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Competitive Positions in Restaurant Business in Present-Day Conditions Based on the Example of Chernivtsi (Ukraine)

Abstract: Intensification of competition in restaurant business is accompanied by the emergence of a large number of competing dining establishments in both domestic and foreign markets, the increase of market requirements that force restaurants to continuously develop their strategic potentials, seek for various options for their effective work and create new competitive advantages. Availability of such advantages in restaurant industry is among the most important preconditions to obtain the surplus and develop business, which determines the relevance of the present research. Thus, the present study is aimed at demonstrating the ways of helping an increase of the competitiveness and efficiency in public catering establishments in present-day conditions of economic management. The authors discuss the concept of competitive advantages, analyse the results of the assessment of restaurant competitiveness (60 restaurants of Chernivtsi have been assessed), and suggest criteria to help rank the restaurant-type establishments of Chernivtsi by indicators of their competitiveness. The company's total rating combines all important parameters (indicators) of financial and economic activity, marketing, investment, production activities, etc. Rating of competitiveness makes it possible to see which the best restaurants are, as well as to determine further goals and steps for those who gained fewer points. These goals and steps include: efficient use of available potential; definition and expansion of the range of products; up-to-date serving; development and introduction of new forms of service; development of customer-oriented complex of restaurant services based on the study of customers' habits; increase of staff competitiveness; reduction of restaurant expenses; attraction of new customers by way of modern advertising campaigns, etc.

Keywords: competitive positions; ranking score of competitiveness; restaurant business

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INTRODUCTION

Competition in restaurant business aggravates with the arrival of big number of competitive establishments of public catering. Situation causes restaurants to reveal their strategic potentials, seek for such potentials' most efficient use, and create new competitive positions. Availability of such positions in restaurant business is among the key elements to get profits, let restaurants survive and develop in present-day environment. All these issues constitute the rationale of the present study. Restaurants manifesting stable competitive positions of their own have the best chances in comparison to other players on the market.

Analysing publications where problems of competitive positions are discussed, we conclude that this category is complex and multifaceted, as well as there exists differential system of concept semantics' interpretation. The majority of researchers considers competitive positions from the point of view of the consumer and regards them as some specificity that brings essential profit or benefit leaning toward the idea that these positions should base on consumer value. However, the present-day literature gives no clear definition of the aforesaid concept. The problems of competitiveness were revealed in the works of various researchers. M. Porter in his *Competitive Advantage of Nations* (1990) has developed the theory of competitive positions where competitiveness was defined as the ability to compete in the global market with availability of global strategy. According to M. Porter, competitiveness predefines the country's success or failure in specific sectors of production, and sets its place in the system of world economics, while domestic competitiveness is defined by the industry's ability to continuously develop and introduce innovations (Ivanov, 2008).

Jean-Jacques Lambin (2004) presented his own definitions and interpretations of competitive positions accentuating upon external and internal competitive positions.

A. Smith was the first in the history of economic sciences who spoke of the leading role of competition in functioning of market economics, and thus founded the bases of present-day theory of competition. D. Ricardo's contribution was essential in the formulation of the essence and the role of free competition which now serves as a basis for modern elaborations in the theory of perfect competition.

Problems of competitiveness and competitive positions were also highlighted in the works by national scientists where we would accentuate on the studies by T.O. Zagorna, O. Sushko (2005), P. Smoleniuk, T.V. Androsova, N.O. Vlasova, N.V. Mykhailovam et al. (2010). The ways to raise competitiveness of the company in conditions of globalisation were discussed in a number of works by M.D. Davydova (2011).

A company should implement competitiveness and position itself in a favourable manner or at least protect its situation in order to succeed with deep consideration of the threat of available and new entrant competitors (Porter, 1980; Güngören, Orhan, 2001; Ormanidhi, Siringa, 2008).

A company should identify its place in the market and compete against threats to its position (Tavitiyaman, Quand Zhang, 2011; Covin, Slevin, 1990).

Restaurants are important generators of income in many countries. Thus, it is vitally important to determine what specific competitive positions would an establishment of restaurant business manifest and keep to (Voon, 2012; Omar, Ariffin, Ahmad, 2016), since no method can take into account the whole scope of sector specificities in

restaurant economy, and the problem solution therefore requires a deeper analysis and is individual for every single establishment.

The majority of scientists engaged in problems of competitiveness do not discern between types of public catering establishments depending on the specificity of their activity. This is why the questions of some aspects of restaurant competitiveness are still insufficiently studied and need introduction of competitiveness ranking criteria which would allow for the disclosure of highly competitive restaurants and see what additional measures are needed to help low-competitive restaurants. Basing on the examples of the Chernivtsi restaurants, the present study aimed at demonstrating the ways of helping increase the competitiveness and efficiency in public catering establishments in present-day conditions of economic management.

RESEARCH CONDITIONS

A big number of different-type establishments of public catering that realize their broad or narrow assortment of products in a homogeneous segment of the market, as well as relatively free entrance in the market and exit from it allow for the conclusion that these establishments work in conditions of perfect competition (Androsova et al., 2010)

According to a definition given at the European Forum for Quality Management, competitiveness of a company represents its real and potential opportunities in its present conditions to develop, produce and realise goods that appear to be more attractive than the competitor's if their price and non-price merits are taken into account (Dolzhanskyi, 2006).

Specific nature of competition in restaurant business is connected with functions characteristic for industrial enterprises when the latter manufacture, realize and organize the consumption of their products. Combination of functions of production and non-production spheres preconditions complicity of the subject of competition in public catering establishments. Unlike in many other sectors of industry where the subject of competition is represented by production, works or services, competitiveness of economic entity in restaurant business depends on the competitiveness of both the product and the offered services. It should be noted that, in present-day conditions of development of national economics, services are more and more often regarded as a way to enrich the value of a single company in consumer's eyes and thus provide for the company's competitiveness within a certain period of time. However, unlike in many other sectors, the provision of services and organisation of serving in restaurant business stand out as integral components and are inseparably apprehended by the consumer when he is served the offered company's product. Thus, on the one hand, performance in the way of an industrial company, that is, being made to produce, realise and organise the consumption of its own products, significantly broadens the field for competition in restaurant business, while on the other hand it witnesses difficulties in provision of competitiveness since it requires the consideration of all components of restaurant activity which also includes the establishment's atmosphere, cleanness, comfort, personnel's competence and care.

Restaurant business in present-day market conditions is characterised as one of the most dynamic sectors of national economy. Market makes restaurants not only produce qualitative products and realise them but take measures to help reduce the product's

first cost and increase the consumers' demands. A catering establishment should possess such a spectrum of competitive positions which would provide for being one step ahead in its specialisation (Pshhenyshniuk, 2012). And solution of this problem needs some number of new theoretical and applied developments directed to formation of restaurant's competitive positions and its competition strategy.

Broadly speaking, in the characterisation of the essence of the concept of "restaurant's competitive positions", we should emphasize that such positions represent combinations of all restaurant's available resources (primary, spatial, labour, managerial, technological, information, marketing, etc), and such ways of their use that would provide for wider capacities to produce and realise goods and services in comparison to competitors. That is, competitive positions represent in the first turn a system of key factors that differentiate the restaurant from its competitors and add to provision of its stable leadership in the market within a certain period of time.

Sources that form competitive positions in restaurant business are represented by qualified labour, favourable conditions for production, creation of new products and introduction of innovations, essential reduction of first cost, product's high quality, unique and optimal assortment that fits visitors' demands, regulation of establishment's own prices, high levels of social responsibility and serving.

The principal task of restaurant industry is defined by the concept of hospitality determined as satisfying the customer's most particular wishes, for, if guests did not find enjoyment in visiting a restaurant, no other thing matters. Organisation of catering does not provide for satisfaction of only gastronomic demands, but for rest and entertainment, i.e., satisfaction of socio-cultural demands.

A restaurant's success today to a great extent depends on the availability of well-thought-out management, up-to-date cuisine, restaurant's concept, faultless provision of services, interesting interior and reasonable prices. Modern restaurants gain their competitive positions introducing innovations such as restaurant's new design, new process of production, new approaches to marketing, new methods of qualifications upgrade, etc. The quality of services in restaurant business is dictated by customers' demands and predominantly defined by the scope, the type and the character of services provided to guests. The factors that effect on the quality of services include convenience of accessibility, precise choice of working hours, quality of the cuisine, high technological level of production, hygienic safety (observance of sanitary-technical requirements to maintenance of premises, utensils and furniture), comfortableness of halls, personnel qualifications (cooks' skills, personnel's carefulness, politeness and obligingness to guests, qualitative management, and service rate), availability of efficient marketing and sales strategies (Table 1).

As appears from the aforesaid, the restaurant's competitive positions are regarded as a mechanism to help form conditions necessary for the most complete and multi-sided use of those specificities of the establishment that positively differ from those of the competitors, which in the short run provide for the increase of restaurant's efficiency, and in the long run – for its survival realised through continuous search for new opportunities and quick adaptation to surrounding market environment and ever-changing conditions of competitive struggle.

Table 1. Elements of restaurant competitiveness

DISPOSITION
<ul style="list-style-type: none"> – transport accessibility; – availability of parking; – availability of historic-cultural and nature objects; – availability of sign and its attractiveness; – comfort.
IMAGE
<ul style="list-style-type: none"> – exterior; – interior; – restaurant size; – restaurant's concept; – thematic design; – premises infrastructure; – restaurant's style; – VIP-guests.
CUISINE
<ul style="list-style-type: none"> – wide choice of dishes and drinks; – serving; – dishes tastiness; – dishes uniqueness; – observance of cooking technologies.
SERVICE
<ul style="list-style-type: none"> – serving rate; – servants' skilfulness; – personnel's communicability; – foreign language skills; – art of table setting; – observance of sanitary-hygienic requirements.
ORGANISATION OF ENTERTAINMENT
<ul style="list-style-type: none"> – availability of organisation of different events; – availability of entertainment for children; – availability of background music; – availability of organisation of holidays and thematic parties.
PRICING POLICY
<ul style="list-style-type: none"> – average cheque price; – availability of discounts/bonuses; – adequate pricing policy in comparison to competitors.
MARKETING
<ul style="list-style-type: none"> – extensive promotion in mass media, radio, TV, via the Internet, boards and panels, telephone, computer and other lines and social media; – development of own website; – brand introduction on international market; – introduction of innovations.

Source: authors' own work

METHODOLOGY

Fundamentals of the theory of competitiveness, sources that help form competitive advantages in restaurant business, conceptual approaches of national and world scientists to complex study of assessment of competitiveness and ascertainment of the level of restaurant competitiveness were used as methodological bases of this research.

The present work based on geo-spatial, systems-structural and conceptual approaches. In the process of study the authors relied on the principles of scientificity

(to form scientific postulates), objectivity (to objectively disclose the study problem), practicality (possibility of application of study results in realisation of practical goals and tasks), and integrity (to help ascertain interlinks between different components of the elements of competitiveness).

Multidimensionality of phenomena, processes and factors analysed in this work has preconditioned the necessity of application of a number of general and specific scientific methods, where we have made use of those of analysis and synthesis, cause-and-effect relationship, typology, systems approach, modelling, abstracting and specification, use of literary, statistical and other sources. With regard to specific scientific methods, we have applied comparative-geographic (disclosure of common and different features of Chernivtsi restaurants' competitiveness in different places of the city), point-based (to define the degree of restaurant competitiveness), geo-informational (to highlight information on restaurants' of Chernivtsi activity; develop cartographic models (polygon of competitiveness), typificational (to outline competitive groups of restaurant-type establishments of Chernivtsi), and ranking (to distinguish between restaurants-leaders and restaurants-outsiders).

Assessment of competitiveness of restaurant business takes into account all essential parameters and figures of financial, economic, marketing, investment, production, etc. activities. We have suggested a number of criteria that would be helpful in the evaluation of competitive positions in restaurant business, namely: 1) establishment's geographical disposition; 2) availability of historic-cultural or known natural monuments; 3) availability of parking zone; 4) establishment's exterior; 5) establishment's interior; 6) establishment's cuisine; 7) quality of services; 8) availability of entertainment measures; 9) availability of entertainment and amusements for children; 10) average cheque price per individual; 11) provision of additional services; 12) system of restaurant's marketing and promotion.

A point-based scale is introduced for more precise qualitative assessment of each of 12 criteria of restaurant competitiveness (Table 2). We believe that the use of 6-point assessment scale (from 0 to 5 points) would be utmost helpful in determination of criteria that manifest most influential competitiveness. Bitter rivalry in restaurant business and essential importance of non-price means of competitive struggle made us suggest the 0-point called to According to data available with the Nielsen research company as of September 2017, there were 10,994 establishments functioning in the area of public catering in 6 biggest cities of Ukraine (Kyiv, Lviv, Odesa, Kharkiv, Zaporizhzhia and Dnipro) where restaurants and cafes constituting 46% (5,009 entities). The establishments of the FastFood category had the share of 40% (4,427 entities), while bars, pubs and night clubs totalled 14% (1,558 entities) more hardly assess competitiveness of catering enterprises.

Competing restaurants are appropriated points upon their comparative analysis and consequential establishment of their competitive positions. The maximum possible gain within the competitiveness criteria is 5, and 0 is minimal. The maximum possible total gain amounts to 60 points, whereas 0 points makes minimal possible value.

Commonly, the biggest number of points can be gained by restaurants with convenient geographical disposition, excellent exterior and interior, broad menu and wide assortment of additional measures, while those providing the least spectrum of services will "enjoy" the outsider's position.

Table 2. Criteria to determine ranking score of restaurant's competitiveness (Source: authors' own work)

No.	Criterion	Ranking conditions					
		0 points	1 point	2 points	3 points	4 points	5 points
1	Geographical disposition (transport accessibility, within or beyond the city limits)	over 100 km, absence of adequate roads and approach roads	over 80 km, absence of road	over 60 km, hard transport accessibility	over 30 km, easy transport accessibility	over 20 km, convenient automobile roads	less than 20 km, closeness of public transport
2	Closeness to historic-cultural monuments (historic part of the city, closeness of museums, theatres, etc) or sites of wild nature (rocks, waterfalls, resorts, mountains, forests)	complete absence of historic-cultural and natural monuments	availability of only one insignificant historic-cultural or natural monument	2-3 historic-cultural or natural monuments	over 3 historic-cultural or natural monuments	over 5 historic-cultural or natural monuments with no tie-up between them	historic-cultural or natural complex
3	Availability of parking zone (parking space for vehicles)	complete absence of approach road and parking space	absence of special space for parking	absence of special space for parking with availability of no more than 2 parking lots at the entrance or in the yard, etc	absence of special space for parking with availability of no more than 2 parking lots	sufficient availability of parking lots for only passenger vehicles, guarded by the security	sufficient availability of parking lots for vehicles of any type, continuously guarded by the security
4	Establishment's exterior (availability of separate entrance, signs, summer terrace, summer yard, etc.)	none of the criteria is available	availability of at least 1 criterion	absence of sign but availability of separate entrance, unavailability of summer terrace and yard	availability of sign and separate entrance but unavailability of summer terrace and yard	availability of sign, separate entrance but summer terrace but unavailability of small summer yard	availability of sign, separate entrance, summer terrace and small summer yard

5	Establishment's interior (thematic design, specificity, availability of stucco, decorations, pictures, etc.)	absence of concept and themes	available concept is practically undiscussed; absence of stucco, decorations; the menu does not correspond to establishment's themes	concept and themes are available, but the menu does not correspond to establishment's themes	concept, themes and decorations are available; the menu partially corresponds to the themes but the personnel's uniform does not correspond to establishment's themes	concept, themes and decorations are available; the menu corresponds to the themes, but the summer terrace and the yard do not fit the establishment's specificity	concept, themes and decorations are available; the menu and the personnel correspond to the themes; summer terrace or the yard do not fit the establishment's specificity
6	Cuisine (menu assortment, drinks card, availability of original cuisine, chef's specialties, thematic dishes, children's menu)	menu is limited to 5 dishes with no thematic cuisine, card of drinks, etc	menu includes 6 to 12 dishes, with no thematic cuisine, drinks card, children's menu and chef's specialties	menu includes 13 to 18 dishes, drinks card is available, but with no thematic cuisine, children's menu and chef's specialties	menu includes 18 to 22 dishes, thematic cuisine, and drinks card but no chef's specialties and children's menu are available	menu includes 22 to 28 dishes, thematic cuisine, drinks card, chef's specialties and children's menu, but no original cuisine is available	menu includes over 20 dishes, thematic cuisine, drinks card, chef's specialties, children's menu, and original cuisine
7	Quality of services (menu in English, English-speaking personnel is wearing uniform, up to speed on the menu, communicative and confident)	none of the criteria is available	no menu in English, personnel do not speak English and wear no uniform; however, they are communicative and look surely skilled	personnel wear uniform; no menu in English, waiters do not know the menu, and show no skills in communications with guests	personnel wear uniform, know the menu which contains no English version; however, waiters are communicative and look confident	personnel wear uniform, know the menu which contains its English version; though personnel do not know English, they are communicative and look confident	personnel wear uniform, perfectly know the menu which contains English version, waiters speak English, are communicative and look confident and skilled
8	Entertainment offered by the restaurant (regular entertainer, master classes, thematic evening parties, background music, holiday parties, etc)	none of the criteria is available	availability of at least 1 criterion	music is available only on holidays, absence of entertainment program and regular entertainer, no thematic parties are held, etc.	evening parties are held only on holidays, music plays only on weekends, entertainer is available, no master classes	thematic parties are held only on holidays, entertainment and music are available only on weekends, entertainer is available, no master classes	thematic parties are held on holidays, entertainment and music every day, entertainer is available, master classes and festivals are held on a regular basis

9	Availability of children's rooms with amusements (availability of playing room, table games, as well as children's seats, seats for feeding and other similar equipment)	none of the criteria is available	availability of at least 1 criterion	absence of playing yard and room, but table games and children's seats are available	availability of only playing yard and table games	availability of playing yard or room, table games and children's seats for feeding	availability of playing yard and room, table games and children's equipment
10	Price policy (correspondence of price and quality, comparison to competitors' prices)+ check-up of dishes availability in the menu	none of the criteria is available + breach of sanitary-hygienic requirements	any breach of sanitary-hygienic requirements (non-fresh products, dirty plates, etc)	over half of the menu is unavailable	inadequate price, weight and appearance of dishes, too high prices that do not correspond to quality	pretty standard serving of dishes, availability of all dishes offered in the menu, adequate prices if compared to competitors	excellent original serving with prices and quality much better than those in competitor's, availability of all dishes in the menu
11	Provision of additional services (selling goods of own production, authentic souvenirs, delivery upon request, table reservation, availability of Internet, credit card payment)	none of services is available	availability of at least 1 service	availability of 2-3 services	availability of 4-5 services	availability of over 6 services	availability of all services + additional and unconditioned services
12	Available system of marketing and promotion (own website, promotion in social networks, working system of discounts and bonuses, introduction in international market, brand promotion)	none of the criteria is available	availability of at least 1 criterion	availability of 2-3 criteria (e.g., discounts, website, promotion through social media)	availability of 4 criteria	availability of all criteria well-working together, but unavailability of brand, restaurant is not known beyond the city limits	availability of all criteria well-working together, brand introduction on international market, franchise opportunity

The number of points gained by the restaurant is divided into a reference value – maximum points that can be gained by the establishment under the criteria of competitiveness thus establishing the degree of competitiveness of this or that specific restaurant (Androsova et al., 2010):

$$K_i = \frac{\sum_{i=1}^{12} x_i^\phi}{x_{max}},$$

where K_i stands for general degree of restaurant's competitiveness;
 $\sum_{i=1}^{12} x_i^\phi$ is actual total number of points under criteria of competitiveness; and
 x_{max} – total maximum number of points under criteria of competitiveness (reference value).

The closer the restaurants' degree of competitiveness to 1, the more competitive it is.

PERSPECTIVES AND CHALLENGES FOR THE DEVELOPMENT OF COMPETITIVE POSITIONS OF CHERNIVTSI RESTAURANTS

Ukraine possesses huge potential for the development of establishments of public catering with restaurants having the biggest share. Essentially sensitive to economic situation, currency exchange rate fluctuations and social factors, restaurant market is among the most dynamic markets in Ukraine (Piatnytska, 2007). The last two years witnessed the market's efforts for active restoration after the political and economic crises that took place in 2014–2015. On the whole, the aforesaid period witnessed nearly 5,000 establishments of public catering vanishing from the scene. According to assessments conducted by the RestConsulting, nearly 1,500 restaurants disappeared, having not overcome the crisis and a bit over 4,000 were left in the occupied Crimea and the zone of Anti-Terrorist Operation.

The overall capacity of the Ukrainian restaurant market is assessed by analysts to amount to UAH30 milliard, while the total number of establishments (over 15,000) reached the figures of pre-crisis 2013 (with no restaurants of the Crimea and those left in the ATO zone included).

The same as it is in the whole world, strongest competition is observed in the sphere of hotel/restaurant industry in Ukraine. The market is exceptionally aggressive with supply exceeding the demand, and restaurants therefore encounter difficulties with advocating their interests. Situation is only cured by way of improving the quality of serving and offering special services, but small entities are made to survive and work at a loss. One more problem of restaurant business in Ukraine is that the cost shall be recovered within the next 5–6 years, and few small entities would live so long because the risks were not thoroughly calculated, right direction was not guessed by the owner, or clients have chosen the competitor's establishment for this or that reason.

As regards administrative regions of West Ukraine, Chernivtsi Region attracts tourists with nature-landscape and ethno-cultural specificities; similar system of life stereotypes and values; borderline political and transport-geographical disposition, etc. As of 2017, almost 25% of registered entrepreneurship were active in the area of trade and services. The city citizens and guests' demands for goods and food products are satisfied in 20 trade centres and supermarkets, over 600 establishments of

restaurant business, nearly 250 objects of wholesale trade and over 1,500 objects of retail trade of different forms of ownership [accessed 16 April 2018].

The biggest number of restaurant business establishments is found in Chernivtsi where 240 such entities can seat 25,700 people at a time. Among these, there are 60 restaurants offering the whole spectrum of traditional courses from all over the world, namely Ukraine, Europe (French, Rumanian, Greek, Italian cuisines), Asia (Japanese, Korean, Indian, Chinese), as well as other national and mixed cuisines. Among these we can place emphasis on such restaurants such as *Knaus* – a part of Germany in the heart of Chernivtsi; *Kosher Organic* – the only kosher food establishment in the city where one would enjoy Jewish national dishes prepared according to ancient recipes; *La multi ani* worthily represents Moldavian cuisine, while *Bucuresti* – Romanian. Another 3 restaurants in Chernivtsi fittingly represent Indian (*Bindi*), Chinese (*Kyoto*), and Georgian (*Khinkali*) cuisines, etc.

Table 3. Point-based assessment of Chernivtsi restaurants

No.	Restaurant	Criterion assessment												Total points
		1	2	3	4	5	6	7	8	9	10	11	12	
1.	Habsburg	5	4	2	3	4	4	4	2	1	5	1	2	37
2	Chernivtsi	5	2	5	5	5	5	5	4	0	4	5	2	47
3	Kyiv	5	4	4	3	3	3	2	2	0	4	2	0	32
4	Allure Inn	5	4	3	4	5	5	5	5	5	5	5	4	55
5	Duke's Estate	4	1	5	5	5	5	5	4	5	5	3	2	51
6	Khinkali	5	4	2	3	5	5	4	1	0	5	5	4	43
7	Rita Steinberg	5	5	2	3	5	5	4	4	0	5	2	0	40
8	Palazzo	4	0	3	4	5	5	3	2	4	5	2	2	39
9	Waterfall	4	0	1	4	4	4	2	2	0	4	2	0	27
10	Kwinto	5	5	1	5	5	5	5	4	1	5	2	4	47
11	Bruno	5	5	1	4	4	3	4	0	0	4	2	2	34
12	Seigniorial Distillery	5	5	1	3	5	5	5	5	0	5	5	5	51
13	Bucuresti	5	5	1	5	5	5	4	4	1	5	5	5	50
14	Chernivtsi Townswoman	5	5	1	3	0	3	1	2	0	3	1	0	24
15	Kyoto	5	5	1	4	5	5	5	1	0	5	4	4	44
16	Zone Secret Kitchen	5	5	3	4	5	5	5	4	2	5	1	3	47
17	Bartka	5	0	3	4	5	5	5	5	5	5	5	4	51
18	Di Bocca	5	4	3	3	5	5	5	4	0	5	4	4	47
19	Beijing	5	2	1	3	5	5	4	2	0	5	5	3	40
20	Charm	5	2	3	4	4	1	2	0	2	0	4	1	28
21	Sorbonne	5	5	3	5	5	5	5	2	0	5	2	4	46
22	Li Vuar	5	0	3	4	3	3	3	2	0	4	1	2	30
23	Diana	4	0	3	3	4	5	2	2	0	5	2	2	32
24	S.O.D.A.	4	0	3	5	5	5	5	1	0	5	2	2	37
25	Day and Night	4	1	5	4	5	5	4	4	0	5	2	2	41
26	Guest House	4	0	5	5	4	4	4	3	4	4	2	2	41
27	Premiere	4	0	4	4	5	5	4	2	0	5	3	2	38
28	Gopachok	5	2	2	4	5	5	5	1	0	5	4	3	41
29	Winston Hall	5	2	4	5	5	5	5	3	0	5	3	2	44
30	Brizole	4	0	4	5	4	5	3	2	4	5	2	2	40

31	Golden Pheasant	4	0	3	4	4	4	3	2	0	4	2	2	32
32	Coziness	3	0	3	4	4	5	2	3	0	4	3	2	34
33	Delta	4	1	4	3	4	5	3	3	0	5	2	2	36
34	Versaille	3	0	4	5	5	5	3	2	0	5	2	2	36
35	Park Tower	4	2	4	5	5	5	2	2	0	5	2	2	38
36	Baron Gartenberg	3	0	5	5	4	5	5	3	1	5	3	2	42
37	George Palace	4	4	5	5	5	5	4	2	1	5	2	2	44
38	Rhoxolana	3	0	4	4	5	5	2	2	1	5	2	2	37
39	Babylon	5	4	4	3	3	5	3	2	0	5	2	2	38
40	Boulevard	4	0	3	1	4	4	2	2	0	4	2	2	31
41	Cleopatra	4	0	4	5	5	5	4	3	5	5	4	4	48
42	Knaus	5	4	3	5	5	5	5	3	0	5	3	5	48
43	Fortress	5	0	4	4	3	4	2	2	5	4	2	2	37
44	Coral	3	0	4	3	3	4	2	2	0	4	2	2	27
45	Maestro	4	4	5	5	5	5	2	2	0	5	3	2	42
46	Faberge	3	0	4	3	4	4	2	2	5	4	3	2	36
47	Andinna	4	0	4	4	4	5	2	2	0	5	2	2	34
48	Wheel	5	5	1	3	5	5	5	2	0	5	4	3	43
49	Beluga Stafood	5	5	4	3	5	5	4	2	0	5	4	3	45
50	Keiser	5	0	3	5	5	5	3	2	0	5	2	2	37
51	La multi ani	4	2	3	3	3	5	3	3	0	5	3	2	36
52	Aristocrat	3	0	5	5	5	5	4	2	0	5	3	4	41
53	Checheri	4	1	4	3	3	5	2	2	0	5	2	2	33
54	Bindi	5	1	3	2	3	5	2	0	0	4	2	2	29
55	Frigate	4	0	4	3	4	5	2	2	0	5	2	2	33
56	Picnic	4	0	4	5	5	5	3	3	0	5	2	2	38
57	Idyllic Frog	5	4	3	3	5	5	2	1	0	5	2	2	37
58	Kosher Organic Restaurant	5	2	3	4	5	5	2	2	0	5	3	2	38
59	Seigniorial Consolation	4	0	3	4	5	5	2	2	0	5	2	2	34
60	Dayana	4	0	4	3	4	4	2	2	0	5	2	2	32

Beside everyday serving, these public catering establishments specialise in organisation of different holidays and entertainments such as birthdays, weddings, corporate parties, school-leaving parties, romantic meetings, etc.

To help study the competitiveness among restaurants of Chernivtsi Region, we chose sixty that differ in their geographical disposition, style, cuisine, etc (Table 3).

The aforementioned restaurants essentially differ in their seating capacities. The least share (7%) can seat up to 50 visitors (*Zone Secret Kitchen, Habsburg, Boulevard, Beluga Stafood*), while 17% are capable to have 200 guests at a time (*Palazzo, Baron Gartenberg, Aristocrat*). Small seating capacity restaurants are predominantly regular public catering establishments and capacious function as banquet-day restaurants.

We have analysed the competitiveness of 60 restaurants of Chernivtsi. All entities received different number of points which allowed for their grouping into leaders, main body, runners up, and outsiders (Table 4).

Table 4. Competitiveness of Chernivtsi restaurant groups

Restaurant groups	Total points	Top 5 restaurants	Total entities
leaders	more than 45	Duke's Estate, Seigniorial Distillery, Zone Secret Kitchen, Di Bocca, Bartka	12
main body	36–45	Kwinto, Habsburg, Khinkali, Palazzo, S.O.D.A	31
runners up	31–35	Andinna, Checheri, Seigniorial Consolation, Boulevard, Golden Pheasant	11
outsiders	less than 30	Chernivtsi Townswoman, Waterfall, Coral, Bindi, Charm	6

Source: authors' own work

Restaurants-leaders (12 entities) are distinctive for high rate of competitiveness (45–55 points). Average competitiveness is characteristic for 31 restaurants that comprise the main body (52% out of all restaurants in Chernivtsi that gained 36–45 points). Below-average rating is possessed by 11 restaurants that take the third place in the table. Low competitiveness (less than 30 points) is shown by 4 entities, or outsiders that make 7% out of all study objects. All the aforesaid figures prove the predominance of average-competitive restaurants in Chernivtsi.

Proceeding from 12 afore-mentioned criteria of competitiveness we may define the mean value for each of these and construct a polygon of competitiveness to help visualize and compare its essential parameters (criteria) (see Figure 1).

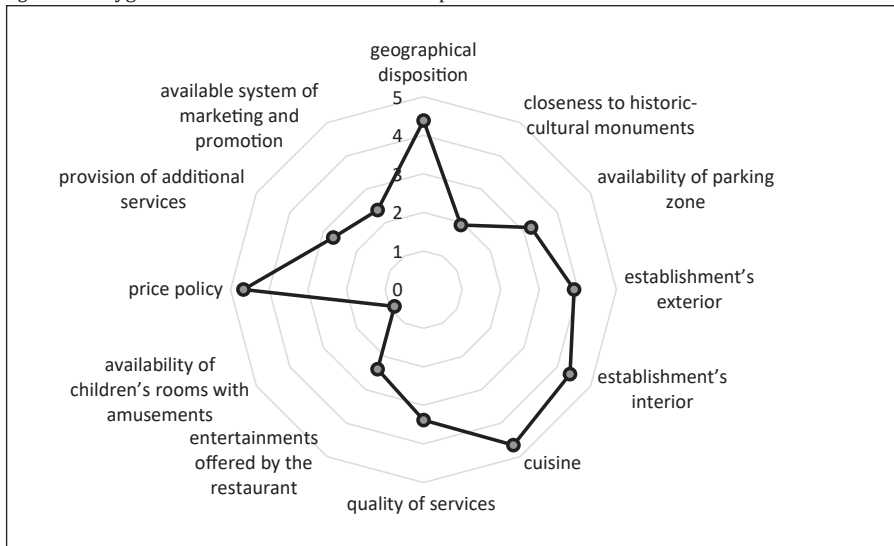
Restaurant's cuisine and adequate quality/price proportion are among the most essential factors of competitiveness, since the tastiness of dishes does determine whether or not the guest satisfied his gastronomic demands. Location is another important factor that effects on the figures of establishment's attendance. The majority of restaurants in Chernivtsi have found their placement in the downtown which is a good preference when compared to those on the periphery. In a perfect world, the restaurant should be easily accessed; it should attract by a noticeable signboard and convenient work time; the interior should be atmospheric to provide for guest's mood, comfort and final impression of the visit; entertainments should allow for his peaceful rest, have fun and unique emotions. Service level is a factor that effects on the guest's impression, either bad or such that would make him wish to visit the restaurant once more. Closeness to historic-cultural or natural monuments would add to restaurant's attractiveness at the expense of tourism attractions. Unfortunately, such additional services as children's rooms and marketing that would place restaurants on a higher level are still generally ignored.

Having analysed the study results, we can conclude the bigger number of points was gained by restaurants located in the downtown, having an exquisite cuisine, providing for parking lots and offering wide assortment of various services.

Having analysed the assessment results, we may conclude that the biggest number of points is gained by those restaurants that accumulated bigger flows of guests, such fact once again confirming and proving the correctness of chosen methods.

The assessment of restaurant competitiveness will allow for disclosure of the best establishments, as well as for substantiation of further steps in the activity of those restaurants that show the least competitiveness so that they could continue to be active on the market, become profitable and satisfied the consumers' demands. Such steps

Figure 1. Polygon of Chernivtsi restaurants' competitiveness



Source: authors' own work

would include efficient use of the potential; finding position with the assortment and its broadening, up-to-date interpretation of serving; development and implementation of new forms of serving; establishment of the scope of services to be offered to guests on the basis of study of their stories; raise of personnel's competitiveness; decrease of restaurant costs; solicit customers of competitor companies through advertising, etc.

Having generalised theoretical and practical studies, we may assert that the afore-said scheme can serve as a basis for the assessment of restaurant competitiveness. In each single case it can be added with additional parameters and characteristics that would reveal the individuality of this or that establishment. We believe that the assessment is a dynamic concept where the state of the object does not only depend on its current position but on the same in the past and in the future.

CONCLUSIONS

Restaurant business is among the most important components in the industry of hospitality representing one the most widespread types of small business today. The public catering establishments are therefore in the state of continuous competition trying to preserve them in the market, find new and maintain old consumers of their goods and services. Restaurant business in Chernivtsi Region is, on the one side, a rather profitable and investment-attractive type of entrepreneurial activity; on the other side, it involves high level of competition which requires continuous growth and improvement.

Having analysed the resulting points of our assessment we cannot but come to a conclusion that the highest ranks are possessed by those restaurants of Chernivtsi that show excellent parameters of competitiveness. These are those restaurants where the highest flow of customers is observed thus confirming our methodology. To have a clear vision of the efficiency of restaurant business, one should continuously assess its competitiveness. It would allow for understanding of restaurant's place in the market,

its advantages and shortages if compared to competitors, as well as would serve as a push towards the choice of futures strategic development.

The competitiveness of the aforesaid restaurants in the first place depends on their managers who should optimise the efficiency of every investment into resources, introduce innovative technologies, analyse world experience of known restaurant networks, concentrate on continuous satisfaction of consumer needs, intensely involve marketing policies, provide for necessary conditions for successful realisation of products, use encouragements (bonus programs, discounts, actions, drawing, etc), monitor and analyse situation on the market in present-day conditions of economic management.

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