Marketing strategy for the case company
“Restaurant Kinza”
Abstract

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Title of the thesis

**Marketing strategy for the case company “Restaurant Kinza”**

Degree

International Business (UAS)

Name, title and organisation of the client

Bezrukova Liliya, owner and CEO of the JSC “Kinza”

Abstract

In this thesis, the definition and steps for drawing up a marketing strategy are given. A situational analysis was carried out for the case company, as well as the analysis of competitors and competition environment, analysis of strengths and weaknesses. Also, the elements of the marketing mix were described.

Keywords

Marketing, strategy, restaurant, marketing mix
Contents

1 Introduction........................................................................................................................................... 1
  1.1 Objectives of the study and research questions............................................................................. 2
  1.2 Introduction of the case company .................................................................................................. 2
  1.3 Research method ............................................................................................................................ 3
  1.4 Structure of the thesis ..................................................................................................................... 4
  1.5 Delimitations ................................................................................................................................ 4

2 Definition and Planning Process of the Marketing Strategy ................................................................. 5
  2.1 Definition of the marketing strategy ............................................................................................... 5
  2.2 Marketing Strategy Planning Process ............................................................................................ 5
    2.2.1 Identifying the company’s mission ......................................................................................... 6
    2.2.2 Situation Analysis .................................................................................................................... 6
    2.2.3 Marketing plan .......................................................................................................................... 7
    2.2.4 Developing marketing mix decisions ....................................................................................... 7
    2.2.5 Implementation and control ...................................................................................................... 8

3 Situation Analysis Tools .................................................................................................................... 10
  3.1 PEST Analysis ............................................................................................................................... 10
  3.2 Porter’s Five Forces Analysis ........................................................................................................ 10
  3.3 SWOT Analysis ............................................................................................................................. 12

4 Target market of the case company .................................................................................................... 14

5 PEST Analysis of the case company .................................................................................................. 15
  5.1 Political factors ............................................................................................................................... 15
  5.2 Economic Factors ........................................................................................................................... 15
  5.3 Social Factors ................................................................................................................................ 17
  5.4 Technological Factors .................................................................................................................... 17

6 Competition Analysis of the case company ......................................................................................... 19
  6.1 Direct Competitors ........................................................................................................................ 20
  6.2 Indirect Competitors ....................................................................................................................... 21
  6.3 Porter’s Five Forces Analysis .......................................................................................................... 22
    6.3.1 Competition in the industry ....................................................................................................... 22
    6.3.2 Potential of new entrants into the industry .............................................................................. 22
    6.3.3 Power of suppliers ..................................................................................................................... 23
    6.3.4 Power of customers ................................................................................................................... 23
    6.3.5 Threat of substitute products .................................................................................................... 23
  6.4 Summary .......................................................................................................................................... 23

Summary................................................................................................................................................. 23
7 Conducting a survey ........................................................................................................24
7.1 Results of the survey: .................................................................................................24
8 SWOT Analysis of the case company .............................................................................27
9 Marketing Mix of the case company ..............................................................................29
  9.1 Product ....................................................................................................................30
  9.2 Price .........................................................................................................................30
  9.3 Place .........................................................................................................................31
  9.4 Promotion ................................................................................................................31
  9.5 People .......................................................................................................................32
  9.6 Process .....................................................................................................................33
  9.7 Physical Evidence ....................................................................................................33
10 Conclusion ....................................................................................................................34
References .......................................................................................................................35

Appendices

Appendix 1. Interview questions with an owner of the restaurant Kinza

Appendix 2. Questions and results of the online survey
1 Introduction

Lately, restaurant business in Russia was developing with significant pace. Wealth of the population is growing and accordingly is growing a number of potential customers for restaurants. People are visiting restaurants on special occasions, such as celebrations, coming for lunch during the week, meet with business partners, spending time with friends etc. Restaurants are not perceived as something special and luxurious anymore, they are part of our daily life now. The arising of a demand leads to a higher number of those who are ready to meet the demand and offer their service. A lot of new restaurants are opening every year creating a higher competition level on a market. These factors forcing restaurants to act accordingly. Nowadays it is not enough to just serve food, but also to provide a high-level service and create an experience. (Andreeva 2017.)

In 2020, restaurant business, as many others faced a very serious challenge caused by COVID-19 epidemic and restrictions that was implemented during the time of it. Restaurants were closed for a continuous period of time, which of course have led to financial loses. In addition to that, the new restrictions on number of customers and working hours have been applied. But those are only the direct factors that influenced the industry. In addition to that, indirect factors have to be taken into consideration, such as decreasing income of the population and increase of the awareness of people to be in crowded places. (Meduza 2020.)

So now it is significantly important to create the marketing strategy that will help to overcome the obstacles and not only keep the business profitable but also to increase the profit and loyalty of customers. Marketing strategy is a long-term, forward-looking approach and an overall game plan of any organization or any business with the fundamental goal of achieving a sustainable competitive advantage by understanding the needs and wants of customers. (Baker 2008.) Revising the current marketing activities and implementing new strategy can help the company to overcome current obstacles, improve the service and grow the business.

Marketing breathes life into the restaurant. Well-planned and conducted marketing will attract visitors to the restaurant. And likely, then they will come back again. Marketing will help to achieve such a state of things that visitors will be satisfied with the company and will bring profit to its owners. (Shock et al. 2003.)

It's not enough just to be good nowadays. It is necessary to show the superiority. If the customer who visits the restaurant think that it was “good”, he will probably never come back. The reason is that there are many other good restaurants. But if a customer after a
visit describes it as “excellent” it is very likely that he will not only return himself, but also tell other people about how good his visit was. (Shock et al. 2003.)

1.1 Objectives of the study and research questions

The goal of the thesis is to build a framework of a marketing strategy for a case company restaurant «Kinza» in Russia, with recommendations that will help to maintain a sustainable competitive advantage, build a loyalty and increase the awareness of the brand.

In order to achieve the goal, the following major actions have to be taken:

1. Examination of theoretical aspects of marketing strategy in service industry, specifically in restaurant business.
2. Examination of the current state and current marketing activities of the case company.
3. Identification of the current weaknesses and threats of the company and determination of its strength and opportunities.
4. Proposing a marketing strategy.

The result is supposed to help the company’s management to decide on where to move next, which moves to take to achieve the desirable condition and results.

Thus, the research questions are:

- What should be the elements of the marketing strategy for the restaurant Kinza?
- Which factors are influencing the strategic decisions of the company?
- What recommendations can be given to the restaurant Kinza on creating a marketing strategy?

1.2 Introduction of the case company

The case company JSC “Kinza” was established in 2018 in the city of Komsomolsk-on-Amur in the Far East of the Russian Federation. The city has a population of approximately 250,000 citizens and considered as medium size city in Russia. The company runs the same named restaurant in the city center and also providing catering service.

The restaurant serves Georgian cousin. The a-la-carte menu offers a variety of Georgian salads, cold and hot appetizers, soups, bakery, hot dishes, steaks and home-made desserts. All the dishes are cooked entirely on the restaurant’s kitchen with the natural
ingredients only. The restaurant also offers an exclusive variety of Georgian alcoholic and non-alcoholic drinks, tea, coffee. The working hours are daily from 12:00 to 23:00. On weekdays from 12:00 to 15:00 the business lunch sets are served.

The restaurant is divided into three zones: the main area with 7 tables that fit from 2 to 4 people and a bar, a separate zone with a bigger table that can fit a company up to 8 people and a separate banquet room that can fit up to 14 people. The facility also has a small hall and a cloakroom. The interior of the restaurant has a Georgian style with elements of the national culture used for the decoration and the staff is wearing Georgian national costumes.

Mission statement of the company: “The mission of the restaurant Kinza is to be a place for guests where they can spend time with pleasure and comfort, taste high-quality dishes and immerse themselves in the atmosphere of Georgia”

1.3 Research method

This thesis project will be divided into two major parts. The first part of the thesis requires the secondary research that will include examination of earlier studies and reports on the topic as well as experts’ recommendations. This part is necessary in order to get familiarized with the research area and to get the information of what the marketing strategy for that kind of company should look like in order to be helpful.

The second part is primary research. This research will be aimed to collect the empirical data for the project. It will consist of two parts. The first one is quantitative research in a form of questionnaire that will be filled out by customers of the restaurant and will be delivered to them through the social media channels of the company. The results of the survey will be used to determine the current state of the company, what customers are satisfied with and what they wish to be improved.

The second part of the primary research will be the qualitative research in a form of an interview with the management of the company. It is necessary in order to determine which marketing activities are being used in present and whether the management is satisfied with its outcomes or not, and also what are the goals of the company’s management and what is the desired state of the company in future.
1.4 Structure of the thesis

Since the goal of this thesis project is creation of a marketing strategy, firstly, the definition of the marketing strategy will be given in the second chapter as well the description of the marketing strategy planning process.

As any other strategy, marketing strategy should start with defining the current state of things. And the first step would be to analyze the current state of market itself. The theoretical concept for this aim is PEST analysis. Then it would be important to analyze the competition environment of the company. The theoretical concept that is used for this purpose is Porter’s Five Forces Analysis. After conducting the above-mentioned analyses and receiving results of the survey, the current position of the company is determined using the SWOT Analysis. Chapters 3 is dedicated to theoretical concepts of those tools.

PEST analysis applied to the case company is conducted in chapter 5. Chapter 6 gives the competition analysis of the case company including the results of the Porter’s Five Forces analysis.

The results of the marketing research are presented in chapter 7 and then the SWOT analysis of the case company is conducted in chapter 8.

The last step would be a closer look at the Marketing Mix of the company in a form of 7P’s presented at chapter 9 and conclusion is made in chapter 10.

1.5 Delimitations

In this thesis, the concept of a marketing strategy is considered for a service market company. Creating a marketing strategy involves several steps that can only be decided from within the company. This thesis only superficially presents the definition of the target market of the company and does not present such important steps as setting specific goals and determining the marketing budget of the company. However, the result of this work can greatly simplify and be used as a framework for creating a marketing strategy for the company.
2 Definition and Planning Process of the Marketing Strategy

This chapter provides the definition of the marketing strategy term and describes the process and steps of the marketing strategy planning process.

2.1 Definition of the marketing strategy

According to Adam Barone (2021) - “a marketing strategy refers to a business's overall game plan for reaching prospective consumers and turning them into customers of their products or services. A marketing strategy contains the company's value proposition, key brand messaging, data on target customer demographics, and other high-level elements. A thorough marketing strategy covers “the four Ps” of marketing: product, price, place, and promotion.” Thus, a marketing strategy is a plan for connecting with potential customers of a business and turning them into consumers of a product.

The marketing strategy should be built based on the company's values. The goal of a marketing strategy should be to achieve a sustainable competitive advantage. The company's values should clearly show potential consumers what the company stands for, how it functions and why it is deserving for attention. This gives the company's marketers a template that should inform them about the initiatives in all the company's products and services and on the basis of which the marketing strategy should be built. (Barone 2021.)

In turn, the marketing strategy creates the basis for creating a marketing plan. A marketing plan is a document that describes in detail and sets a schedule for the marketing activities that need to be undertaken in the short term to achieve the company's targets. A marketing strategy, unlike a marketing plan, is created for a much longer period, since it contains the company's values, which must remain consistent. In other words, the marketing strategy covers the big picture, while the marketing plan only covers the details of specific marketing activities. (Barone 2021.)

Every business needs a marketing strategy. Restaurants are no exception. In fact, some might argue that restaurants should fight for every customer even more than retail stores, because it seems that in slower economic times, families are eliminating (or at least cutting) meals from their budgets. (Lorette.)

2.2 Marketing Strategy Planning Process

Creating a marketing strategy is a series of steps that a company must take to define and achieve its goals. The company needs to determine what customers want and create a
product that will meet their requirements. In order to do this, a company need to take the following major steps. (Weller 2017.)

2.2.1 Identifying the company’s mission

For this purpose, it is necessary to answer the question – Why does the company exist? The answer to this question will be the basis for defining the company's mission. The mission statement should explain why the company is represented in the market and what benefits it brings to customers. The company's mission can be aspirational, motivate employees, and inspire consumers. Or it can be a straightforward statement about what the company is. (Weller 2017.)

In addition to the above-mentioned major question, the company's mission should answer such questions as:

- Why is your company in business?
- What is the purpose of your business?
- What is the strategic influence for your business?
- What is the desired public perception for your business?
- How does your mission statement clarify your strategy?
- How does your mission statement unify your team?

The mission statement should be formulated at the level of the company's management. It is impossible to plan a marketing strategy without clearly defining what business the company operates in and why. The mission statement is the main message that affects the marketing strategy. (Weller 2017.)

2.2.2 Situation Analysis

The next step in drawing up a marketing strategy is to assess the internal and external factors that currently affect the company and the market as a whole. The analysis of these factors will allow to identify the strengths of the company and potential difficulties, for example, internal problems of the company or in the face of competitors represented in the market. The analysis of the current situation gives a clear picture of the current state of the company, current and potential customers, trends in the industry and the company's position in the market. (Weller 2017.)
There are several methods to conduct this analysis. In this thesis the chosen methods are PEST analysis for identifying the external environment of the company, SWOT analysis for internal factors, Porter’s Five Forces for competition environment analysis. The detailed description of those methods is presented in the third chapter.

The situation analysis will help the company to list the most critical problems and relevant opportunities. Once the clear picture of the business is drawn, the company can identify potential markets and products. (Weller 2017.)

2.2.3 Marketing plan

After the situation analysis, the company should prioritize and highlight the opportunities that need to be implemented. Writing a marketing plan should identify the company's target customers and how to reach them and should also include a forecast of expected results. The marketing plan should include defining the target audience, setting the measurable goals and identifying and setting the marketing budget. (Weller 2017.)

Defining the target audience is important since only a few companies can meet the needs and desires of the entire market. It is necessary to split the market to a segment that best suites to company's strength and opportunities. The important thing is to make sure the audience is clearly defined and large enough to support the product or service. (Weller 2017.)

In order to be able to evaluate the success of the implemented plan, the specific measurable goals with milestones have to be set. Each goal should be actionable and attainable through controllable tactics. This step requires a combination of simple, clear and precise goals with a detailed plan that defines the tactics to meet them. (Weller 2017.)

And finally, the identification and setting of a marketing budget is required. It should outline the expected costs for implementation of the marketing plan. Creating the budget will help to finalize and stick to the plan. (Weller 2017.)

2.2.4 Developing marketing mix decisions

The marketing mix is the set of controllable, tactical marketing tools that the company blends to produce the response it wants in the target market. The marketing mix consists of everything the company can do to influence the demand for its product. The marketing mix model is the main element of any business strategy. The model is simple and versatile to use and is a kind of checklist for the effective development of the company's product in the market. (Armstrong et al. 2018.)
Initially, the marketing complex consisted of four elements (4P), later became more complex and as a result moved to the marketing complex 7P. The main components of the 4P marketing mix: Product, Price, Place, Promotion can be used by any company. The new 3P's included in the 7P model: Process, People, and Physical Evidence are more relevant to the B2B (business-to-business) market and are suitable for the service industry marketing mix. (Powerbranding 2020.):

- **Product** - The combination of goods and services that the company offers to the target market.

- **Price** - The amount of money customers must pay to obtain the product.

- **Place** - The place of sale ensures that the product is available to the target market and means that the company's product must be present on the market in the right place (where the target consumer can see it and buy it) at the right time (when the target consumer needs to buy it). In other words, the place of sale denotes the distribution model of the company's product.

- **Promotion** - Activities that communicate the merits of the product and persuade target customers to buy it.

- **Process** - The method of interaction between the consumer and the company.

- **People** - Those who can influence the perception of company’s product in the eyes of the target market

- **Physical Evidence** - What surrounds the consumer at the time of purchase of the service. The physical environment allows to create the right image of the company, to highlight the distinctive characteristics of the product.

### 2.2.5 Implementation and control

The final step of marketing strategy planning is putting the plan into action. It is important to define when and how the plan will be launched. At this stage, a company contact’s its customers to inform them and promote a product or service. Next steps include getting the cash and staffing resources, organizing the employees, creating schedules and managing the details. (Weller 2017.)

The strategic marketing process is dynamic. The results of the plan have to be regularly measured and evaluated in order to succeed. It will help to see if some tactics are requiring
adjustments. This including tracking the revenue, customers satisfaction, sales and other metrics. Also, it is important to track the actions of competitors. (Weller 2017.)
3 Situation Analysis Tools

This chapter presents the theoretical framework for the situation analysis techniques used in the project.

3.1 PEST Analysis

PEST Analysis (political, economic, social and technological) is a management method whereby an organization can assess major external factors that influence its operation in order to become more competitive in the market. As described by the acronym, those four areas are central to this model. (Kenton 2020.)

The main purpose of the PEST analysis tool is to identify factors that meet two criteria:

- They are outside the management of the company.
- They have a certain level of impact on the company.

All factors should be carefully analysed and their possible impact on the company should be evaluated. Some factors become local in nature. For example, the situation on the labour market in the regions is different from the situation in the operation market: the qualifications and motivation (level of ambition) of people are different. Perhaps there are cultural differences in different regions related to the attitude to work. All these factors must be taken into account when developing a strategy. (Shock et al. 2003.)

The result of the PEST analysis process will provide a clearer understanding of the environment. Taking a look at the "big picture" will allow to assess the potential risks that the company may face in the future. PEST analysis can also be used to assess the impact (or measure the impact) that existing external factors will have.

The main task of PEST analysis is to audit the external environment of the company, to study each factor in order to make strategic decisions at the next stages of the strategic process.

3.2 Porter's Five Forces Analysis

Porter's Five Forces is a model that identifies and analyses five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. Five Forces analysis is frequently used to identify an industry's structure to determine corporate strategy. Porter's model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long-term profitability. (Investopedia 2020.)
Porter's Five Forces is a business analysis model that helps to explain why various industries are able to sustain different levels of profitability. The model was first published in Michael E. Porter's book, "Competitive Strategy: Techniques for Analysing Industries and Competitors" in 1980. (Investopedia 2020.)

The Five Forces model is widely used to analyse the industry structure of a company as well as its corporate strategy. Porter identified five undeniable forces that play a part in shaping every market and industry in the world, with some caveats. The five forces are frequently used to measure competition intensity, attractiveness, and profitability of an industry or market. (Investopedia 2020.)

Porter's five forces are:

1. Competition in the industry

The number of competitors and their ability to undercut a company is the first of the five forces. The more competitors there are, as well as the amount of similar goods and services they sell, the less powerful a business becomes. If a company's competitor may deliver a better deal or lower prices, suppliers and customers seek them out. When competitive rivalry is poor, on the other hand, a business has more leverage to charge higher prices and set the terms of deals in order to increase revenue and profits. (Investopedia 2020.)

2. Potential of new entrants into an industry

The force of new entrants into a market has an impact on a company's strength. The less time and resources it takes a competitor to penetrate a company's market and become a viable competitor, the more a well-established company's position can be weakened significantly. Established businesses in a market with high entry barriers is able to charge higher prices and negotiate better terms. (Investopedia 2020.)

3. Power of suppliers

The next force considers how quickly suppliers can boost input costs. It is influenced by the number of suppliers of a product's or service's main inputs, how special these inputs are, and how much switching to another supplier will cost a business. The fewer suppliers in a market, the more reliant a company is on them. As a result, the supplier has more influence and can boost production prices and demand other trade advantages. If a business has a large number of suppliers or low switching costs between competing suppliers, on the other hand, it may keep its production costs low and increase profits. (Investopedia 2020.)

4. Power of customers
Next of the five forces is the ability of consumers to push down rates or their level of control. It is influenced by the number of buyers or clients a business has, the importance of each customer, and the cost of finding new customers or markets for the company's output. With a smaller and more efficient client base, each customer has more negotiating power to get better rates and offers. A business with a large number of fewer, self-sufficient consumers would have an easier time charging higher rates to maximise revenue. (Investopedia 2020.)

5. Power of substitutes

The final of the five forces is concerned with substitutes. Alternative goods or services that can be used in place of a company's products or services are a threat. Companies that manufacture products or services with no near alternatives would have more power to raise prices and negotiate more favorable terms. Customers would be willing to forego purchasing a company's product if close substitutes are accessible, decreasing the company's strength. (Investopedia 2020.)

Understanding Porter's Five Forces and how they contribute to a particular industry will help a company to adapt its business strategy to make better use of its resources and produce higher profits for its shareholders. The Five Forces model can help companies increase income, but they must constantly track and adapt their business strategies as the five forces change. (Investopedia 2020.)

3.3 SWOT Analysis

SWOT analysis is taking into account changes that have occurred in the environment in the past and are currently occurring, assessing the causes, identifying important factors that may affect these changes, and predicting how the business environment will change. The results of this work are used in planning future activities. By understanding what changes are coming, organization can anticipate the necessary improvements, avoid mistakes, and prepare to overcome difficulties. According to this method, the analysis extends to four key areas that define and affect the restaurant: strengths, weaknesses, opportunities, and threats. (Mindtools.)

The strengths of a restaurant are usually determined by its reputation, location, staff, environment, market share, etc. The weaknesses are usually the downside of the advantages. For example, a good reputation is a strength, while a bad one is a weakness. If there are a lot of parking spaces in the car park — this is a huge advantage, but if there
are not enough places or parking is inconvenient, this is a big disadvantage. (Shock et al. 2003.)

When evaluating the strengths and weaknesses of a company it is important to be prepared for the fact that some processes are not going too well. Understanding the challenges is the first step towards overcoming them. Fairly important not be overly optimistic and not to think that once a restaurant have opened up and is working, then by definition it is operating well.

Opportunities are all things that can have a positive impact on the restaurant industry and on the business, but when a company consider favorable opportunities, it has to be sure that they can be implemented. For example, there is a market demand for a certain dish. However, if the company cannot ensure that it is possible to get the right product or afford to invest in the equipment that is required for its preparation and serving, it is better to ignore this opportunity and consider other, more accessible ones. (Shock et al. 2003.)

Threats are any factors that can have an adverse impact on the restaurant industry and on the particular restaurant. The analysis of the environment usually reveals them in advance. For example, if the average age of a typical customer is about thirty years old, and the company begin to notice that most of the people who appear in the vicinity of the restaurant are somewhat older, then eventually it will have to re-evaluate its activities in order to attract this category. Reacting to such a situation, can be, for example, improving the design, redraw of the menu, change in prices. (Shock et al. 2003.)
4 Target market of the case company

A targeted market definition for the restaurant Kinza has never been done before. In general terms the management and employees of the restaurant have an idea of the market segment for which the restaurant may be interesting, but a detailed definition and segmentation of the market has never been carried out before. This is a big mistake, since splitting the market into a segment that aligns best with company’s strengths and opportunities is very important. The more company know about its target audience, the more effectively it can offer them value through the product or service. (Weller 2017.)

The splitting of the target market segment of the company will not only allow them to offer value more effectively through the product and services of the restaurant, but also solve and simplify several other tasks. First of all, this will allow to create more targeted advertising companies that are more effective in comparison with advertising companies trying to cover the entire market. Also, the clear definition of the target market will allow to more accurately determine which companies are direct competitors.

The important thing is to make sure the audience is clearly defined and large enough to support the product or service. The definition of the target market should include geographic, demographic, behavioral and psychographic characteristics.

- Geographic – region, size of area, population, weather/climate.
- Demographic – age, gender, occupation, household size, income, life cycle state, religion, education and marital status.
- Behavioral – decision-making patterns, price sensitivity, brand loyalty.
- Psychographic – values, believes, lifestyle. (Weller 2017.)

Even though some information about the customers could be gained based on the following situation analysis, it is still needed to conduct more research on the target customers’ needs and wants. With research, the company can create detailed profiles or personas of its ideal customers and then justify its marketing strategy according to the results.
5 PEST Analysis of the case company

In order to examine the current situation in the public catering market in as much detail as possible, it has been chosen to use the PEST analysis. PEST analysis is a marketing tool designed to identify social, technological, economic and political aspects of the external environment (Sinyaeva 2007). It helps to see the picture of the external environment of the company, to identify the most important influencing factors.

5.1 Political factors

Political and legal risks are associated with the political situation in the country and with the activities of the state.

In August 2014 the Russian Federation imposed sanctions against the import of a number of products that directly affected the work in the restaurant business, creating the most critical and uncertain conditions. In the first month after the embargo the prices of products for HoReCa (Hotel, Restaurant, Cafe) increased by 15-20%. It was a blow to the catering economy, causing serious chefs menu changes in an attempt to keep growing food cost. In autumn the Russian ruble fell, which caused a further increase in import prices. In this regard, public catering establishments are gradually switching from using ingredients for cooking dishes from Western countries to similar domestic products. (Andreeva 2017.)

In the political and legal fields, it is important to be able to pick up signals about such proposed changes in legislation that can have a significant impact on the business. For example, what will happen to company if the federal government decides not to take tax deductions for employee meals. Or if the government release a ban on fishing for some species. Or an increase in the minimum wage. (Shock et al. 2003.)

5.2 Economic Factors

Economic factors currently have a huge impact on the company's operations. Unfortunately, today this factor is negative for many organizations, and the restaurant business is no exception. With the onset of the global crisis in 2008, the purchasing power of people has sharply decreased. Many lost their jobs, the exchange rate of foreign currencies has increased, therefore, the prices of living have also increased, and this has greatly affected the restaurant business, as since 2008, the number of people spending money on entertainment, including restaurants, has sharply decreased.
Another factor affecting the catering market is the increase in inflation. Russia's consumer price inflation rate rose to 5.2 percent in January 2021, from 4.9 percent in the previous month but below market expectations of 5.3 percent. It was the highest rate since April 2019 as prices rose for food products (1.0 percent), in particular fruits and vegetables (4.8 percent), and non-food items (0.5 percent). In addition, cost of services advanced 0.4 percent. On a monthly basis, consumer prices increased 0.7 percent in January (Federal State Statistics Service 2021). Therefore, manufacturers and sellers are forced to put these percentages in the final cost of products. This generally has a negative impact on the development of the enterprise, sales are reduced, and therefore profits are reduced.

A positive economic factor can be identified by the decrease in unemployment over the past years in Khabarovsk Krai, where the city of Komsomolsk-on-Amur is located. This factor indicates an increase in the well-being of people and their ability to visit public catering places. According to the Federal State Statistics Service, the unemployment rate at the end of 2015 was 5.3 %, at the end of 2017 - 4.8 %, at the end of 2019 - 3.8% (Khabstat 2020).

Khabstat (2020) also provided a statistical data about the turnover at the sector of public catering. In 2015 the turnover was 15567,1 million rubles, while in 2019 - 19506,3 million rubles. This is very positive indicator for the restaurant business. However, the situation may change, especially during the COVID-19 pandemic which is happening in the world right now.

The economy of the Komsomolsk-on-Amur is characterized by a developed industry. Leading industries: oil and gas processing, mechanical engineering, ferrous metallurgy, woodworking, food industry. However, since the early 1990s to the present, the city has been experiencing an economic downturn, a clear illustration of which is the decline in the population from 319,000 in 1992 to 244,700 in 2020 (Khabstat 2020).

Events occurring in the local, national, or international economy may portend a change in the potential revenue from sales in the food and beverage industry. A small slip in gross domestic product (GDP), a stock market downturn, a spike in interest rates, disasters, or rising unemployment can ruin some restaurants. However, the same events are sometimes beneficial for other establishments. For example, after the September 11 tragedy, large US restaurants suffered heavy losses. Many visitors were afraid to visit such places because of the threat of terrorist attacks. But because people still wanted to eat out, they went to smaller, lower-priced establishments. Thus, quite by accident, sales increased in nearby restaurants. (Shock et al 2003.)
5.3 Social Factors

Among the social factors, first of all, it is necessary to note the increase in free time among the population (reduction of working hours, increase in the duration of annual vacations), which, in combination with an increase in the standard of living means an influx of new potential customers, an increase in the level of their education, culture, and aesthetic needs.

Most citizens did not have the opportunity to eat in restaurants, but now an increasing number of people visit public catering establishments regularly.

One of the most important social factors in the restaurant business is demographics. Demographics is a branch of demography that studies the composition of potential consumers and the trends of changes in this composition, as well as the impact of demographic changes on the state of the consumer market. The number of people, age, gender, income level, and employment have an impact on consumers behaviour regarding food and drink consumption. For example, if there are many families in a shopping area where both spouses work, then there is significant potential for selling takeaway meals. If there are a lot of pensioners in the population, this often indicates a favourable opportunity for the business of providing early-morning meals. The large number of children usually reflects a segment of the market that consumes a lot of meals out and shows an interest in new products and beverages. (Shock et al. 2003.)

Demographic factors are mostly a threat for the market where the case company is operating. As was mentioned in economic factors, the population of the city is decreasing yearly.

5.4 Technological Factors

Modern technologies can have a great impact on the business associated with the service industry. And there are not many restaurants that can afford to ignore this now. For example, the reduction in the cost of software designed to manage inventory may affect day-to-day operating costs. Technology is changing very quickly, and those who follow the latest developments are doing much better. (Shock et al. 2003.)

Technological factors related to scientific and technological progress also have a strong impact on the development of public catering enterprises. The factors associated with advances in technology and technology open up opportunities for the production of new types of services, their marketing and improvement of customer service. It can be noticed that every year the range of equipment for restaurants is expanding, for example, the latest
ovens and deep fryers are used for cooking hot dishes, which speeds up the cooking time. New software and energy-saving equipment (energy-saving refrigeration units) are being introduced in the company. New advertising media appear, which increases sales and informs consumers about the product, increases the popularity of online sales and other modern technologies. (Shock et al. 2003.)

The restaurant Kinza is actively using modern technologies for its advertisement. In particular, social media are the main advertising tool for the company at the moment.
6 Competition Analysis of the case company

The restaurant does not operate in a vacuum. Like any business, restaurants should know what's going on around them. It is necessary to monitor what is happening both inside and outside the organization, paying attention to everything that can affect it. The best thing company can do is to conduct regular checks on the competitive environment and everything that can be expected to hit the restaurant. (Shock et al. 2003.)

Some restaurateurs don't want to spend time collecting this kind of market information. But it's very dangerous. Without constantly checking the competitive environment, restaurant can get into a situation where it has to solve a lot of new unexpected questions every day. Business must always be on its guard, the more accurately it is predicting events, the more likely company will outperform its competitors. Unfortunately, this is just the case of the Kinza restaurant. In an interview with the restaurant owner Liliya Bezrukova, the following answer was given to the question about competition: - “as a restaurant owner, I don't care about the competition. I believe that the Kinza restaurant has no direct competitors. I don't see the point in fighting the competition. I believe that the organization should work well and surpass itself, without looking at the competition. I work for my guest, other restaurants for their guests. I don't feel a lot of competition in the city.”

This is absolutely the wrong approach. The fight for the money coming from the sale of a restaurant product is conducted in conditions of ruthless competition. Owners and managers who are the last to realize the pressure of competition and react accordingly late cannot remain successful in business for long and are constantly fighting for survival.

There are two types of competitors – direct and indirect. Direct competitors are those, who need the same customers as your company and providing the same kind of service. Indirect competitors, in case of restaurant business are those companies who also serves food, but usually are not in need to get the same customers as a restaurant. Analysis of competitors can not only define possible threats, but also can give some ideas of successful tools that can be implemented in the case company. (Shock et al. 2003.)

Currently, the public catering market in the city is saturated with competitors, but the restaurant Kinza has opportunities to maintain its market share and possibly increase it by maintaining a high level of service, proper positioning and developing a communication policy through the competent use of marketing tools. This will allow the company to stand out from the competition.

This chapter will include an analysis of direct and indirect competitors of the restaurant, based on the database of organizations that is popular in Russia – 2GIS, that has
information about such important factors as average bill and customers reviews, and also on the authors own experience and observations. Then the Porter’s Five forces analysis will be conducted.

6.1 Direct Competitors

As mentioned above, direct competitors are those, who need the same customers as your company and providing the same kind of service. Direct competitors can be defined by such characteristics as:

- location in the same area
- a place can be defined as a restaurant

In total, four restaurants in the city of Komsomolsk-on-Amur can be described as direct competitors of the restaurant Kinza. Those are Imereti, Voskhod, Shinok Pervach, and Arlen. Next presented advantages and disadvantages of those restaurants in comparison with Kiza gained from reviews on 2GIS.

**Imereti** (2GIS Rating – 4.3/5)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Serves Georgian cousin</td>
<td>- Worse food quality</td>
</tr>
<tr>
<td>- Same average bill – 1500 rub.</td>
<td>- Inconvenient location</td>
</tr>
<tr>
<td>- Own building with two floors</td>
<td>- Restaurant serves shisha, which is perceived as inappropriate for many people and attract noisy groups of people, that make restaurant less suitable for families with kids</td>
</tr>
<tr>
<td>- Longer working hours</td>
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**Voskhod** (2GIS Rating – 4.1/5)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Serves international cousin</td>
<td>- Higher prices</td>
</tr>
</tbody>
</table>
- Convenient location at a hotel
- Much bigger space
- Often described as the best restaurant at the city
- Serves business-lunch
- Recent renovation

<table>
<thead>
<tr>
<th>Shinok Pervach</th>
<th>2GIS Rating – 3.9/5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td><strong>Disadvantages</strong></td>
</tr>
<tr>
<td>- Serves Ukrainian cousin</td>
<td>- Less convenient location</td>
</tr>
<tr>
<td>- Has own, much bigger building</td>
<td>- Many people complains about long waiting</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Arlen</th>
<th>2GIS Rating – 4/5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td><strong>Disadvantages</strong></td>
</tr>
<tr>
<td>- Own big building</td>
<td>- Less convenient location</td>
</tr>
<tr>
<td>- Summer terrace</td>
<td>- Very big and variant menu without any specialty dishes</td>
</tr>
<tr>
<td></td>
<td>- Perceived more as a place for weddings or big celebrations than as for casual dining</td>
</tr>
</tbody>
</table>

6.2 Indirect Competitors

Olesya Chernaya (2020), marketing director of a big restaurants chain in Ukraine says that competition for a restaurant is not only between other restaurants. For example, when a
couple decides how to spend evening, they can go not only to a restaurant, but, for example to a cinema or any other place that is suitable for entertainment or a leisure time. So, the restaurant should create an image of a place that is the best option to spend an evening.

Even though the restaurant is competing not only between public catering places, but those are also still the most important group of competitors. Now the city has 16 restaurants, 77 cafes, 17 bars, 20 eateries, 15 canteens (Administration of Komsomolsk-on-Amur 2020). All of those are also worth to pay attention to.

6.3 Porter’s Five Forces Analysis

In the market of public catering organizations, there is quite a tough competition between enterprises of this type of restaurants. The conducted analysis of the competitiveness of the restaurant Kinza in Komsomolsk-on-Amur showed that serious competition is made by such enterprises as Imereti, Shinok Pervach, Voskhod and Arlen. All these restaurants are quite strong and have a high financial turnover. Each has its own advantages and disadvantages; they already have a well-established clientele.

This section provides a competitive analysis of the five forces model by Porter, who argued that the higher the pressure of these forces, the less opportunities existing companies have to increase prices and profits. The weakening of the forces creates favorable opportunities for the company. The company, by changing its strategy can influence these forces in its favor. (Porter 2004.)

6.3.1 Competition in the industry

Average competition in the industry, since the competition among restaurants is below average proportional to their number per capita. The average dynamics of development remains in the industry. In 2018, the population’s availability of public network seats was 75% of the recommended federal standard - there were 30 seats per 1000 citizens of the city. In 2019, the population’s availability of public network seats was 75%, with 31 seats per 1,000 citizens of the city. (Administration of Komsomolsk-on-Amur 2020.) Potentially, absolutely any indirect competitor can attract a part of the audience.

6.3.2 Potential of new entrants into the industry

The likelihood of new competitors is low, as the country’s economy is currently affected by the economic crisis caused by the COVID-19 epidemic, as well as the long-lasting economic downturn in the city and the constant outflow of population.
6.3.3 Power of suppliers

Power of suppliers is high, since the city is quite distant from larger cities, from Moscow, from places where good food products are produced. There is no choice in many aspects. The choice of products and suppliers is small. The quality of many products is quite poor, and the prices for really good products are often unreasonably high. This brings a lot of complexity to the business.

6.3.4 Power of customers

Power of customers on the market is strong, as there are many factors in connection with which consumers (target audience) may not have any doubts when changing restaurants. For example, many restaurants are located close to each other and when changing a restaurant, a person will not spend more/less time to get to it, will not spend more or less money on transport.

6.3.5 Threat of substitute products

Competitive pressure from substitutes is average. Of course, there are night clubs, cafes, bowling, karaoke bars, billiards and other places for leisure activities. But the superiority of restaurants over these substitutes is that the format of substitutes does not allow people to relax in the atmosphere that restaurants have. However, there is a threat from retail stores, since in slower economic times, families are eliminating (or at least cutting) meals from their budgets. (Lorette.)

6.4 Summary

Porter’s analysis of the five forces of competition revealed a complex competitive situation. There is an average level of competitive competition between existing organizations. The threat from suppliers has much impact. Power of customers on the market is strong. For now, the threat of new entrants to the industry is relatively low. The influence of substitutes is average.
7 Conducting a survey

In order to study the opinion of visitors about the restaurant Kinza, it was decided to conduct a marketing survey. The survey was conducted in January 2021 at the account @kinza_kms of the restaurant at the social network Instagram. The restaurant's followers were asked to answer 15 questions that were asked in the account's stories. The functionality of this social network allowed to create questions with the answer out of two options, for example "yes" or "no", as well as questions involving the choice of one option out of four.

The decision to conduct the study using the social network Instagram was due to the convenience of this method and the speed of obtaining results. The restaurant's account had 4,760 subscribers at the time of the survey, which is a fairly large audience. 352 people took part in the survey, which is enough to consider the results of the survey relevant to all potential customers of the restaurant.

To stimulate the audience to take part in the survey and increase the number of respondents, competition was organized. Every respondent received a chance to become a random winner and get any dish from the restaurant's menu free of charge.

7.1 Results of the survey:

In total 352 persons took part in the online survey organized at the restaurant's Instagram account, from which 80% were female. The survey showed that the major age groups of the restaurant visitors are people aged between 25 to 35 (48%) and 36 to 55 (34%), which can be considered good for the restaurant because those age groups are able to spend more money than customers younger then 25 (16% of respondents), because usually those are students, and elderly people aged over 55 years old (2%), because 55 is the age when people can retire to pension in the region. From the respondents, 48% said that they tend to spend from 1500 to 2500 rubles and 12% that more than 2500 rubles by person when they are visiting a restaurant. Those results are displaying that most customers are wealthy people with high incomes. But from another side, since the average bill at the restaurant Kinza is 1500 rubles, it shows that some factors are stopping people to spend more at the restaurant, despite the fact that they are tend to. However, most respondents (81%) describe prices at the restaurant as reasonable.

Most respondents (53%) are visiting restaurant Kinza once a year or less while only 12% are visiting the restaurant regularly (more then 10 times a year), 26% - 2 to 5 times a year
and 9% are visiting 6 to 10 times a year. This is a very important indicator that shows that the loyalty of customers is on a relatively low level.

From those who visit the restaurant 11% comes for business lunch only, 34% only comes for the main menu dishes and 24% replied that they have visited restaurant for both. 31% visited the venue only for some special occasions, for example, were invited by other people for celebrations. The last number is quite high, and some actions have to be taken to make people return to the restaurant by themselves without a special reason.

A great amount of people (55%) describe service provided by restaurant staff as excellent, and only 9% as satisfactory and 3% as bad. The rest 33% describe it as good. This is a very good result, and some part of 45% answers other than "excellent" could be explained by the influence of the following factors. The quality of food is evaluated as excellent by 53%, good by 37%, satisfactory by 8% and poor by 2%. The variety of options in the menu is evaluated as excellent by 52%, good by 32%, satisfactory by 13% and poor by 3%. From other than 43% of respondents who never tied a business lunch at the restaurant, 46% described it as good, 9% as satisfactory and 2% as bad. Each of those factors have to be evaluated as excellent by higher number of people, because food is the main product at the restaurant business and has influence on the perception of the other elements of the restaurant service.

The question about the interior of the restaurant showed the following results: excellent – 35%, good – 52%, satisfactory – 12%, poor – 1%. The main reason of those results might be the small size of the place which cannot be improved. However, the cleanliness, light and music are also having an influence over the perception of the interior and can be improved.

88% of the respondents said that the location of the restaurant is convenient, which is important since it has an influence over the awareness of the restaurant. 31% of the answers to the question “How did you find out about our restaurant” are from people who just seen it on the street. Another 27% found out about it from the internet, which says that internet marketing is very efficient in case of the restaurant Kinza and 36% of respondents found out about it by the word of mouth, which is also a great result. Meanwhile, only 6% found out about the restaurant from the classic advertisement, which is radio, since that is the only tool used according to the owner. This means that this tool is not as efficient as the owner thinks, so it is better to concentrate promotion activities on the digital marketing.

In general, 56% of respondents describe the restaurant as good, 11% as satisfactory, 3% as bad and 30% as excellent. This is the most important factor showing that some improvements are needed, since according to Patti Shock (2003) - if the customer who visits
the restaurant think that it was “good”, he will probably never come back. The reason is that there are many other good restaurants. But if a customer after a visit describes it as “excellent” it is very likely that he will not only return himself, but also tell other people about how good his visit was.
8 SWOT Analysis of the case company

For a more detailed analysis of the organization, a SWOT analysis have been conducted, the results of which are presented in a table below. Data used for the analysis is gained from the survey results, analysis of competition, PEST Analysis, interview with the owner and authors own observations. The analysis of the restaurant's activities helps to draw more objective conclusions and develop recommendations for strengthening strengths and eliminating weaknesses.

From the results of the SWOT analysis, it is possible to identify the opportunities, threats, strength and weaknesses of the restaurant Kinza:

**SWOT Analysis of the restaurant Kinza:**

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unique concept of the restaurant</td>
<td>1. Limited range of drinks</td>
</tr>
<tr>
<td>2. A wide range of dishes, including specialty dishes</td>
<td>2. Staff turnover among waiters</td>
</tr>
<tr>
<td>3. High level of service</td>
<td>3. Small size of the premises</td>
</tr>
<tr>
<td>4. Convenient location</td>
<td>4. Lack of a marketing strategy and promotion plan</td>
</tr>
<tr>
<td>5. Prices are perceived as reasonable by customers</td>
<td>5. Lack of competition analysis</td>
</tr>
<tr>
<td>6. Moderate level of competition</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Increase in the number of qualified specialists in the field of public catering services</td>
<td>1. Arising of prices and taxes in the industry</td>
</tr>
<tr>
<td>- Improving the standard of living of the population and increasing the solvency of consumers</td>
<td>2. The increase in the inflation rate</td>
</tr>
<tr>
<td>- The fall of the dollar against the ruble</td>
<td>3. Strengthening the positions of existing competitors</td>
</tr>
<tr>
<td>- Use of more advanced technologies, modern means of communication</td>
<td>4. Active advertising of competitors</td>
</tr>
<tr>
<td>- Bankruptcy and withdrawal of competing companies from the market</td>
<td>5. Reduced restaurant visits due to the economic crisis</td>
</tr>
<tr>
<td>- The emergence of new strategic partners;</td>
<td>6. A sharp increase in the price of alcohol</td>
</tr>
<tr>
<td></td>
<td>- The change in the policy of suppliers</td>
</tr>
</tbody>
</table>
Based on the results of the analysis, it can be concluded that the restaurant Kinza needs to pay close attention to such factors as:

- "competitors", since the company needs to constantly monitor the competitive environment, monitor the position of competitors; the quality of service and food offered; the cost of services; market share; the use of the latest advances in technology; advertising effectiveness; staff qualifications; strengths in their operation in the market; innovation in services, incentives, marketing.

- "consumers", since their purchasing power, as well as market preferences, have a direct impact on the position of the catering organization.
9 Marketing Mix of the case company

After the decision on the overall marketing strategy is made, the company is ready to begin planning the details of the marketing mix, which is one of the main concepts in marketing. The marketing mix is the set of controllable, tactical marketing tools that the company blends to produce the response it wants in the target market. The marketing mix consists of everything the company can do to influence the demand for its product. (Armstrong et al. 2018.)

Marketing Mix in the service industry consists of 7 P's. The first four letters "P" are standing for the traditional characteristics developed for all products that are highly sensitive to marketing. Those are Product, Price, Promotion and Place. The other three are specifically for the service sector, including restaurants. Those are People, Process and Physical Evidence. (Armstrong et al. 2018.)

Managers often assume that marketing and advertising are the same thing. In fact, advertising is only one form of support, which, in turn, is the basis of the marketing mix. And under certain circumstances, it is even possible to exclude advertising from company's marketing mix. For example, some restaurant managers do this to enhance other elements of the marketing mix that are more attractive to visitors. When a business has been around for several years, a positive feedback from a visitor replaces paid advertising. (Shock et al. 2003).

Misunderstanding of marketing is exactly the case of the owner of the restaurant Kinza. In the interview she described marketing as advertising. But in order to get the maximum possible benefits from marketing, company should understand and apply all seven elements of the marketing mix.

An effective marketing program blends all of the marketing mix elements into an integrated marketing program designed to achieve the company's marketing objectives by delivering value to consumers. The marketing mix constitutes the company's tactical tool kit for establishing strong positioning in target markets. (Armstrong et al. 2018)

As important it is to mix the ingredients in menu items correctly to cook it in the right was, same important to determine how to use these seven "P's" in the marketing plan. After all, they are interconnected. And of course, the mix that is required for a successful fast-food restaurant will be significantly different from the one that should be used for an above-average restaurant specializing in some national cuisine dishes.
9.1 Product

*Product* means the combination of goods and services that the company offers to the target market. For a restaurant these are the items on a menu, as well as other products and services that the restaurant buy, cook, and sell.

The restaurant should focus its efforts on meeting the needs of its customers. The dishes on the menu should meet the needs of different consumer groups to the maximum extent. According to the owner, the initial menu of the restaurant Kinza was created based on her own needs and experience. No analysis of the needs of potential customers was implemented, which is a big mistake. Later on, the menu was re-organized, but nevertheless, not with the goal to adopt it for the customer’s needs. Now, the new menu is under development. The new menu is going to extend the concept of the place. So, it is very important to avoid this mistake, and also conduct an analysis of customers’ needs and implement the results in the new menu.

9.2 Price

Price is the amount of money customers must pay to obtain the product. In combination with other P’s, the price determines the attractiveness of the product. This attractiveness should meet the expectations of the target audience.

As an indicator of quality, visitors often use the price. If a customer sees some product that is normally costs more than it is on the menu, he may decide that it is a frozen or low-quality product. When using the price to influence demand, care should be taken to ensure that the visitor does not get a wrong impression of the quality. This kind of mistake may accidentally create the impression that establishment is cheaper or, conversely, more expensive than it actually is. (Shock et al 2003.)

The process of calculating prices is a little bit of science and a lot of art. It is very unfortunate that such an important part of the marketing plan is so inaccurate, but there is no absolutely reliable way to calculate the price for products and services. One thing is certain about calculating prices: it is very easy to ask for too low price, putting company on the verge of bankruptcy. The wrong pricing policy is one of the main causes of business failures. This is especially true for small independent companies that do not have a large staff that would be engaged in accounting and marketing, as in large firms. The best price is the one that guests are willing to pay, providing business with the maximum profit. It is almost impossible to determine which price will be ideal. Each visitor has their own ideas about attractiveness.
The formulas used in the calculation of prices cannot take into account all the variables, and because of the fluctuating costs of food, beverages and other materials that have to be dealt with on a daily basis, it is impossible to constantly change the prices, bringing them into line with new conditions. (Shock et al 2003.)

The pricing policy at the restaurant Kinza require a more detailed analysis. From one side, 80% of customers finds prices at the restaurant reasonable, meanwhile 20% thinks that the prices on the menu are too high. From another side, 60% of customers tend to spend more at the restaurants than the average bill at the restaurant Kinza.

9.3 Place

The first step when establishing a new restaurant is to choose the place where it will be located. There are very few truly attractive places that cannot be avoided, but also a few absolutely unsuitable premises that are nothing but losses. Most of the places are located somewhere in the middle. Like many other aspects of the restaurant business, how well things go in a particular place depends largely on the experience and skill of the owner or manager in the daily activities of the restaurant. When choosing a place to open a restaurant, it is necessary to take into account such important factors as the amount of rent, initial costs, visibility from the street, the convenience of the location, the possibility of redevelopment, the cost of utilities, the availability of parking spaces, the location area. All of those factors have a very strong influence over the future success. (Shock et al. 2003.)

The place of the restaurant Kinza has its advantages and disadvantages. First of all, many people noted its convenient location. It is located in the city center on one of the main streets. It is surrounded by many offices, that provides potential customers for the business lunch on weekdays. One of the main disadvantages is that the place is relatively small and has no possibilities for reconstruction. Aside from that, the restaurant is located in a living building, and by federal low, this means that it cannot work after 11pm.

9.4 Promotion

Promotion means activities that communicate the merits of the product and persuade target customers to buy it. (Armstrong et al. 2018.)

The menu is the only and most important advertisement that is directly in company's hands: it is the first means of communication with guests. The menu should be as high quality as possible; it should correspond to the image that company is trying to create and maintain. A high-quality menu is the right items, prices, descriptions, and the appearance of the document itself. The menu should be clean and tidy, contain the most recent data and have
no errors. It is difficult to make it absolutely clear to any guest, but at least the waiter should understand it. After all, it is he who will have to answer all possible questions and give recommendations. With the help of a high-quality menu, restaurant can attract visitors and develop sales. It greatly depends on how much the guest will spend. The menu is an integral part of any successful marketing strategy, and it should contain a message that will be well received by restaurant's target market. (Shock et al. 2003.)

As a classic method of promotion, the restaurant uses advertising on the radio. According to the restaurant owner, this method is effective and brings significant results. However, the results of the survey showed that only 6% of visitors learned about the restaurant from advertising on the radio.

More and more public catering establishments choose social networks as their main means of promotion, and Kinza restaurant is no exception. The company has a valid Instagram account, which contains information about the restaurant itself, its promotions, upcoming events, and photo reports from past events. However, the company does not have a traditional corporate website where it would be possible to find out useful information to those users who do not have accounts in social networks.

9.5 People

People are everybody, who are somehow involved in the business process. It is not only company's customers, but also those who work there and those who involved indirectly, such as distributors.

Services are often people-based. Such service encounters can be highly variable. The variation may be because the organization's people lack motivation or have attitudinal issues, in which case the organization needs to engage in internal marketing and perhaps provide additional training. (Armstrong et al. 2018.)

Personal sales play an important role in the work of the restaurant. Sometimes it depends on the good and high-quality work of the administrator and waiters, what impression the visitor has about the company, whether he will come to this restaurant again, whether he will recommend it to his friends and acquaintances, and, of course, the direct profit of the company. Therefore, the restaurant Kinza regularly conducts trainings for its employees, and when hiring, great importance is paid to training new employees to work with customers. Customer service should be closely monitored by the company's management, as this factor is one of the leading factors in the positioning of the company.
9.6 Process

This factor is one of the most important for the service industry. The term describes the process of interaction between the company and its consumers. Special attention is paid to this interaction, as it serves as the basis for making a purchase on the market and forming customer loyalty.

In the restaurant business, the process is responsible for the way and speed of preparing of dishes, serving of dishes by waiters, meeting and seeing off guests, communicating and taking orders from the customer.

All of the above factors are extremely important in the work of the restaurant. After all, the process is exactly what distinguishes a restaurant from a cafe or canteen. When visiting a restaurant, people expect not only to get food, but also a pleasant experience.

9.7 Physical Evidence

Physical Evidence is the perception. The image of the restaurant should be imprinted in the soul of the visitor. Company needs to make sure that when a customer sees the name of the restaurant, they immediately understand who you are and what you are. The restaurant needs to position itself so that it is perceived as something special, exceptional. At the same time, the visitor should not be confused, restaurant's image must be clear and concise. (Shock et al. 2003.)

Currently, in order to successfully conduct its activities in the market, a company needs to have brand attributes of visual identity – a set of graphic forms and principles of building visual communication of the company, united by one idea. The first task of this set is to distinguish the company from competitors in the market segment where it operates or is just going to make itself known. The second task is to create and consolidate a recognizable image among consumers, clearly associated with the company itself and its name.

The visual identity of the restaurant Kinza consists of a logo, corporate colors, corporate identity elements. The visual identity system is designed for branding sites and items, branded clothing of staff, as well as for placement on printed and printed products.
10 Conclusion

Currently, restaurants, like many other areas of business, have to contend with difficulties caused by various reasons, such as the economic crisis and the impact of the COVID-19 virus. And one of the most powerful tools that can help a company cope with difficulties is marketing. Therefore, first of all, the restaurant Kinza management is recommended to change their attitude to marketing and consider a possibility to hire a separate specialist who will be responsible for this area in the company. Marketing breathes life into the restaurant. Well-planned and conducted marketing will attract visitors to the restaurant. And likely, then they will come back again. Marketing will help to achieve such a state of things that visitors will be satisfied with the company and will bring profit to its owners. (Shock et al. 2003)

This thesis is dedicated to a marketing strategy which is a long-term, forward-looking approach and an overall game plan of any organization or any business with the fundamental goal of achieving a sustainable competitive advantage by understanding the needs and wants of customers. Revising the current marketing activities and implementing new strategy can help the company to overcome current obstacles, improve the service and grow the business. (Baker 2008)

The elements of the marketing strategy have been defined in a form of the marketing mix and the situation analysis has been conducted for the company.

Analysis of the external factors influencing the company in a form of PEST analysis showed that the restaurant is operating in a relatively challenging external environment. The analysis of competition demonstrated that in the opposite of the company's management opinion, competitors of the restaurant Kinza are in exist and are threatening the company. So, the approach to competition has to be reconsidered. Porter's analysis of the five forces of competition revealed a complex competitive situation. There is an average level of competitive competition between existing organizations. The threat from suppliers has much impact. Power of customers on the market is strong. For now, the threat of new entrants to the industry is relatively low. The influence of substitutes is average.

The conducted survey revealed the customers opinion of the restaurant illuminating the weak points. And the SWOT Analysis provided the following results. The restaurant Kinza needs to pay close attention to such factors as competitors, since the company needs to constantly monitor the competitive environment, monitor the position of competitors; and consumers, since their purchasing power, as well as market preferences, have a direct impact on the position of the catering organization.
References


Appendix 1. Interview questions with an owner of the restaurant Kinza

1. What story is behind the establishment of the restaurant Kinza?
2. How did you create the concept of the place?
3. How did the opening of the restaurant go? How was it promoted?
4. How did you create a menu? How the prices were calculated?
5. Have you ever changed the menu since then?
6. Why the prices were raised?
7. What were the first results of the operations?
8. For how long you were able to keep such performance level?
9. What was the performance level year after? Has it increased?
10. What can you tell about a market at which you operate?
11. Can you say that the restaurant is well-known in the city?
12. How do you perceive competition? Do you have competitors?
13. Who is responsible for marketing is your company?
14. How do you understand marketing? Which marketing tools do you use nowadays?
15. How would you evaluate the efficiency of the radio advertisement and social media marketing for your company?
16. Let's talk about the COVID-19 pandemic. How did the restaurant survive the beginning of the pandemic?
17. Did you receive any support of the government?
18. How does the state currently restrict the operation of the restaurant?
19. Is there still a delivery service after the resumption of service in the restaurant?
20. What about the catering?
21. Are you satisfied with the performance of the restaurant as of today?
22. What your plans are for the nearest future?
23. How do you see the restaurant in 5 years? What goals do you set?
Appendix 2. Questions and results of the online survey

1. What is your gender?
   - Male – 20%
   - Female – 80%

2. What is your age group?
   a. Less than 25 – 16%
   b. From 25 to 35 – 48%
   c. From 36 to 55 – 34%
   d. More than 55 – 2%

3. How often do you visit the restaurant Kinza?
   a. Once in a year or less – 53%
   b. 2 to 5 times a year – 26%
   c. 6 to 10 times a year – 9%
   d. More than 10 times a year – 12%

4. You have visited our restaurant for…
   a. Business Lunch only – 11%
   b. To order dishes from the menu – 34%
   c. Both business lunch and dishes from the menu – 24%
   d. Only visited the venue on some special occasions (celebrations, themed events) – 31%

5. How would you evaluate the level of service?
   a. Excellent – 55%
   b. Good – 33%
   c. Satisfactory – 9%
   d. Bad – 3%

6. How would you evaluate the variety of options in the menu?
a. Excellent – 52%

b. Good – 32%

c. Satisfactory – 13%

d. Poor – 3%

7. How would you evaluate our business lunch?

   a. Good – 46%
   b. Satisfactory – 9%
   c. Bad – 2%
   d. Never came for the business lunch – 43%

8. How would you evaluate the quality of food?

   a. Excellent – 53%
   b. Good – 37%
   c. Satisfactory – 8%
   d. Poor – 2%

9. You think that the prices in the restaurant are:

   a. Reasonable – 81%
   b. Too high – 19%

10. How much do you usually spend at the restaurant per one person?

   a. More than 2500 rubles – 12%
   b. From 1500 to 2500 rubles – 48%
   c. From 800 to 1500 rubles – 29%
   d. Less than 800 rubles – 11%

11. How would you evaluate the interior of the restaurant?

   a. Excellent – 35%
   b. Good – 52%
   c. Satisfactory – 12%
12. Is the location of the restaurant convenient for you?
   - Yes – 88%
   - No – 12%

13. Have you ever used our delivery service or ordered food to take away?
   - Yes – 33%
   - No – 67%

14. How did you find out about our restaurant?
   a. From the internet – 27%
   b. Word of mouth – 36%
   c. Advertisement – 6%
   d. Just seen restaurant on the street – 31%

15. How would you evaluate the restaurant in general?
   a. Excellent – 30%
   b. Good – 56%
   c. Satisfactory – 11%
   d. Bad – 3%