

## The development of the restaurants' chain in the capital region of Ukraine

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<b>Keywords:</b> Restaurant Society development Capital	<b>ABSTRACT</b> The main task of the present stage of our society development is aimed at overcoming the decline of social production, the construction of a socially oriented economy, based on market relations. In recent years the development of the restaurant business has increased. Only during the last year the total number of RI has increased by 7.2%, and the number of seats - 10.2%, due to the opening of new restaurants and bars in the capital region of Ukraine. In the medium-term dynamics of the network of all restaurants will be characterized by an increasing number of quick-service organization that are focused on the use of semi high degree of readiness. The using underground spaces will also increase the investment flows for the restaurants development.
<b>Article history:</b> Received 18.01.2013 Received in revised form 26.02.2013 Accepted 22.03.2013	
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### Introduction

The main task of the present stage of our society development is aimed at overcoming the decline of social production, the construction of a socially oriented economy, based on market relations.

There is a need to develop new approaches to the organization and management of economic activities. The restaurant business does not remain aside from the penetration of the "new economy" elements, that has a particular relevance.

The basis of structure and functioning of restaurant institutions (RI) is their scientifically based classification, that allows you to determine the location of each part of it in the whole system and distributes them according to standard criteria.

Nowadays, the implementation of information services is an important factor for the restaurant business and it represents a restaurant business sector, which has the highest rate of development, particularly in tourism. The virtual market of restaurant services is a market where the restaurants are represented in Internet advertising information about its own institution.

## Material and methods

In recent years the development of the restaurant business has increased. Only during the last year the total number of RI has increased by 7.2%, and the number of seats - 10.2%, due to the opening of new restaurants and bars in the capital region of Ukraine.

These figures are not accidental, as the capital region of Ukraine is an attractive tourist center, and its tourist infrastructure makes a significant share in the city's economy.

## Results and discussions

*The main advantages of tourism industry in the capital are:*

- the convenient geographical location of Kyiv between Europe, Russia and other CIS states;
- visa-free; attractive for tourism landscape of the city, the Dniper river and its embankments, hills, parks;
- cultural and historical monuments of world level.

*Disadvantages:*

- insufficient Kyiv promotion abroad as a tourist destination;
- high prices for lower quality services than in other Eastern European cities.

Currently there are possible strategies of the capital of Ukraine development:

*a) short-term:* launch of the travel portal, improving traffic, establishing information terminals, the introduction of the guest card, simplifying hiking trails; categorization of hotels according to international standards, to attract low-cost airlines.

*b) medium-term prospects (up to 2015):* the creation and promotion of city tourism brand; Kyiv listing in the registry of the leading tour operators and sites selling tours; reconstruction of tourism system, reconstruction of historical and architectural monuments; renovation of hotels, infrastructure construction for cultural, sporting and business events, international events [1].

*c) long-term prospects (up to 2025 p.):* creating new objects of tourism, the transformation of the Dneper in tourist and recreational area, construction of accommodation facilities and services [2].

It is very important to create seats (for 10 thousand people) in restaurants objects (restaurants, cafes, snack bars, bars, bars, canteens, etc.) for the development of restaurants in the capital region. This figure should meet the needs of the population and tourists. Now, Kyiv is on the second place among the regions - 528 seats, there are 348 seats on average in Ukraine. Statistical data on the presence of RI objects and the number of seats in various districts of Kyiv shown in Table 1 [3].

The dominant feature is found in the central regions (Shevchenko and Pecherskiy), it is characterized by the largest number of seats. Analysis of RI and seats are given in Tables 2, 3.

The largest share among restaurant business objects took cafes, snacks - 43.6% (the peak of development was observed at the end of 2010 - 46.6%), dining - 30.5%, restaurants - 17,1% and bars - 8.3%.

Along with the increasing number of IR seats and it is also observed the increase of cash flow. Thus, if in 2009 the rate of turnover of restaurants totaled 1200.7 million., then in 2012 this figure reached 3069.5 million - the increase in almost three times [3].

**Table 1. Availability of network restaurants in Kyiv ( September 2012) [3]**

District name	Quantity	Seats (thousand)
Kyiv	1424	147,7
<i>districts:</i>		
Goloseevskiy	104	8,7
Darnitskiy	109	14,7
Desnyanskiy	107	15,1
Dniprovskiy	150	13,4
Obolonsky	138	16,2
Pecherskiy	186	19,0
Podolsky	104	11,9
Svyatoshinsky	94	14,4
Solomensky	160	11,9
Shevchenko	272	22,4

**Table 2. RI number 2009–2012 in Kyiv**

Type	2009	2010	2011	2012
Restaurant	147	169	176	244
Cafes, snack bars, etc.	696	653	619	621
Bars	95	106	94	118
Canteens	466	443	436	435

**Table 3. Number of seats in Kyiv (thousand seats)**

Type	2009	2010	2011	2012
Restaurant	20,3	22,2	25,2	30,5
Cafes, snack bars, etc.	33,9	37,2	34,0	40,8
Bars	3,7	6,4	4,2	5,4
Canteens	68,7	71,5	70,7	71,0

Thus, the analysis of RI performance shows positive trends in their development.

Restaurant industry is one of the economic activities that is created to provide direct services to the public. Sustainable development of restaurant business determines the social climate in society, providing food security for the city, helps create new jobs, increases revenue.

Due to the preparations and holding of the European Championship finals in 2012, the network of restaurants has grown significantly, as a result the number of seats in some restaurants was 100 persons per 1,000 population. Progressive growth of RI made a great contributions to the development of restaurants in Kyiv and for the future [4].

The development of restaurants in the capital region is not static, it constantly renovates. This is done not only by increasing the number of places, but thanks to the latest technology, which simplifies the process of delivering services, thereby reducing the duration of service. For example, some restaurants popularize their services on the Internet by creating branded websites, placing them in the search, commercial business, tourist accommodation and other information systems to expand marketing, promotional and managerial capabilities.

But restaurants should not be limited only by the activities of information and advertising

character, they have to attract customers to participate in virtual-technological process.

Virtual services market is a market in which the represented restaurants provide On-line booking tables for customers via the Internet.

Internet-project "All About Restaurants Kyiv" conducts management work in the formation of such market [5], it is an electronic catalog of capital RI, which provides complete information about the institution, menus, prices, address and other services.

According to the study of virtual market restaurant services in Internet project, European cuisine can be offered in 57.1% of all represented in the database restaurants, Ukrainian - 27.9%, French - 5.6%, American - 4.3%, Japanese - 3.9%, Chinese, Mexican, Italian - 3.0%, Georgia - 2.6% India - 2.1%, Arabic and German about 1.7%.

So, there is a wide variety of ethnic cuisines in the restaurant business of the capital region. There are typical national dishes, management style of ruling the process, traditions in cooking technology, design solutions and serving tables, providing musical and services for each type of cuisine.

The results of RI grouping in terms of cost of services per person are: 10 USD - 18.9%, from 10 to 20 USD - 41.6%, from 20 to 30 USD - 22.8% from 30 to 50 USD - 15.0%, from 50 USD and above - 1.7%. The cost of raw materials, business category, daily turnover, solvency of customers, the atmosphere of stay and rest, including a list of entertainment services directly influence at the price level of restaurant services.

Recently, one of the common ways of customer's payment is using bank cards. For example, consumers with credit cards "MasterCard / eurocard" serves 71.2% RI, "Visa" - 70.8%, "Maestro Cirrus" - 41.6%, "American Express", "Visa Electron" - to 28, 3%, "Prestige card" - 4.3%, "Diners Club" - 2.1%, "Discovery" - 0.9%, "JCB" - 0.4% of the total number of establishments.

So, to reserve a table via the Internet, a potential customer chooses a restaurant represented by the menu and prices. The total cost automatically calculates after ordering the list of dishes. Then the system has to specify the following data: month, day, time, and number of people and type of reservation (breakfast, lunch, dinner, birthday). To confirm the order must it is necessary to specify the feedback (email, fax, telephone). Some restaurants also offer virtual electronic map of all available tables in the hall, allowing potential customers confidently determine the choice of location. On-line reservation is free of charge, the customer pays only for the cost of the order in a restaurant, and sometimes even gets a discount about 5... 10%.

This system extends the corporate group service for business people, tourists, delegations and others.

A feature of this project is to update materials database timely, to use active marketing and advertising support and relationships with the media, and to conduct periodic surveys to identify the demand of restaurant services, drawing a portrait client, identifying sources of information about restaurants, that allows you to build a strategy for marketing activities, focusing on potential consumers [6].

The main obstacles of restaurants development are:

- the change of objects activity, especially in the downtown. Under current law, in case of the privatization of the facility, purchase or sale, a new owner can use an object inappropriately. Moreover, most restaurants are working on rented areas, areas that do not meet standards. Owners of some areas overstate the rent payments and transfer the authorization to competitor tenants;
- there is a lack of effectiveness in the system of control in sanitary rules and regulations in the workplace, which is associated with the risk for health (poisoning);
- low availability of RI service for the people with the low income;

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- insufficient quantity of buildings in new areas of the city, as the construction of residential areas was carried out without allocation of for social facilities;
- increase in food prices;
- the negative trend of the financial crisis, credit limitation, reduced payment capacity of the population [4].

### **Conclusions**

The purpose of the further development of the restaurant business in Ukraine is to meet demand for the services of assured quality at affordable prices.

Priorities for further RI development can be:

- legal, economic (including tax) and administrative stimulation of entrepreneurial activity in the restaurant industry;:
- to promot the further development of the network of public institutions, especially in new residential areas;
- strict enforcement of sanitation control by the state in enterprises of restaurant business.

The main objective, aimed at improving the quality and range of services in RI, is to improve their competitiveness:

- the net expansion and protection of the existing enterprises;
- assistance in attracting investment in new construction of restaurant establishments and introduction of new technologies;
- providing benefits to renting places that are owned by the local community;
- to increase services to the European level;
- providing professional training for the staff, including language learning for specialists such as waiters, bartenders, etc..
- strengthening of informational and promotional activities (eg, production listings of the restaurants with the characteristics of their service address location, contact information);
- development of equipment for the fan zones servicing.

In the medium-term dynamics of the network of all restaurants will be characterized by an increasing number of quick-service organization that are focused on the use of semi high degree of readiness.

The using underground spaces will also increase the investment flows for the restaurants development.

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