEO			
Treat×Post	0.057**	14.168**	0.492**
	(2.17)	(2.04)	(2.35)
Treat	-0.001	-0.011	0.014
	(-0.32)	(-0.15)	(0.38)
Time FE	Y	Y	Y
City FE	Y	Y	Y
R^2	0.251	0.269	0.301
Difference	-0.005	1.047	0.034
Z-test	-0.156	0.117	0.115

Table A.2: Rent reduction length and landlord characteristics

Estimates of the coefficient β_1 and t -statistics in parentheses in an OLS regression. The dependent variable is rent reduction length and independent variables are landlord characteristics. $N_{restaurants}$ is the average number of restaurants per shopping mall at the landlord level. Rating is the average overall quality rating of the restaurant on Dianping.com. Price is the average restaurant cost rating from Dianping.com. $Revenue_{landlord}$ is the average revenue for restaurants at the landlord level. $Revenue_{g,landlord}$ is the average revenue growth rate across restaurants at the landlord level from 2018 to 2019. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

Dependent variable: Rent reduction days					
	(1)	(2)	(3)	(4)	(5)
	$N_{restaurants}$	Rating	Price	$Revenue_{landlord}$	$Revenue_{g,landlord}$
	0.013	0.308	-0.419	-0.034	0.015
	(0.83)	(0.29)	(-0.34)	(-0.42)	(0.35)
No. Observations	153	153	153	153	153

Table A.3: Rent reduction effects in the full unmatched sample

Estimates of the coefficient β_1 and t -statistics in parentheses in panel regressions of restaurant performance variables using specification (1) in the full unmatched sample. Open equals one if a restaurant has at least one dine-in or takeout/delivery order in a given month. Revenue is the monthly operating revenue at a restaurant in a month in thousands of RMB. Employee is the number of waiters employed by the restaurant in a month. $Treat$ equals one if a restaurant is located in a shopping mall where there is a rent reduction policy during the first half year of 2020. $Post_t$ equals one for months after February 2020. We include month fixed effects, city fixed effects, brand \times month fixed effects, and restaurant fixed effects in different specifications. Standard errors are clustered at the shopping mall level. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

(a) Open rate					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post	0.033*** (4.31)	0.031*** (4.05)	0.025*** (2.86)	0.023** (2.31)	0.021* (1.86)
Treat	-0.001 (-1.31)	0.002 (1.16)	-0.003 (-0.96)		
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
(b) Revenue					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post	10.408*** (4.28)	9.294*** (3.94)	7.281*** (3.53)	4.253** (2.42)	4.894** (2.10)
Treat	25.981*** (3.14)	23.256*** (2.95)	7.284 (1.42)		
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
(c) Employee					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post	0.324*** (3.14)	0.315*** (3.03)	0.304*** (2.94)	0.273*** (2.59)	0.251** (2.42)
Treat	0.152** (2.14)	0.133* (1.85)	0.081 (1.24)		
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
No. Observations	277,396	277,396	277,396	277,396	277,396

Table A.4: Full vs. half rent reduction subsamples

Estimates of the coefficient β_1 and t -statistics in parentheses in panel regressions of restaurant performance variables using specification (1) in different subsamples. Open equals one if a restaurant has at least one dine-in or takeout/delivery order in a given month. Revenue is monthly operating revenue at a restaurant in a month in thousands of RMB. Employee is the number of waiters employed by a restaurant in a month. Panel (a) presents results for the subsample of treated restaurants that are offered a full waiver of one month's rent. Panel (b) presents results for the subsample of treated restaurants that are offered a half waiver of one month's rent. Standard errors are clustered at the shopping mall level. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)
Dependent variable:	Open	Revenue	Employee
(a) Full waiver			
Treat \times Post	0.049*** (4.12)	15.315*** (4.82)	0.481*** (4.69)
Treat	0.002 (0.33)	0.805 (0.06)	0.051 (0.27)
Time FE	Y	Y	Y
City FE	Y	Y	Y
R^2	0.249	0.273	0.297
(b) Half waiver			
Treat \times Post	0.032*** (3.37)	8.249*** (3.70)	0.291*** (3.32)
Treat	0.001 (0.15)	1.375 (0.26)	0.039 (0.23)
Time FE	Y	Y	Y
City FE	Y	Y	Y
R^2	0.221	0.192	0.240
Difference	0.017	7.066*	0.190
Z-test	1.124	1.820	1.408

Table A.5: Summary statistics for restaurants outside shopping malls

Panel (a) presents summary statistics for restaurant variables over the period June 2019 to July 2020. Treat equals one for restaurants located within one mile of a subsidized shopping mall that do not themselves receive rent reduction. Treat equals zero for restaurants located within one mile of an unsubsidized shopping mall that also do not receive rent reduction. Open equals one if a restaurant has at least one dine-in or takeout/delivery order in a given month. Revenue is the monthly operating income at a restaurant in a month in thousands of RMB. Order Number is the total number of food orders received by the restaurant in a month. Employee is the number of waiters employed by the restaurant in a month. Discount Ratio is defined as the ratio of the total value of discounts offered to customers to total revenue in a month. Delivery Revenue is defined as the RMB value of total takeout and delivery revenue. Panel (b) presents mean values of the performance variables between June 2019 and January 2020, and differences in means across the treatment and control groups for both the full sample and the propensity-score-matched sample. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

(a) Full sample						
Variable	Obs	Mean	SD	5%	50%	95%
Open	161,896	0.87	0.37	0.00	1.00	1.00
Revenue	161,896	119.77	252.81	0.00	81.25	581.73
Order Number	161,896	2915.15	4018.35	0.00	1938.00	9937.00
Employee	161,896	4.01	5.82	1.00	2.00	6.00
Discount Ratio	161,896	0.17	0.23	0.00	0.13	0.65
Delivery Revenue	161,896	25.38	31.25	0.00	31.48	95.42
(b) Characteristics before Covid-19						
	Unmatched full sample			Matched sample		
	Treated	Control	Difference	Treated	Control	Difference
Revenue	151.84	133.39	18.45***	151.84	149.39	2.45
Order Number	3544	3757	-213***	3544	3517	27
Employee	4.68	4.25	0.43***	4.68	4.76	-0.08
Discount Ratio	0.14	0.14	-0.00	0.14	0.14	-0.00
Delivery Revenue	26.84	24.93	1.91***	26.84	26.19	0.65
No. Observations	38256	54256		38256	38256	

Table A.6: Heterogeneity in strategic responses based on distance to headquarters

Estimates of the coefficient β_1 and t -statistics in parentheses in panel regressions using regression specification (2). Discount ratio is defined as the ratio of the total value of discounts offered to customers to total revenue in a month. Delivery is an indicator that equals one if a restaurant has at least one delivery option in a month. Multiple delivery is an indicator that equals one if a restaurant lists on multiple delivery platforms in a month. Distance is the number of thousands of miles to headquarters. Panels (a), (b), and (c) present results for the company-owned subsample. Panels (d), (e), and (f) present results for the franchise-based subsample. Standard errors are clustered at the shopping mall level. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

(a) Company-owned: Discount ratio					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post \times Distance	-0.002*	-0.002*	-0.001	-0.001	-0.001
	(-1.85)	(-1.74)	(-1.24)	(-1.10)	(-0.94)
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
(b) Company-owned: Delivery					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post \times Distance	-0.003**	-0.003**	-0.002*	-0.001	-0.001
	(-2.19)	(-2.07)	(-1.90)	(-1.40)	(-1.45)
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
(c) Company-owned: Multiple delivery					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post \times Distance	-0.004**	-0.004**	-0.003**	-0.002*	-0.003*
	(-2.43)	(-2.34)	(-2.01)	(-1.87)	(-1.73)
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y

Table A.6: Heterogeneity in strategic responses based on distance to headquarters (continued)

(d) Franchise-based: Discount ratio					
	(1)	(2)	(3)	(4)	(5)
Treat × Post × Distance	0.002 (0.42)	0.001 (0.39)	0.001 (0.51)	0.001 (0.64)	0.002 (0.71)
Month FE	Y	Y		Y	
City FE		Y			
Brand × Month FE			Y		Y
Restaurant FE				Y	Y
(e) Franchise-based: Delivery					
	(1)	(2)	(3)	(4)	(5)
Treat × Post × Distance	0.003 (1.08)	0.002 (0.85)	0.002 (0.63)	-0.002 (-0.59)	-0.002 (-0.64)
Month FE	Y	Y		Y	
City FE		Y			
Brand × Month FE			Y		Y
Restaurant FE				Y	Y
(f) Franchise-based: Multiple delivery					
	(1)	(2)	(3)	(4)	(5)
Treat × Post × Distance	0.002 (1.23)	0.001 (0.79)	0.001 (0.53)	0.001 (0.27)	0.001 (0.19)
Month FE	Y	Y		Y	
City FE		Y			
Brand × Month FE			Y		Y
Restaurant FE				Y	Y
No. Observations	71,764	71,764	71,764	71,764	71,764

Table A.7: Rent reduction effects in the full matched sample excluding Wuhan

Estimates of the coefficient β_1 and t -statistics in parentheses in panel regressions of restaurant performance variables using specification (1) in the propensity-score-matched sample excluding restaurants in Wuhan over the period June 2019-July 2020. Open equals one if a restaurant has at least one dine-in or takeout/delivery order in a given month. Revenue is the monthly operating revenue at a restaurant in a month in thousands of RMB. Employee is the number of waiters employed by the restaurant in a month. *Treat* equals one if a restaurant is located in a shopping mall where there is a rent reduction program during the first half of 2020. $Post_t$ equals one for months after February 2020. Standard errors are clustered at the shopping mall level. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

(a) Open					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post	0.035*** (3.67)	0.032*** (3.42)	0.030*** (3.26)	0.026*** (2.79)	0.022** (2.40)
Treat	0.001 (0.23)	0.001 (0.20)	0.001 (0.14)		
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
(b) Revenue					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post	10.748*** (3.98)	9.832*** (3.75)	8.381*** (3.68)	7.748*** (3.12)	6.632*** (2.85)
Treat	1.229 (0.21)	1.210 (0.17)	1.176 (0.12)		
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
(c) Employee					
	(1)	(2)	(3)	(4)	(5)
Treat \times Post	0.343*** (3.52)	0.331*** (3.41)	0.314*** (3.27)	0.263** (2.31)	0.258** (2.19)
Treat	0.042 (0.26)	0.041 (0.23)	0.027 (0.15)		
Month FE	Y	Y		Y	
City FE		Y			
Brand \times Month FE			Y		Y
Restaurant FE				Y	Y
No. Observations	194,558	194,558	194,558	194,558	194,558