

The development of the regional catering market: The case of the Altai region

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Abstract. The contemporary catering market is highly competitive, and it is characterized by a high degree of product and service differentiation. At the same time, it is impossible to talk about the uniformity of its development in all countries, including the regions of the Russian Federation. Over the past 8 years, a significant slowdown in the growth rate of catering turnover has been typical for Russia. The article analyzes the main trends in the catering market of the Altai region, in comparison with the Siberian Federal District and Russia in general. It also identifies those factors hampering the catering enterprises' development. As part of the study, we used such methods as: analysis and synthesis, comparison, statistical methods, modeling, expert assessments, and description. The results of the study presented in the article demonstrate that the development of the public catering industry of the Russian Federation is influenced by a number of factors that do not have pronounced regional specifics. However, regional specifics directly affect the dominance of one or another factor. A vivid example of the severity of the influence of factors is the poor development of the demand for food outside home in agrarian regions in comparison with regions with a high degree of urbanization and the development of industrial production. Dependence of the personnel component in development of the food industry on the presence of specialized educational organizations that train specialists for the regional industry is a another vivid example. As a result of our research, the main vectors of institutional, sectoral and local development of public catering in the region are identified and formulated. It is determined that in the ongoing crisis and import substitution policy, public catering enterprises must rely on local suppliers of raw materials to a greater extent.

Keywords: catering market, products, industry, catering industry, region

1. Introduction

The catering market is characterized by a high degree of differentiation of products, services and prices. A study of its development is the subject of research by various authors [1, 2, 3]. Its feature is the inseparability of the service from its supplier. This feature is one of the competitive advantages of the food industry [4]. According to the Federal State Statistics Service of the Russian Federation for 2000-2016, the turnover of catering enterprises in current prices is growing annually. The exception is 2009. There is a decrease in the turnover of public catering during this period, mainly as a result of the outflow of customers with an average level of wealth affected by the economic crisis. It should be noted that the decline in the turnover of public catering in the Altai Region was more noticeable (-

29.2%) than in the Siberian Federal District (-15.73%) and in the country (-1.59%). Over the entire study period, the turnover of catering in current prices increases on average by 18.0% annually. However, over time, growth rates slow down. Comparable growth rates are observed in the Russian Federation, the Siberian Federal District and the Altai Region (Figure 1).

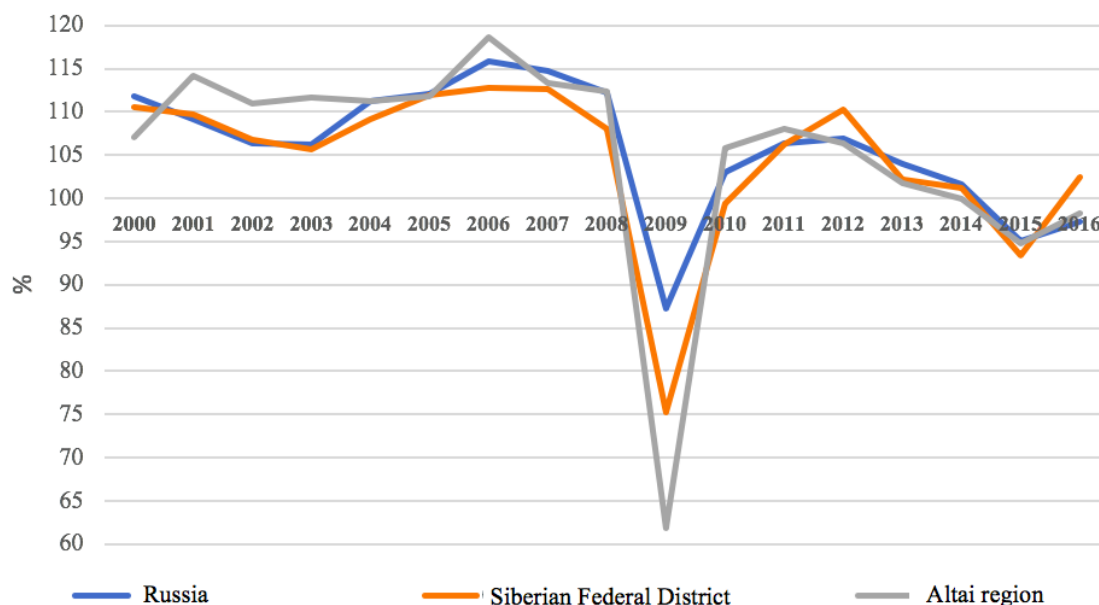


Figure 1. The dynamics of the chain growth rate of the physical volume of the turnover of public catering (based on the FSSS data).

2. Materials and Methods

The boundary conditions of the study, aimed at identifying trends in the field of public catering, identifying factors hindering their development, and determining development vectors in the context of import substitution, are determined on the basis of the following materials: our analytical review of the scientific literature and analysis of statistical data of the Federal State Statistics Service, the territorial body of the Federal State Statistics Service for the Altai Region; analytical materials of the Office of the Altai Region for the development of entrepreneurship and market infrastructure, internal documentation of public catering enterprises of Barnaul. To solve the set tasks, the following general scientific research methods were used: analysis and synthesis, comparison, statistical methods, modeling, expert assessment method, description and other.

The scientific novelty of the study consists in assessing the factors determining the development of catering establishments and developing the institutional, sectoral and local vectors of their development.

3. Results

Over the entire study period, the growth in the turnover of public catering is explained both by the rise in prices in public catering and the increase in seats due to the opening of new enterprises. This is especially noticeable in 2015-2016, when physical volumes tend to decrease, both in the Russian Federation and in the Altai Region, amid growing catering turnover in current prices. Experts note [5] that the decrease in physical volumes in public catering is a consequence of introducing food counter sanctions.

Under the food embargo, most catering enterprises have adjusted their menu, as they were forced to use domestic products or products of manufacturers from countries that are not affected by these sanctions, which, in some cases, contributed to increasing costs. Consumer preferences and consumer

spending of the Russians are changing against in the context of inflation, a decline in the purchasing power of the ruble and a decline in real incomes of the population.

In the course of our study, it was revealed that in the period from 2010 to 2016, as well as in the first months of 2017, changes in consumer prices in the catering industry [8] did not have a significant impact on the turnover of catering enterprises in either the Russian Federation or the Siberian Federal District or in the Altai region. This is due to the fact that the correlation coefficients between the turnover and the average annual growth rate of consumer prices in public catering amounted to 0.13; 0.06; 0.11, and the coefficients of determination were 1.66, 0.35, and 1.17%, respectively.

An average annual number of the resident population (the determination coefficient was 90.38%) has the greatest impact on the change in the turnover of public catering in the Altai region. Statistics clearly show this trend [6, 7]. However, in the Siberian Federal District, the influence is not so strong – the determination coefficient is 66.64%. But in Russia as a whole, the number of resident population does not explain changes in the turnover of public catering (the determination coefficient is 0.21%).

4. Discussion

As a result of our research, it is revealed that the turnover in the actually operating prices of restaurants and bars is subject to market fluctuations. Therefore, it is highly variable. Since 2013, its value is reduced. The main reasons are the decline in real incomes of the population due to economic problems, as well as the extraction of income from activities into the shadow turnover by the management of enterprises. The turnover of canteens at enterprises and institutions and the supply of catering products, on the contrary, is growing due to the growing popularity of the segment.

In the course of our research, it is also found that the formation and development of the catering industry of the Russian Federation is influenced by various factors, regardless of regional characteristics (Table 1).

Table 1. Factors constraining the development of public catering enterprises in Russia.

Factors	Influence
Market barriers	Low investment attractiveness; A large number of controlling organizations;
Raw materials	Reduction of unique imported raw materials as a result of the food embargo; Lack / low quality of domestic analogues; Increasing costs of imported raw materials due to the depreciation of the ruble; The presence of low-quality, counterfeit products;
Production technology	High production costs; Low level of advanced technologies;
Implementation	Reducing the purchasing power of the population; Unformed demand for eating out; Expansion of foreign network companies;
Staff	A relatively low level of remuneration and high staff turnover, as a result; Dependence on staff qualifications; Lack of educational training programs for service workers; Lack of highly qualified specialists.

The table presents general factors that in one way or another constrain the development of the catering industry as a whole. However, the region's specifics directly affect the dominance of one or another factor. For example, in agrarian regions, the demand for food outside home is much less formed than in those regions focused on industrial production and with a high level of urbanization; tourist attraction of the regions has a significant impact. One of the most significant factors ("staff") is directly related to the presence in the regions of specialized educational organizations that train

specialists for the industry. As a result of the study, the main guidelines for the development of public catering were identified (Table 2).

Table 2. Vectors of catering development in Russia.

Factors	Vectors		
	<i>Institutional</i>	<i>Industry</i>	<i>Local</i>
Market barriers	Creating a favorable investment climate.	Creation of information, financial and legal infrastructures for effective competition.	Formation of competitive advantages
Raw materials	Support for agricultural enterprises.		Localization of suppliers; Integration with producers; Introducing a seasonal menu for smoothing the seasonality of domestic raw materials; Orientation to the traditional and author's cuisine.
Production technology	Support for small and medium-sized businesses, which mainly include catering enterprises; Development of food industry development programs; Improving the system of regulating the food industry by the criterion of quality [19].	Merging companies to increase competitiveness	Development of advanced production technologies using new technology; Technical re-equipment; Mechanization of labor-intensive work; Implementation of quality management systems; Cost optimization; Business process improvement; Diversification, including the development of own production; Improving product quality.
Implementation	Urbanization; Tourism development.	Development of a segment of vegetarian cuisine, healthy nutrition; Development of a democratic segment (casual dining); Street retail segment development; Development of the corporate (industrial) food segment; Development of modern forms of providing services: home food delivery, take-away, anti-cafe, catering.	Introduction of new service systems (kaiten, tablets, etc.); Using loyalty programs, bonus systems, discounts, special offers; Reduced profitability to maintain demand in the face of declining consumer purchasing power; An expansion of geographical presence; Franchising.
Transportation	Transport infrastructure development.	Opening of distribution centers (for the network segment).	Optimize logistics costs to reduce the cost of raw materials.
Staff	Creation of public organizations; Support for educational institutions training catering staff.	Improving the level of training.	Staffing optimization; Scientific organization of labor; Staff development; Reduction in staff turnover.

5. Conclusion

The study shows that in contemporary economic conditions, catering enterprises must rely on local suppliers of raw materials to a greater extent. However, this market is not saturated enough and dependent on imports. In this regard, catering enterprises are forced to look for new ways of survival and development directions.

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