Market Restaurant Services in Kazakhstan

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Abstract: Restaurant services market is one of the attractive investment. However, this market remains one of the most closed and unexplored in terms of its analysis of issues and emerging trends. The article attempts to conduct a comprehensive analysis of the industry in Kazakhstan. The dynamics of different indicators characterizing the state of the industry and also gives the prognostic assessment of further development.

Key words: Restaurant services market • Indicators of restaurant industry

INTRODUCTION

Restaurant industry in Kazakhstan remains from a research point of view, one of the most unexplored. Macroeconomic analysis of the little restaurants and is also used in the foreign literature. In the literature, more studied marketing [1], management [2], or organizational [3]. Considerable interest is the work on the study of business cycles in the restaurant industry [4]. Meanwhile, macroeconomic market research allows to understand the overall picture of the market, its problems and solutions. When apparently well-being in the industry it has many hidden, latent problems. These problems, due to the specificity of the industry is not being investigated. So often science today has little understanding of the situation in the industry. Mostly understanding of industry problems helps comparative analysis, especially if the comparison is made with advanced restaurant industry in other countries.

Research methodology used in the article: the statistical analysis of the market for restaurant services in Kazakhstan, forecasting market development by analyzing and identifying potential market.

Market Restaurant Services in the Public Catering:

First of all, it should be noted that the restaurant market is an integral part of public catering. Public catering industry can not but reflect the overall economic situation of the country and this is evident in Figure 1.

As can be seen from Figure 1, public catering mirrors the socio-economic development of the country. Years of crisis could not affect on the sphere and scope of the rapid growth of food began to be observed as the financial crisis of 2007-2008.

Since 2010 optimism in consumer behavior and incomes Kazakhstan began to grow with an average annual rate at 20-23 %. However, until now the power sector share in total VVR country remains low - only 0.7% of GDP. For comparison, we take the U.S., where the power sector share of GDP is at a level of 4% [6]. What does this mean?.

First, it says that the people of Kazakhstan have not reached the level of culture of eating out, which is characteristic for countries with developed economy and high standard of living. Kazakhs also all prefer to eat at home. Breakfast in the coffee shop, dinner at the restaurant is still an elusive dream typical Kazakh. Kazakhstan family all as did 20 years ago, spends a lot of time in the kitchen than in the relaxed atmosphere of a favorite restaurant. Benefit of the kitchen has become less burdensome for the modern housewife: many kitchen gadgets and a semi-finished products from the nearest supermarket to contribute to considerably save on a hike in the restaurant.

Secondly, culture depends on income and income level, of course, does not allow taking substantial time on the trek to the restaurants. Typical kazakh family according to our estimates, visit restaurant (if renounce
invitations for weddings, birthdays and other events) about 4-5 times a year. However, in the structure of visits significant proportion of visits to restaurants lowest price segment in the form of fast-food restaurants. As a result, the average spending Kazakh family on the results of our surveys and make $305 a year comparison, according to the U.S. National Restaurant Association, the typical American family in 2011 allocated on eating out in 2620 dollars [6].

Third, the figure shows, of course, a low level of development of the restaurant industry itself, which cannot offer customers favorable conditions for restaurants. Restaurants middle and upper price segments can not offer any price or other conditions that would become factors increase customers' interest in industry [7]. Management in restaurants is one of the main problems that hinder customer flows in restaurants.

**Market Dynamics:** Figure 2 shows the evolution of total foodservice.

As can be seen from it, after the crisis of 2008 economic recovery marked by rapid growth of the public catering in 2009. But in recent years, this growth has slowed sharply. As can be seen from another chart below (Figure 3), the number of seats in proportion "dipped" in 2011 and returned to the position of 2010.

Thus, the number of seats as in catering in general and in the restaurant industry in general not grow past 2 years. With that increased industry revenue, which means that in general revenue per 1 catering company and one seat still grew by about 20%. However, this increase is proportional to the increase in raw material prices and inflation in general. Thus, the profitability of the restaurant industry remains on the conventional level for this sector. According to our estimates, it remains at the level of 500% for premium fine dining restaurants (called class restaurants fine dining) and at 300% for mid-level restaurants (casual dining).

However, as shown by our study, revenue growth in the restaurant industry occurred not only by increasing
the yield per seat restaurant, but mainly due to increase in
turnover and the number of low-end restaurants,
including pubs and restaurants level of fast food. That
revenue growth in this sector today support the growth
of restaurant sales in general and the positive trend of
economic indicators.

The sheer number of seats in the catering industry in
Kazakhstan remains low. Assuming average figures - one
space per 16 people. In 2012, for comparison, say, in Paris
at one place there are 6 people. In quantitative
significance is as follows: in Kazakhstan in 2012 was only
1830 restaurants and 91120 restaurants, cafes, bars,
whereas in the same French were more than 18,000
restaurants and cafes. Weak saturation of the restaurant
market, coupled with low levels of services (percentage of
GDP) still shows an unprecedented potential for growth
restaurant industry. That is why, according to our
forecast of the industry will remain a long stormy. But this
process is not so simple and it will depend not only on
revenue growth ordinary kazakh family, but also the
efforts of the market, from the signals coming from it, the
proposals and the level of work with clients.

**Service Restaurants in the "Pyramid" Market:** The
figure below shows the structure of services to the
foodservice industry.

The figure illustrates the major trends in catering. The
rapid advance in the development of the restaurant market
occurred immediately after the crisis, but then slowed
considerably and fell from 20% in 2011 to 12% in 2012.
However, as our research shows, this growth is preserved
due to the growth of services to restaurants and coffee
shops, representing lower and independent segment of
the restaurant market. For comparison, we note that these
trends are significantly worse than in Russia - where the
growth of services restaurants was 30% in 2012.

There has been significant growth in the sector, pubs
and bars. This sector was marked by a significant increase
in their number and interest in him youth.

However, the most significant growth has occurred
in the service sector canteens. On the one hand it shows
the growth of the service quality of this type of
institutions. Street food significant growth, the emergence
of a number of new brands in this class, continued
development of network canteens ("Kaganat", etc.)
benefit compared to trying to win back sales drop
restaurants using business lunches. Dinners are always
favored the traditional source of table sales and growth
trends in sales clearly demonstrates that the restaurant
market has lost a significant number of clients who have
passed in the lower price segment, which greatly
improved the quality of customer service.

On the other hand, the growth of services is the
sector shows that the standard of living, unfortunately,
has not changed for the better.

Speaking of the income structure of the restaurant
market, it should be noted that the traditional developing
country "pyramid" income is clearly confirmed [8]. In
Kazakhstan, the share of middle segment restaurants
(casual dining) accounts for about 35 % of the turnover,
the share of low-end restaurants and fast food - about
60% higher price segment of about 5 %.

While the share of fast food has grown and
continues to grow in the last 2-3 years. Growth in the
number of shopping centers and supercenters trade
accompanied the rapid interest not only to the brand as a
food court these centers. The income class restaurants
fast food vary greatly depending on location and popular
shopping centers. Thus, the same brand of fast food, for example, KFC, located in shopping centers such as "Mega", "ADK" much to gain compared to a shopping center located in the district of Almaty-1 or other outskirts of the city.

Nevertheless, given that more and more people prefer to consume fast food not only to stave off hunger, how to quench curiosity, sales remain high in many different parts of the city: as sleeping areas and the business district. This, in fact, contrary to the conceptual essence restaurants a level calculated to prompt satisfaction of hunger for 10 minutes [9]. But today Kazakhstan "average" family still can come with children in fast food on Sunday to spend time in a relaxed atmosphere, sitting in it a half-hour or more.

Restaurants middle segment remain stable level. In this study show that the structure of their income is not a significant proportion of the classic restaurant services and work with individual clients, as revenues from events and banquets (weddings, anniversaries, funeral, corporate parties), as well as lunches fast class level (so called business lunches).

This characterizes the whole existence of the mass at the level of management problems such restaurants, if the success of the restaurant becomes dependent on 100% of the presence of several banquet halls, but not on the professionalism of the chefs, delicious food, the atmosphere of the restaurant, the menu and other attributes such places as the restaurant. Average bill in restaurants in this segment has a significant swing from 25 to 70 dollars per person. Much of this size depends on the location of the restaurant [10], trim levels [11], untwisted and popularity of the restaurant, etc.

Restaurants elite class concerned banquets to a much lesser extent due to the high cost. They remain stable at the same level as 2-3 years ago. However, this level is not so high. As a result, the potential of this segment remains quite high and unfulfilled. Interest to clients to support the development of fashion trends today in the kitchen, as Italian, French, Mediterranean.

Average bill in restaurants in this segment remains at $100 and up to 1 person.

**Regional Aspect of Restaurant Services Market:** Quite naturally are significant regional differences in the volumes of public catering services and restaurants. A considerable part of Kazakhstan, the differences in structure, socio-economic development in the whole region, in the structure of urban and rural population could not affect the picture of consumption of restaurant services (Figure 4).

As seen in Figure 4, the leaders in the consumption of these services are the two largest cities of Almaty and Astana, the two oil region of Kazakhstan: Atyrau and Mangistau.

Services have increased significantly [12], oddly enough, in such industrial seemingly region as the East Kazakhstan region. However, this is largely attributed to the rapid growth of tourism in this region, but not the increase in restaurant food culture industrial workers. Today the East Kazakhstan region leads in terms of the provision of tourist services and the growth of the restaurant industry shows the close relationship between the two adjacent sectors of hospitality.

Southern region: South Kazakhstan and Zhambyl traditionally are more trade oriented, so the southern regions of the cluster is justified.

The third group, the northern regions, including Aktobe region is the most conservative part of the country, with a population less prefers restaurants serving traditional food culture at home.

**Fig. 3: Structure of catering services , $ mln**
(based on data from the Agency for Statistics compiled by the author according to [4])
Fig. 4: Volume rendering public catering services by regions (based on data from the Agency for Statistics compiled by the author according to [4])

CONCLUSION

Thus, market research restaurant services was important to determine the place and role of the market in modern public catering services. Investigation of the role performed by identifying its share in the total gross domestic product. Slight its size can draw conclusions about the potential and indirectly determine the level of awareness of the population reach the restaurant.

Analysis of the number of seats, number of restaurants of different classes shows the degree of saturation of the restaurant market and the level of competition on it, including in the different sectors of the restaurant market.

Studying the structure of the restaurant market it possible to determine the dynamics of the restaurant market and general trends in each market segment.

Regional distribution pattern of restaurants showed uneven development of the market for restaurant services. This picture allows to determine not only the level of income, but also to construct forecasts for the development of a particular sector of the market in different regions.

RESULTS

The study of the market for the restaurant allowed us to several important results:

- Restaurant services market in Kazakhstan has significant potential for development. Small proportion of the country's GDP, the lowest density of restaurants per capita, as well as minor household expenditure on food outside the home suggests that the market for these services will be developed for many years.
- However, the weak performance of these indicators suggest that the significant limiting factor is the standard of living that can not change the structure of consumption of restaurant services in favor of the traditional understanding of these services.
- In terms of conservation factor lagging real incomes should be noted offset clients' interests in the market towards the lower price level restaurants, primarily fast food, as well as coffee shops and pubs and restaurants.
- Problems in the dynamics of restaurant services are problems in the management of restaurants. The reasons for these trends are rooted in the absence of a system of training highly qualified managers, managers of restaurants and chefs of high class.

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