

**Kyiv National University of Trade and Economics**  
**Department of hotel and restaurant business**

**FINAL QUALIFYING PAPER**  
**on the topic:**  
**DEVELOPMENT STRATEGY OF THE PUB «CRAZY JACK»,**  
**KYIV**

Student of the 2<sup>d</sup> year, group 2a,  
specialty 073 « Management »  
Specialization “Hotel and Restaurant  
Management ”

\_\_\_\_\_ Anatasiia V.  
Mishchyriak

Scientific adviser  
Candidate of Sciences (Economics),  
Associate Professor of hotel and  
restaurant business department

\_\_\_\_\_ Oksana H.  
Avdan

Manager of the educational program  
Doctor of Sciences (Economics),  
Professor of hotel and restaurant  
business department

\_\_\_\_\_ Svitlana V.  
Melnichenko

Kyiv 2020

## Kyiv National University of Trade and Economics

Faculty of Restaurant, hotel and tourism Department of Hotel and restaurant  
business business  
Specialty 073 « Management »  
Specialization Hotel and Restaurant Management

**Approved by**

Head of the Department \_\_\_\_\_  
prof. Boyko M.H.  
on \_\_\_\_\_, \_\_\_\_\_, 2019

### **Task**

#### **for a final qualifying paper**

Mishchyriak Anastasiia V.

1. Topic of a final qualifying paper

Development strategy of the pub «Crazy Jack», Kyiv city.

Approved by the Rector's order from 04.11.2019, No. 3770

2. Term of submitting by a student his/her terminated paper: 20.11.2020

3. Target setting and output data to the final qualifying work:

**Purpose of the paper** is to develop the theoretical foundations of formation and implementation of development strategies and recommendations for their improvement in restaurant business entity activity

**The object of research** is theoretical, methodological and practical principles of development and implementation of a development strategy in restaurant business.

**The subject of research** - is implementation of development strategy in pub «Crazy Jack», Kyiv.

4. Contents of a final qualifying paper (list of all the sections and subsections)

## **INTRODUCTION**

### **PART 1. THEORETICAL BASES OF FORMATION OF DEVELOPMENT STRATEGY OF THE SUBJECT OF RESTAURANT BUSINESS**

1.1. History of bar business development in Ukraine

1.2. Methodological bases of formation of development strategy

Conclusions to the part 1

### **PART 2. DIAGNOSTICS OF PUB “CRAZY JACK” DEVELOPMENT STRATEGY**

2.1. Strategic analysis of the pub "Crazy Jack"

2.2. Determining the influence of factors on the implementation of development strategy of the pub "Crazy Jack"

2.3 Evaluation of the effectiveness of the current development strategy of the pub "Crazy Jack"

Conclusions to the part 2

### **PART 3. IMPROVING THE “CRAZY JACK” PUBLIC DEVELOPMENT STRATEGY**

3.1 Substantiation of the program of measures for the implementation of the development strategy of the pub "Crazy Jack"

3.2 Forecasting the effectiveness of the development strategy of the pub "Crazy Jack"

Conclusions to the part 3

**CONCLUSIONS**

**REFERENCES**

**APPENDICES**

5. Time schedule of the paper:

№	Stages of the final qualifying paper	Terms of the final qualifying paper	
		de jure	de facto
1	Choosing and approval of the final qualifying paper topic	01.09.2019.- 31.10. 2019.	01.09.2019.- 31.10. 2019.
2	Preparation and approval of task for the final qualifying paper	01.11.2019.- 31.12.2019.	01.11.2019.- 31.12.2019.
3	Writing of the 1 <sup>st</sup> part of the final qualifying paper	02.01.2020.- 11.05.2020.	02.01.2020.- 11.05.2020.
4	Defense of the 1 <sup>st</sup> part of the final qualifying paper in scientific adviser	14.05.2020.- 18.05.2020.	14.05.2020.- 18.05.2020.
5	Writing and preparation for publication of a scientific article	till 18.05.2020.	till 18.05.2020.
6	Writing and defense of the 2 <sup>nd</sup> part of the final qualifying paper in scientific adviser	18.05.2019.- 07. 09. 2020.	18.05.2019.- 07. 09. 2020.
7	Defense of the 2 <sup>nd</sup> part of the final qualifying paper in scientific adviser	07.09.2019.- 10. 09. 2020.	07.09.2019.- 10. 09. 2020.
8	Writing and defense of the 3 <sup>rd</sup> part of the final qualifying paper in scientific adviser	11.09.2020. - 28.10.2020.	11.09.2020. - 28.10.2020.
9	Registration of the final qualifying work and abstract for preliminary protection in commissions	29.10.2020.- 31.10.2020.	29.10.2020.- 31.10.2020.
10	Presentation of final qualifying paper and abstract on the department	20.11.2020	20.11.2020 p
11	Presentation of the final qualification work to the Dean's Office for receiving a referral for an external review	16.11.2020. 18.11.2020	16.11.2020. 18.11.2020
12	Preparation of final qualifying paper to defense in the Examination Board	18.11.2020.- 01.12.2020.	18.11.2020.- 01.12.2020.
13	Defending of the final qualifying paper in the Examination Board	According to the schedule	According to the schedule

6. Date of receiving the task: \_\_\_\_\_

7. Scientific adviser of the final qualifying paper \_\_\_\_\_

Avdan O.H.  
(last name, initials, signature)

8. Manager of the educational program \_\_\_\_\_

Melnichenko S. V.  
(last name, initials, signature)

9. The task received by the student \_\_\_\_\_

Mishchyriak A.V.  
(last name, initials, signature)

## 10. Resume of a scientific adviser of a final qualifying paper

Student Mishchyriak A.V. completed the final qualifying paper totally, according to the issued task and the approved schedule.

The student substantiated the need to form a strategy for the development of the restaurant business enterprise, argued the peculiarities of the development strategy of the enterprise, conducted a strategic analysis, assessed the effectiveness of the current development strategy of the enterprise.

In the paper the measures to improve the formation of the development strategy of the pub "Crazy Jack" are proposed, the prospects for its implementation are assessed and the directions of its implementation are justified.

Based on the evaluation, the economic and social effect was determined.

The final qualifying paper is made according to the requirements.

The final qualifying paper is a qualified final work and is recommended for defense in the examination commission.

Scientific adviser

PhD in Economics,

Associate Professor of Hotel and Restaurant Business

Avdan O.H.

Scientific adviser of a final qualifying paper

Avdan O.H.

## 11. Resume about a final qualifying paper research

A final qualifying paper (project) of the student Mishchyriak A.V.

(last name, initials)

\_\_\_\_\_ can be admitted to defence in the Examination Board.

Manager of the educational program \_\_\_\_\_

Melnichenko S. V.

Head of the Department \_\_\_\_\_

Boyko M. H.

\_\_\_\_\_, \_\_\_\_\_, 2020

## CONTENT

INTRODUCTION.....	7
<b>PART 1. THEORETICAL BASES OF FORMATION OF DEVELOPMENT STRATEGY OF THE SUBJECT OF RESTAURANT BUSINESS.....</b>	<b>10</b>
1.1. History of bar business development in Ukraine.....	10
1.2. Methodological bases of formation of development strategy.....	17
Conclusions to the part 1.....	25
<b>PART 2. DIAGNOSTICS OF PUB “CRAZY JACK” DEVELOPMENT STRATEGY .....</b>	<b>27</b>
2.1. Strategic analysis of the pub "Crazy Jack" .....	27
2.2. Determining the influence of factors on the implementation of development strategy of the pub "Crazy Jack" .....	38
2.3 Evaluation of the effectiveness of the current development strategy of the pub "Crazy Jack" .....	45
Conclusions to the part 2.....	47
<b>PART 3. IMPROVING THE “CRAZY JACK” PUBLIC DEVELOPMENT STRATEGY .....</b>	<b>49</b>
3.1 Substantiation of the program of measures for the implementation of the development strategy of the pub "Crazy Jack" .....	49
3.2 Forecasting the effectiveness of the development strategy of the pub "Crazy Jack" .....	54
Conclusions to the part 3.....	62
CONCLUSIONS.....	64
REFERENCES.....	66
APPENDICES.....	70

## INTRODUCTION

The topic of developing a development strategy for a catering enterprise is very relevant in our time. The food and entertainment industry is booming, and it's no surprise that these industries have very high profit margins. Money is willingly invested in such a business, and a growing market makes it possible for new enterprises to survive and develop. In Kiev, the capital of our country, there are a large number of worthy establishments where you can spend an evening or arrange business negotiations. It is not so difficult, having a sufficient amount of money, to open your own catering establishment, the main problem that most start-up entrepreneurs and those whose business has been affected by a number of external changes is keeping the establishment "afloat", which is exactly what is needed development of an enterprise development strategy.

Today in Ukraine there is competition among catering establishments. However, this work is not just about a cafe or restaurant, but about a pub. This is the place that must compete while maintaining pristine culture and a fun, friendly atmosphere. That is why it is so important to have a development strategy that will help to identify the strengths that need to be identified and the weaknesses that need to be fought.

When developing a strategy, it is necessary to take into account all the factors that affect the establishment. One of the most common mistakes is ignoring the tastes of the target audience. At the initial stage, it is reasonable to focus on the immediate environment (offices within a radius of one kilometer from the institution, etc.) and among the "neighboring" audience to promote your institution.

The audience of the restaurant, depending on the chosen niche, can be anything. However, for any segment and for any concept, there is an immutable rule: there should be at least 70% of all visitors who have regular customers. Otherwise, it is hard to expect the project to last.

The "Crazy Jack" pub should be, first of all, cozy - such, entering which you can feel, if not at home, then at least as visiting your very good friends. Because the main difference between pubs is a friendly atmosphere in which everyone is happy and ready to treat you with a glass of cold beer.

The relevance of this topic lies in the fact that there is an unstable economic situation around the world due to the coronavirus pandemic. That is why it is necessary to be able to qualitatively assess the situation, plan and make decisions about the further development of the institution. The process of creating a development strategy involves the use of a whole arsenal of techniques, methods and analyzes that allow the manager to make certain decisions based on a huge amount of information. And when combined with analytical and strategic skills, the manager not only solves an existing problem in a restaurant business, but also prevents new problems from arising in the future. And this, in turn, benefits both the enterprise and potential customers, i.e., creates benefits for all parties involved in the restaurant business.

The purpose of this topic is to develop theoretical foundations for the formation and implementation of development strategies and recommendations for their improvement in the activities of the "Crazy Jack" pub. The immediate task of the work is to study, consider, describe and search for methods for solving the problems discovered in the current development strategy of this restaurant enterprise. The theoretical and methodological tools of this work are the analysis and study of the internal and external environment of the restaurant enterprise, the forecast of the success of the solution.

The object of research is the "Crazy Jack" pub, because a pub is a promising establishment that can develop. The subject of the research is the development strategy of this pub.

The thesis is divided into three sections.

The first section describes the theoretical and methodological aspect of the development strategy and describes the history of the emergence of pubs in



Ukraine in general. In addition, the section describes the activities at the enterprise in general terms, modern and relevant strategies.

The purpose of the second section is to analyze the current strategy of the "Crazy Jack" pub, to identify its strengths and weaknesses.

In the third section, a development strategy will be developed that can be implemented in this pub in order to improve the efficiency of the pub and correct the problems raised in the second section, as well as evaluate the potential effectiveness of the new solution based on the analysis of the initial data.

Research results and proposals for the "Crazy Jack" pub can be used in the practice of restaurant business establishments. The research results are published in (Appendix A).

## **PART 1**

### **THEORETICAL BASES OF FORMATION OF DEVELOPMENT STRATEGY OF THE SUBJECT OF RESTAURANT BUSINESS**

#### **1.1. History of bar business development in Ukraine**

The Bar is a specialized establishment for quick bar service along with table service. Bars are conceptually distinguished according to such criteria as:

- the range of products sold and the method of preparation: a wine bar, a cocktail bar, a coffee bar, a grill bar, a milk bar, etc.
- specifics of service: a video bar, a variety show bar, casino bar, office bar, disco bar, tab bar, pub, server bar, etc.

This classification appeared due to the great competition in the market. Therefore, there are several types of bar companies with different names which differ only in the way of service and the range of drinks offered. The most popular at the moment are pubs and coffee bars. Because people want to sit with friends and a mug or glass of their favorite drink.

A bar is a drinking establishment where food and drinks are served to visitors. This island of entertainment and relaxation can be either in a separate room or as part of a large restaurant.

A pub is a place that sells alcohol for immediate consumption and takeaway. Simple snacks and meals are also available there. The very concept of "pub" comes from British and Irish culture. Pubs always occupy separate premises, are thematically decorated, and have their own circle of patrons. The Irish and British go to these pubs after work. They gather there to discuss various incidents, the game of their favorite football team, and also meet in pubs with friends[14].

The pub includes several advantages that are present in it from the following establishments:

1. In the pub you can taste some dishes from the classic restaurant cuisine;
2. There you can organize a party and dance like in a club;

3. It has all the components of a bar;
4. Many pubs serve fast food like fast food restaurants.

The pub is more popular than the bar. And no one will argue with that. For England and Ireland, these establishments are unofficial symbols. And for other countries - amazing wonders, having come to which, you can relax well. The popularity of pubs is due to their almost homely atmosphere. If you are supposed to come to a restaurant in evening dresses and suits, then such a strict style is not necessary for a pub. In a pub, people feel freer. Many norms of behavior and etiquette do not apply there. And if the client himself can reach the counter, then he will definitely be poured without any bickering. The main difference between pubs and bars is that the former are very atmospheric and multifunctional. Usually, they work longer, and everyone knows each other there. Modern bars are more like small restaurants. They are focused not on the cultural traditions of some countries, but on new trends in the restaurant and entertainment business.

Today the bar industry is rapidly developing in Ukraine. Despite the economic problems that the coronavirus has brought us, most of the establishments have remained open and are functioning as before, not to mention the fact that the opening of new establishments of the restaurant business continues.

To understand why Ukrainians continue to visit institutions of this type, even under quarantine conditions, it is necessary to look into the history of the development of the bar business, from the time of the first cocktail to the present day[10].

Pubs in what are now Britain and Ireland began to emerge with the arrival of the Romans and the establishment of the Roman road network. It was then that the first hotels were founded, in which weary travelers could rest. When the Romans left, new pubs continued to open. Pubs of that time are also called "alehouse" (literally "House of Ale"). It is worth noting that a pub has survived from those distant times, which operates to this day. It bears the proud name "The Royal Standard of England" and is the true pride of the British.

The history of bar business in Ukraine has been developing for only 25 years. Although it was known about alcohol was still in ancient Babylon. Initially, wine was used exclusively for medicinal purposes. After that, blame found wider application.

Over the past 100 years, the United States has turned alcohol from an illegal swill into a profitable business that is still growing rapidly. A variety of cocktails have been invented just to disguise alcohol as a regular drink. Many bartenders skillfully used this technique. Likewise, Americans often traveled abroad to taste the forbidden fruit. From this period, many widely known alcoholic beverages have come down to us. In those days, Bloody Mary and Side Car appeared in Paris, and Americano and Negroni in Italy. The cocktails were called American Drinks because they were prepared for Americans who were looking abroad for sensations that were prohibited in their country[9,20].

However, in the post-Soviet space there are still no cultivars of drinking. Everyone is used to multi-colored cocktails and only now they are gradually beginning to perceive mixology.

Before we start considering the problems of the bar industry in Ukraine, we need to define the word «development», which will often be used in this work.

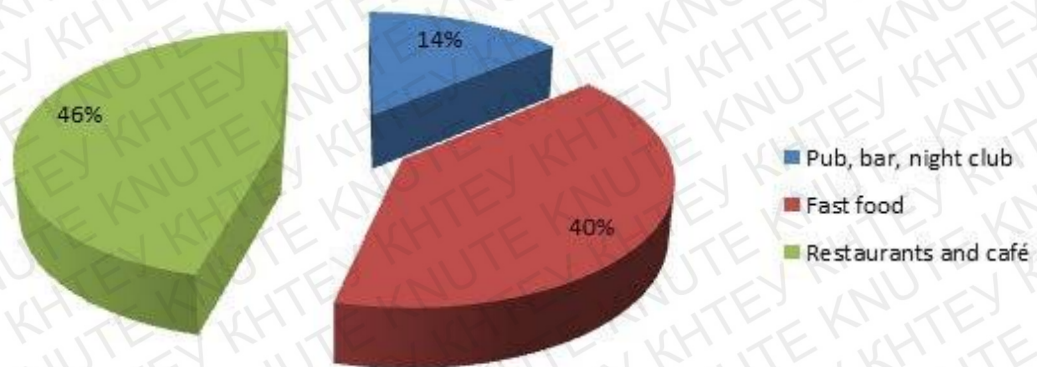
«Development» is a type of movement and change in nature and society associated with the transition from one quality, state to another, from old to new. The idea of development in its original form was already formulated in ancient philosophy by Heraclitus, who believed that everything exists and at the same time does not exist, since everything flows, everything is constantly changing, everything is in a constant process of emergence and disappearance [15]. In our case, we will consider precisely the socio-cultural development, which leads to economic growth in the country.

Despite the quarantine measures that have made their own adjustments to the work of many (especially night) establishments this year, in recent years there has been a steady growth and development of the restaurant business in Ukraine.

Along with this, the bar business is also growing; various establishments are opening that are ready to treat their guests with craft beer and excellent snacks.

Of course, the number of bars cannot be higher than the number of restaurants and cafes. It is also necessary to pay attention to the fact that today's realities shape the way of life and many people refuse alcohol in favor of soft drinks. Therefore, it is simply unrealistic to cover all the residents for a bar or pub[2].

### The structure of catering establishments

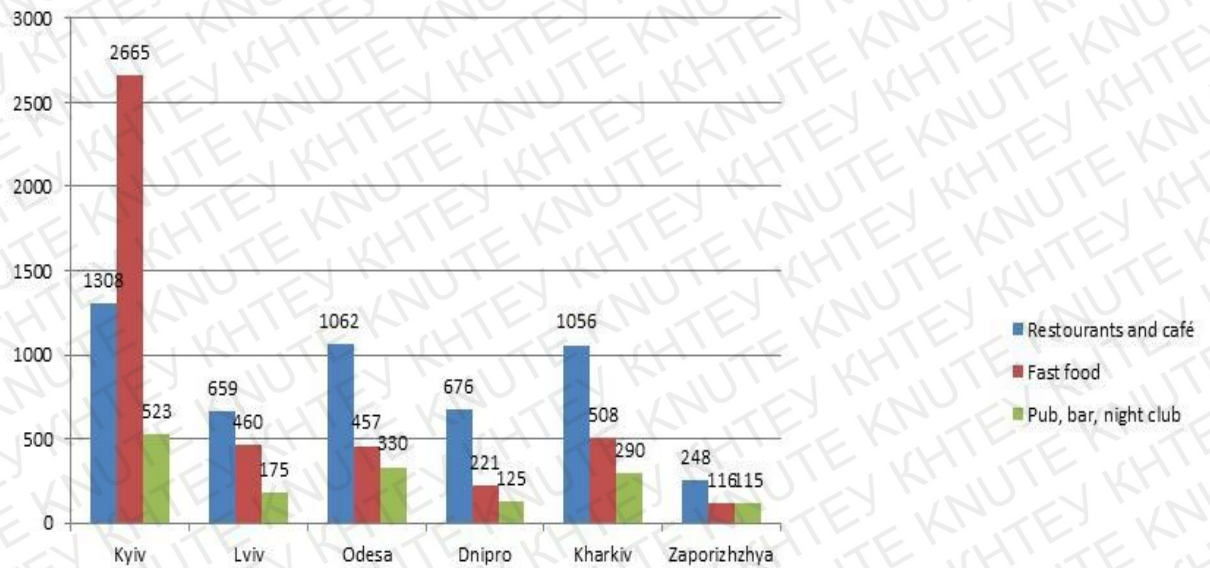


**Figure 1.1 Ratio of bars, restaurants and fast foods in Ukraine for 2019**

First of all, I would like to note that the visitors of bars and pubs are young people from 18 to 40 years old. Many people perceive such establishments not as a daily lifestyle, but as an opportunity to relax and meet friends on Friday nights or discuss business over a glass of intoxicating drink [27].

But we are stubbornly moving forward towards a bar culture, which will make Ukrainian bars and pubs unique places with colorful cocktails and proper drinks. Already today in the capital, more than 500 bars are opening, which are ready to receive guests around the clock. In addition, the culture does not stand still and every year in Ukraine a large number of bar shows and festivals are held, where bartenders compete in their skills, and guests do not come to just drink, they

come to enjoy the atmosphere and delicious cocktails. But for now, we are only on the verge of a bar revolution.



**Figure 1.2. Ratio of bars, restaurants and fast foods in Ukraine for 2019 by cities**

In order to understand why our bars are not as popular as the same American ones, it is worth delving into the history of the occurrence of bar business.

The word "bar" of American origin means a wooden counter - a barrier separating the buffet from visitors. However, he did not always save alcohol from the brave cowboys. There is an opinion that the high not comfortable stools near the bar were invented by the owners in order to ensure a quick change of visitors. They first appeared in the 18th century in the Wild West, in America. The innkeepers then, not without reason, fenced off visitors with a solid barrier, putting a glass of drink, a sandwich or a pile of fried peanuts on a massive rack for cowboys and various travelers [9].

The first bars offering mixed drinks appeared in 1882. In Europe, they became widespread after the demonstration and tasting of their products at the 1889 World's Fair in Paris. In the 19th century, taverns were very popular, where they served sellers of tavern tinctures (including honey and beer).

Over time, instead of simple wooden shelves behind the bar, high sideboards began to appear - buffets. (from the French. buffet). Over the years, the bars have

undergone a number of changes, but the nature of the service in the bars “without delay” has been fixed for this type of institution [13,4].

Later, modern beautiful walls appeared to demonstrate various drinks and tobacco products, such establishments became known as bars. Previously, bars were only independent enterprises, now they are an integral part of restaurants, cafes and other places of mass stay of people.

The history of the cocktail is still unknown. Although there are many legends, none of them has ever been confirmed. It is still believed that the United States is considered the birthplace of the cocktail, as is the birthplace of the word “cocktail” itself [13,25].

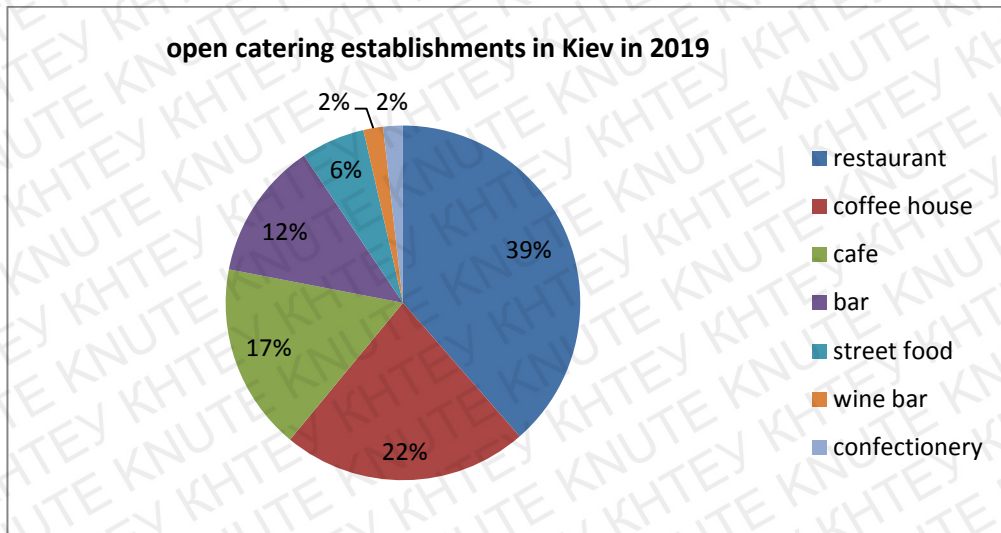
Cocktails were distributed in the Americas during the Prohibition. It was then that, despite the ban, skillful bartenders "masked" the taste of alcohol for juices or milk drinks. Before the start of World War II, the popularity of cocktails grew rapidly. After that, they were forgotten until the 60s. Already in the mid-70s with the advent of disco, young people began to recall the forgotten tastes of light and sweet cocktails. After which they entrenched in our culture.

Today, bars in Ukraine are not as widespread as cafes or restaurants due to the high cost of rent and high prices for raw materials. All this happens because prices are very tied to the dollar. And many bars open with restaurants or provide additional services in the form of a hookah or board games to attract more consumers.

But, despite this, various barmen shows are constantly held, from where new fashion trends come to us. For example, "Barometer" is a very popular international show of bartenders, which is held annually in Kiev. Many famous speakers attend this show in order to convey to modern bartenders new trends and trends that are constantly changing in bar culture. Therefore, bar business in Ukraine began to develop and people began to understand that now it is important what exactly you drink, and not how much [3].

Therefore, you need to dwell in more detail on the variety of bars, especially those that are most popular in Ukraine. The most common in Ukraine are bars, as

such, and pubs (institutions more focused on the beer industry). Let's count how many catering establishments opened in Kiev in 2019 and see which restaurants open the most [5].



**Figure 1.3. The number of open catering establishments in Kyiv in 2019**

New establishments of the restaurant business open every month, but most often these are coffee shops and small establishments on food courts. Because their payback is much faster than full-fledged restaurants or pubs.

To understand why there are not so many bars and pubs even in the capital of Ukraine, in spite of other cities, it is necessary to pay attention to the pros and cons of such establishments.

*Table 1.1*

### **Advantages and disadvantages of bars in Ukraine**

Advantages	Disadvantages
1. Many free niches	1. It is difficult to develop something new in an incompletely explored market
2. Great opportunity to stand out with an interesting idea.	2. Many typical competitors
3. Bars evolve quickly and can be one of the first "trendsetters"	3. High rental price and licenses
4. It is possible to reach a large audience	



It's false not to notice how many advantages the history of the bureaus industry began to bring. All festivals and bar shows are aimed at reviving the culture of drinks from the time of the United States. People can drink not only strong alcohol with Coca-Cola, but also enjoy the tart tastes of all kinds of cocktails [33].

In addition, we began to move away from complex molecular kitchens and fusion industries. Bartenders began to "turn to the roots", use seasonal ingredients and clear drinks. However, there are still pioneers who still continue to invent all kinds of tastes from standard products. For example, whey left over from goat cheese often becomes the basis of cocktails in one American pub. And some Ukrainian bartenders are in a hurry to adopt such an experience. Back in 2005, few people took bartending seriously. Yes, there were bartenders who built their careers on this, but few of them paid attention to mixology with all its details and few understood alcohol at all. It was understood by a small group of people, and they were either older statesmen or young rebels who swam against the current.[28,18] To a greater extent, these people wanted to revive lost traditions, techniques and ingredients instead of pushing this art to something new. Now young bartenders-mixologists are growing up in a culture of prosperity: almost everything that was lost has returned, everything is still rare, everything that was missing at that time is taken for granted. Therefore, for many it is a chance to focus energy on innovation and innovation, and at this time the older generation of bartenders are focusing on the art of hospitality [13].

## **1.2. Methodological bases of formation of development strategy**

One of the main tasks of management is to establish the goals for which the organization (enterprise, firm) as a holistic system is formed, functions and develops [29]. As a result of denationalization and demonopolization, legislative consolidation of various forms of ownership, decentralization and regionalization

of economic management, the number of management facilities increases every year.

The emergence of strategic processes view of entrepreneurial activity dates back to the middle of the twentieth century. Process evolution of strategic management continues to this day. In a generalized form, the strategy is a process of developing and implementing a long-term development plan enterprises on the basis of set long-term goals, which will ensure them achievements in a competitive environment and optimal use of enterprise resources. Consider the evolution of the concept of "strategy" for understanding the essence of strategic management and awareness of its content.

A. Dupont Chandler understands strategy as a method of defining long-term goals of the company, action program and priority areas for resource use. The main difference of this approach is to set long-term goals without revising them (except for significant changes in the external or internal environment) [17].

Harvard School under the strategy defines the method of establishing competitive goals of the company. The approach is to identify the business segments that the company will carry out [19].

I. Ansoff considers strategy as a method of defining the main goals for the corporate, business and functional levels. Strategy is a system that provides the company with balance and overall growth.

M. Porter believes that strategy is a way for a company to respond to external opportunities and threats, as well as strengths and weaknesses. The main task of the strategy is to achieve a long-term competitive advantage over competitors in every line of business.

The definition of the Ukrainian scientist L.E. Dovgan, who argues that when defining a strategy, it is necessary to apply an integrated approach, based on which the strategy is not only a means to an end and accomplish a mission, but also a program operation of the enterprise in the external environment, interaction with competitors, customer satisfaction, realization of interests of owners and personnel, strengthening competitive position of the enterprise in the market.

Despite the fact that we have many different options for defining a strategy, they do not contradict each other, but on the contrary complement and show us the overall picture of the most effective enterprise management. This is what ensures the growth and development of the enterprise in the conditions of the actively changing surrounding world and the internal policy of the company [24].

To date, economists have developed a huge number of options for the strategy of enterprise behavior in the market. However, not all of them work equally well. In order to determine which behavior strategy is suitable for which enterprise, it is necessary to assess its condition and track the main trends in the development of its environment.

The characteristic features of the strategy of the enterprise should include the following[3]:

1. The process of strategy development does not end with a certain action - it is developed only general course of action.
2. The strategy allows you to focus on the main issues.
3. The need for strategy disappears as soon as the real course of events leads the company to the desired position.
4. When compiling a strategy using generalized incomplete, inaccurate information.
5. Strategy is a means to achieve the goals of the enterprise.
6. At different levels of the organization, the strategy and guidelines of the enterprise can interchangeable: what is a strategy at higher levels is for lower levels landmark.

It should be noted that success in achieving the goals of an enterprise is ensured subject to the coordination of all its departments and the effective use of all possible resources.

Despite the fact that there are many enterprises in the modern world, it is possible to note the basic development strategies that, to one degree or another, are suitable for each enterprise at a certain stage of the life cycle.

It should be noted that the general strategies for development and growth belong to the basic strategies of development and growth of the enterprise. To the basic strategic alternatives M.H. Mescon, M. Albert and F. Hedoury include the following types of strategies: growth, limited growth, reduction and combination, basic alternatives [22]. Also as basic strategies allocate survival strategy, strategy stabilization, growth strategy, which, according to some scientists, depend on the stage enterprise life cycle. As for general strategies, in our opinion, the most the exact sign of the selection of their species are the conditions of management of enterprises, is life cycle of the industry, technologies, trends in economic development, the state of economic performance indicators of the enterprise [6].

There is no specific sequence in the application of development strategies. Since it is impossible to comprehensively calculate and take into account absolutely all the characteristics of the enterprise. Everything should be analyzed in depth. Starting from studying the internal state of the enterprise, ending with external factors that indirectly affect the enterprise. Only with a clear definition of all the characteristics of the market and his enterprise, the CEO will be able to better determine the development strategy that will help the company achieve financial success.

To develop an effective business strategy it is necessary take into account external factors (for example, the availability of strategically important information about the external environment, knowledge of market conditions, competitive advantages of other firms, effectiveness of marketing activities, etc.) and internal factors relevant knowledge, skills and abilities of the company's staff, professionalism of the company's top managers, change forecasting, etc.) [32,7].

When choosing the most acceptable type of enterprise strategy should be considered the following factors:

- the influence of external factors on the enterprise;
- strengths and weaknesses of the enterprise;
- stage of the life cycle of the enterprise;
- areas of activity;

- basic concept of achieving competitive advantage and industry position.

The development of enterprise strategy should be based on the following principles [1]:

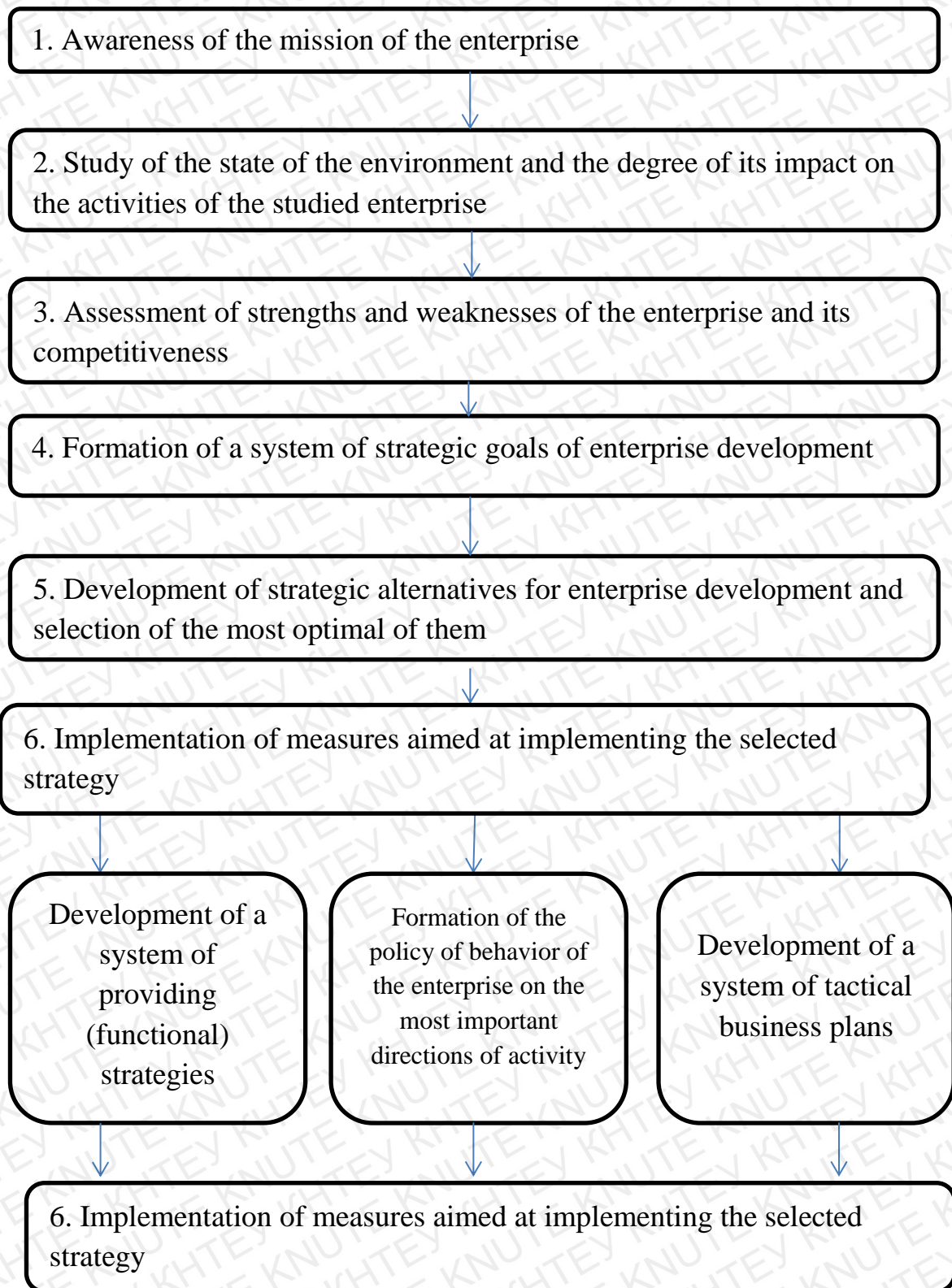
1. Focus on long-term global goals of the enterprise as a business entity and the economic interests of its owners.
2. Variety of possible directions of development, which is determined the dynamics of the external environment of the enterprise.
3. Continuity of strategy development, constant adaptation to emerging changes as in the external and internal environment of the enterprise.

Analysis of the principles and methods of strategy development and implementation in the company's management system allows us to establish that strategic management is a process of making (planning) and implementing strategic decisions (operational management), based on the development strategy developed on the basis of comparing potential opportunities and threats of the external business environment in which the enterprise operates. Thus, we have the opportunity to consider and evaluate all functional areas of application of the strategic approach to the activities of the enterprise.

This approach to the strategic management system reflects the "penetration" of strategic thinking in each functional area of the enterprise. In the process of strategic management of enterprise development all functions of modern effective management are realized: planning, organization, regulation and coordination, motivation and control [8]. Among the features of this process are the continuity of the strategic management process, the specifics of its time horizon and complexity.

The process of forming and developing a strategy consists of such stages as defining the mission and goals of the enterprise; study of the state of the environment; determination of competitive advantages of the enterprise; formation of a system of strategic goals; development of strategic alternatives; implementation of a system of measures aimed at implementing the selected strategy.

The strategic approach to enterprise management determines a certain role and place of strategy of activity in the general system of enterprise management:



**Figure 1.4. The main stages of the process of forming the strategy of enterprise development**

When forming the strategy of enterprise development, it is expedient, first of all, to determine the structural and functional construction of the strategic management system, which in the future will provide an opportunity to develop a model of strategic management. Structural and functional construction of the strategic management system involves its consideration from the standpoint of a set of constituent subsystems [23]. In the management system of the enterprise there are such subsystems as information-analytical, planning, motivation, decision-making, organizational. The system of strategic management of the enterprise is based on strategic planning, supplemented by the mechanism of coordination of operational decisions with strategic ones, as well as the mechanism of adjustment and control of strategy implementation. Strategic management as a process of implementation of management functions covers such subsystems as strategic planning, implementation of strategies, organization of strategic management. This approach focuses on such important components as the process strategy formation and its implementation.

We consider it expedient to differentiate the whole set of functions of the enterprise development strategy into the following groups [21,1]:

- 1) management functions of the process of determining targets;
- 2) management functions of the strategy development process;
- 3) management functions of the strategy implementation process.

The first group includes functions related to the management of the analytical process of determining the targets of the enterprise. The functions related to the management of the processes of formation of many strategic alternatives, selection of strategies and development of a strategic plan belong to the second group. The third group includes functions related to the management of resource mobilization processes, staff motivation, implementation of strategic changes, as well as monitoring and evaluation of strategy implementation [12].

The final stage of choosing a strategy is the analysis and evaluation of alternatives to focus on a strategy that would ensure maximum efficiency in the future. Strategic choice should be based on the concept of organizational

development, and the formulation of the strategy should be unambiguous, clear, understandable, because the chosen strategy for a long time restricts the freedom of action of management and determines all its decisions [11]. To do this, all alternatives are carefully researched and evaluated in advance, taking into account various factors. This is the type of business, the features of the industry in which the company operates, the state of the environment; this is the nature of the company's goals and the level of risk. Particular attention should be paid to such a factor as the internal environment of the enterprise, which is manifested through its strengths and weaknesses. So the strengths of the enterprise contribute to successful development, use of new opportunities, achievement of goals. While weaknesses always require constant attention from management in choosing a strategy and its implementation to avoid potential threats and compete successfully in the market. Another important factor influencing the choice of strategy is the time factor [30,11].

After all, even the best strategy, new technology or new product will not be able to succeed if they do not appear on the market in time. Because the choice of strategy is influenced by many factors, it necessitates the need for several strategic alternatives. As a rule, the company has to choose a strategy from several possible options. For example, trying to increase its market share, it should reduce product prices, sell it through as many stores as possible, introduce new models to the market, create an attractive image through advertising, and so on.

Each path opens up different possibilities: pricing is affordable and flexible, but it is easily copied by competitors, and a strategy based on new technology is difficult to copy, but requires high costs and is less flexible. The various strategies used by enterprises in their activities are modifications of several basic strategies, each of which is effective under certain conditions, the state of the internal and external environment.



## **Conclusions to the part 1**

At the moment, Ukraine has not yet reached its peak in bar business. We still continue to open restaurants and fast foods, where people eat more than drink. Gradually, Western cocktails and mixes of tastes come to us, which for the ordinary Ukrainian are still incomprehensible. However, I would like to note that new trends quickly enter our culture and guests welcome them cordially. We move on to standard cocktails such as Blue Lagoon and Screwdriver. We delve deeper into the classics of juicy tastes and tart aromas.

Do not forget where the bars came from. Therefore, we try to return those traditions, thanks to constant festivals and bar shows. And many well-known bartenders are doing just fine.

I am sure that we are only on the verge of the great opening of the bar culture, the Ukrainians are ready to look at alcohol from the other side and use it not for the purpose of getting drunk, but to try an exquisite drink that brings people together and makes the conversation more intimate and friendly.

Thus, in the process of considering the basic theoretical and methodological principles of enterprise strategy in the market, we found that the practical solution of problems related to the need to ensure the effective operation of the enterprise in the future depends on the degree of methodology and methods of strategic approach. The formation of enterprise strategy is a comprehensive management system, which is based on forecasting the external environment and developing methods of adaptation of the enterprise to its changes. When developing a strategy, the company's management analyzes in detail the external business environment and its directions of development (strategic factors). The purpose of the analysis of strategic factors of the external business environment is to identify potential threats and opportunities, as well as the strengths and weaknesses of the enterprise for the formation and choice of strategies.

The choice of a specific direction for changing the strategy means that of all the possible ways of adjusting the strategy that opened up for the enterprise, it was

decided to choose one direction that is most suitable for the enterprise. Without strategy analysis, there is no correct action plan, there is no optimal way to achieve the set goals.

Analysis of the company's strategy is one of the topical topics that covers all functions and departments: supply, production, finance, marketing, personnel, research and development. Each is assigned a specific role in this analysis. New actions and approaches will show possible ways to change and transform the current strategy.

Thus, the diagnostics of the enterprise strategy is an urgent problem and a necessary task for the most effective enterprise activity.

## PART 2

### DIAGNOSTICS OF PUB “CRAZY JACK” DEVELOPMENT STRATEGY

#### 2.1. Strategic analysis of the pub «Crazy Jack» Kyiv

«Crazy Jack» pub started its activity in 2017. Even then, this place became quite popular among young people who love noisy companies, loud music and good alcohol. The pub is located in the center of the capital, near the metro station "Olympiyskaya" at st. Antonovicha, 47. Nearby there is a lot of business center, there is also the shopping center "Olympic".

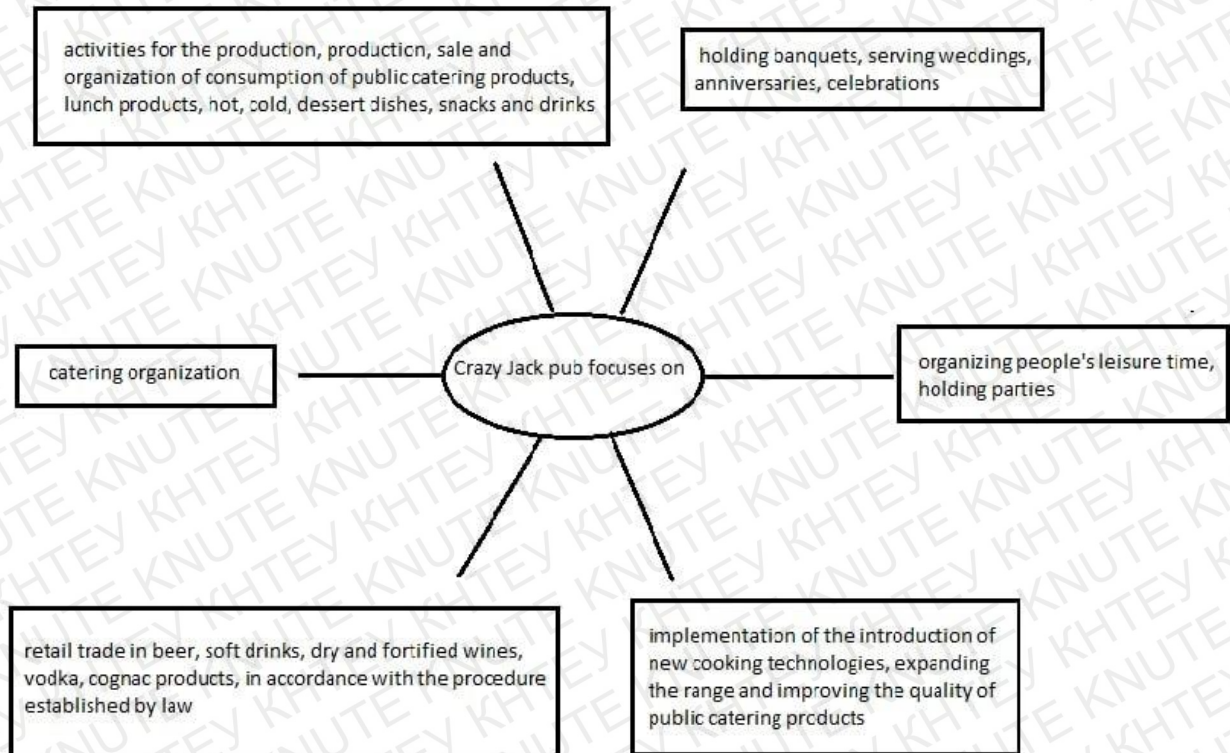
The area of the facility is 440 square meters, 180 seats can accommodate several teams of fans. The pub is located near the Olympic Stadium, which is a great opportunity to have a beer before the start of a football match or discuss the details after it. Separately, you can order a banquet in a separate room or play an intellectual game that takes place here once a month.

The pub is open 24 hours 7 days a week. Therefore, you can have a snack, both at the height of the working day, and later at night, drink a mug of cold beer.

The concept of the institution is focused on people with average incomes and young people. It is best to come in groups because it is one of the best places in the area to make noise, shout and dance to the funny songs that everyone knows. The average check for one guest will be about 350-500 UAH. For this money, you can order several mugs of craft beer, snacks and dessert.

«Crazy Jack» Pub Mission is to convey to each guest of the establishment a unique atmosphere of friendly service and share his pastime in a friendly circle.

It was very important to create a friendly atmosphere in the institution. So that guests can relax and feel like they are with friends. There are no strict rules of communication for waiters; they can join the guest at the table if they are invited. All service takes place in a friendly manner, as if your best friend advises you to try beer.



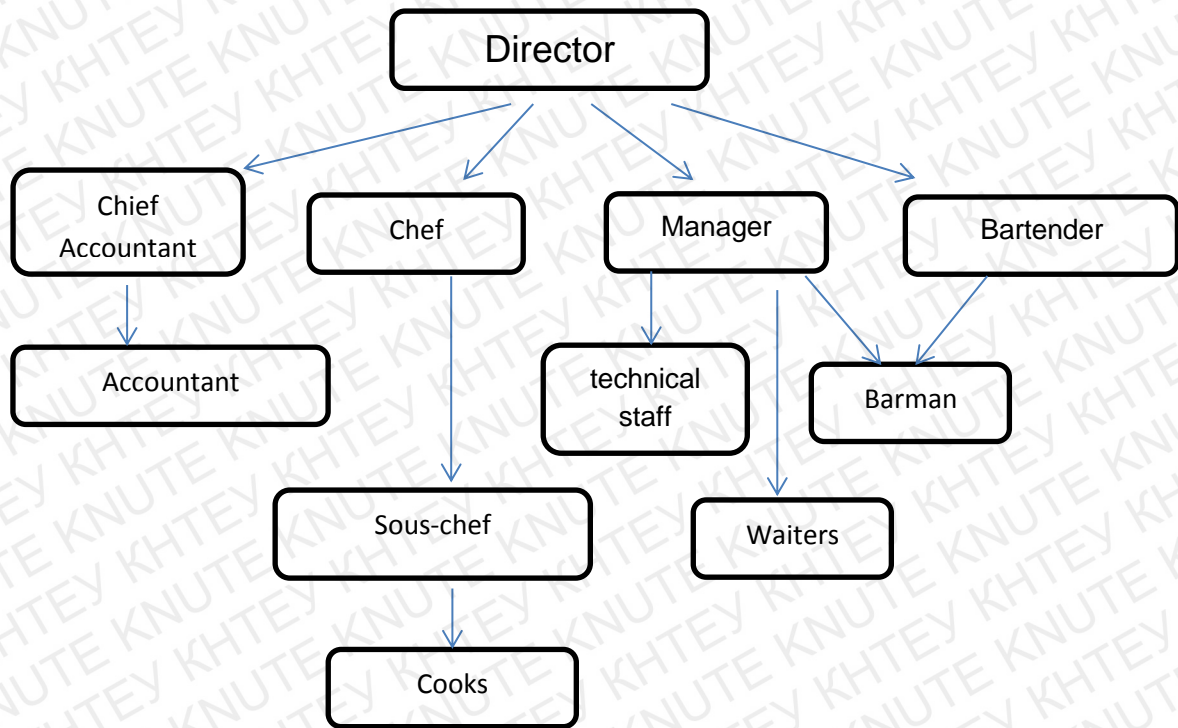
**Figure 2.1. Focusing of «Crazy Jack» pub**

At this stage in the development of the institution, the management is faced with the task of protecting the pub from the crisis in an unstable time of the coronavirus pandemic. Therefore, the entire development strategy is aimed at not losing profits and retaining regular customers.

The pub itself is a restaurant chain. In addition to it, the network includes the popular «Fat Lion» pub and the «Urban Grill» restaurant.

However, this institution cannot be called a network one. Since each of the companies has its own purpose, mission and culture. They all report to different directors. Therefore, it makes sense to consider «Crazy Jack» pub as a separate establishment. That is why it is necessary to consider its governance structure. In order to visually make sure that the establishment is an independent unit and not a piece of the network.

A well-built organizational structure helps to ensure a high level of service in the pub:



**Figure 2.2. Organizational structure of pub Crazy Jack**

The organizational structure of the Crazy Jack pub is based on a linear functional type, i.e. the movement of management decisions and information emanate from the line manager through the heads of structural divisions. In linear control, each link and subordinate has one leader, through which all control channels pass through one channel. Thus, management levels are responsible for the results of their activities.

In connection with the previous quarantine and large losses, the managerial staff decided to shorten the menu and add new items there. If before that, the institution could boast of an abundance of main courses and a variety of snacks, now you can find pizza, burgers and beer snacks in the pub. The menu has become noticeably smaller and more youth-oriented than people over 30. It is worth paying attention to the fact that the menu does not include dishes that are cooked for more than 1 minute. Therefore, a cold glass of beer is almost always full of a quick snack, which you need to wait for a long time. Even if a company of several people orders dishes at the same time, they will be brought quickly enough and no one will have to wait. The pub is always very noisy. Each hall has 3 TVs on which

football matches and various TV programs are broadcast. There is also a jukebox. Anyone can order their favorite song. The cost of this service is only 10 UAH, which is cheaper than in any other bar or pub.

The design of the institution is made in dark colors; various iron accessories of ancient times are hung everywhere. Inside, the pub looks like a ship's hold, with the same casks of rum and empty bottles everywhere. Wood and metal give the establishment a roughness, but at the same time, some kind of comfort, a place where you can always find a lingering bottle of rum and meet loyal friends who will share it with you.

In order to consider the current situation in the public catering market in maximum detail, it is necessary to resort to PEST analysis

*Table 2.1.*

### **PEST analysis of pub Crazy Jack**

<b>Political and legal factors</b>	<b>Economic forces</b>
<ul style="list-style-type: none"> <li>- Support for small and medium businesses</li> <li>- The sanitary standards for food outlets are being tightened</li> <li>- Credit system development</li> </ul>	<ul style="list-style-type: none"> <li>- World financial crisis</li> <li>- Inflation</li> <li>- Unemployment</li> <li>- Reduced rent</li> </ul>
<b>Sociocultural factors</b>	<b>Technological factors</b>
<ul style="list-style-type: none"> <li>- Increased consumer demand for high-quality drinks</li> <li>- People want to see their friends more often</li> <li>- Bored in the house</li> <li>- Growth in the size of the middle class</li> </ul>	<ul style="list-style-type: none"> <li>- The use of new technologies in the preparation of drinks</li> <li>- The range of equipment for restaurants is expanding</li> <li>- Development of social networks</li> <li>- Popularization of delivery services</li> </ul>

PEST analysis is a marketing tool designed to identify social, technological, environmental, economic and political aspects of the external environment. It helps to see the picture of the external environment of the company, to highlight the most important influencing factors.

Using the macro-environment analysis system (PEST analysis), a number of factors (risks) were identified that affect the activities of the Crazy Jack pub:

- political and legal risks;
- demographic risks;
- social risks;
- financial risks.

1. Political and legal risks associated with the political situation in the country and with the activities of the state. State regulation of public catering is the intervention of the state system in the functioning of enterprises, the impact on their economy through administrative and economic methods. To date, the basis for regulating the quality of public catering services and relations between business entities and the state is based on legislative and regulatory acts that determine the rights and obligations of the parties.

The activities of restaurants are influenced by the following legislative documents:

- Law "On Protection of Consumer Rights";
- Tax Code of Ukraine;
- Civil Code of Ukraine;
- Labor Code of Ukraine.

The most important threat to the activities and prosperity of the institution is the coronavirus epidemic and the laws that are adopted during the pandemic. From October 13 until the end of the year, a law will be in force prohibiting work after 11 pm and until 7 am of entertainment establishments (nightclubs), as well as business entities for the provision of catering services with or without leisure (restaurants, cafes, bars, snack bars, canteens) , cafeterias, cafeterias, etc.), cultural institutions, except cinemas and in addition to activities for the provision of catering services with the use of targeted delivery of orders and takeaway orders. ";

An important political and legal factor is the strengthening of the system of state support for small businesses in 2017. It has become improved and allows you to allocate assistance to various segments of the population for any type of activity.

2. Economic factors currently have a huge impact on the company's activities. Unfortunately, today this factor is negative for many organizations, and

the restaurant business is no exception. The epidemic, quarantine, the fall of the hryvnia - all this negatively affects the economic situation in the country. In addition, the unemployment rate has risen, and many have switched to remote jobs and started working informally. According to the estimates of the Ukrainian Chamber of Commerce and Industry, the unemployment rate today is 13.7-15.4%. This is the highest figure in the last 15 years.

Another factor affecting the catering market is the rise in inflation. Over the past year, the inflation rate was about 4.5%. Therefore, manufacturers and sellers are forced to include these percentages in the final cost of products. In general, this negatively affects the development of the enterprise, sales decrease, therefore, profit decreases.

3. From social factors, first of all, it is necessary to note an increase in the population's free time (reduction of working hours, an increase in the duration of annual vacations), which, combined with the desire of people to see each other, more often means an influx of new potential customers, an increase in their level of education, culture, aesthetic needs. If earlier people could not afford to go to a catering establishment, now there is a tendency to make a trip to a restaurant something mundane, like having breakfast in the kitchen. Such development will inevitably lead to an increase in the number of visitors.

4) The development of public catering enterprises is also significantly influenced by technological factors associated with scientific and technological progress. Drivers 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 noted that every year the range of equipment for restaurants is expanding, for example, the latest ovens and deep fat are used to prepare hot dishes, which speeds up the cooking time. The company is introducing new software and energy-saving equipment (energy-saving refrigeration units). New advertising media appear, which increases sales and informing consumers about the product, the popularity of online sales and other modern technologies is increasing.



Thus, in the course of the conducted PEST analysis, the negative and positive influence of various factors on this type of business was traced. In general, according to the results of the analysis of the external environment, it can be seen that the public catering sector is developing, the market is increasing, the behavior and lifestyle of the population is changing, at the same time, the number of competitors in this area of activity is also increasing.

Accordingly, now many establishments want to capture the attention of the guest and show high service. The Crazy Jack pub needs to work on its competitive protection and unique selling proposition in the market to differentiate itself from the competition.

For a more detailed analysis of the organization, we will conduct a SWOT analysis. Analysis of the restaurant's performance helps to draw more objective conclusions and develop recommendations for strengthening strengths and eliminating weaknesses.

The main task is to develop a business strategy for the development of an enterprise or facility, making sure that all the main factors - the driving forces for successful growth - have been taken into account. And also opportunities within the company and external factors are considered.

*Table 2.2.*

### SWOT analysis of pub Crazy Jack

<b>Strength</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Low price</li> <li>- High staff salary</li> <li>- Sales and interesting offers for guests</li> <li>- Developed corporate culture</li> <li>- Kind atmosphere</li> <li>- 35 varieties of branded draft beer</li> <li>- Interactives</li> </ul>	<ul style="list-style-type: none"> <li>- Undeveloped Instagram page</li> <li>- Short menu</li> <li>- Lack of business lunches</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>- Delivery</li> <li>- Business-centers around</li> <li>- Boosting drinking culture</li> <li>- Competitors' misses</li> </ul>	<ul style="list-style-type: none"> <li>- Lockdown</li> <li>- Seasonal change of demand</li> <li>- The country's economy is falling</li> </ul>

After analyzing, we can observe that the presence of a large number of advantages from the pub, there are some negative factors that inhibit the receipt of excess profits and attracting new customers.

The most dangerous threats to the company:

- growth of the inflation rate;
- increase in the refinancing rate, rise in prices;
- the emergence of new competitors, the activation of existing ones, their active advertising campaign.

The strongest points of the organization:

- original format and concept of the establishment;
- highly qualified personnel;
- carrying out entertainment events

Based on the results of the analysis of the assessment of the influence of microenvironment factors, it can be concluded that the Crazy Jack pub needs to pay close attention to such factors as:

1) "competitors", because the company needs to constantly monitor the competitive environment, track the position of competitors; quality of service and offered dishes; cost of services; market share; using the latest advances in technology; advertising efficiency; staff qualifications; strengths in their action in the market; innovation in services, incentives, marketing.

2) "consumers", since their purchasing power, as well as preferences in the market, have a direct impact on the position of the catering organization.

Stakeholder analysis.

In order to plan an effective strategy for the development of an institution, it is necessary to conduct a stakeholder analysis. It is necessary to understand which stakeholders have the greatest influence on the development of the institution and who invests more in this development. Identifying expectations and assessing the degree of their implementation for key stakeholders is one of the most important steps in strategic diagnostics of the company.

To ensure sustainable business development, various contributions are required, both material and financial, and non-material contributions (knowledge, competencies, loyalty, etc.). These contributions are owned by different stakeholders. Their willingness to contribute / resources to the development of the company directly depends on the degree to which their expectations are met.

That is why it is worth determining which parties are most interested in the establishment. Then to be able to influence those who are least interested and try to attract their attention.



**Figure2.3. Stakeholder analysis of pub Crazy Jack**

The directors and managers of the establishment have the greatest influence on the company's operations. They are interested in making a profit and can make various decisions that can have dramatic consequences for the institution. The development strategy must take their point of view into account and guide them towards making the right decisions for the development of the pub.

We see the greatest influence and least interest from the government and the pub's customers. It is necessary to consider all possible laws that will be passed by the government. Also, do not forget that guests are our main priority and we need to make sure that they are interested in our establishment, so there must be a strong competitive ability.

In order to interest the employees of the institution, it is necessary to motivate them so that they want to hold on to their workplace and are interested in long-term cooperation and quality service.

We are also faced with the task of finding out if «Crazy Jack» Pub is a loss-making venture, and where the most costs are going. For this, an analysis of the cost structure was carried out, which took into account all the changing costs of maintaining the establishment.

Costs are the costs of production factors that were used to produce and sell products.

In relation to the volume of sales, it is advisable to divide all costs into fixed and variable costs. Fixed costs do not depend on sales volume, while variable costs, on the contrary, depend on sales volume.

Fixed costs include the following indicators:

- rental of premises,
- operating costs,
- communal payments,
- taxes,
- advertising costs.

Variable indicators include the following indicators:

- cost of raw materials sold,
- bonus payments to employees and bonuses,
- operating profit,
- prizes

Some of the named indicators are "mixed", can be both constant and variable (depending on the volume of sales / production). For example, utility bills - the cost of electricity - can be fixed under an agreement with an energy company, or they can be paid depending on their consumption (thus, they will depend on the volume of production).

To make sure of the profitability or non-profitability of the establishment, it is necessary to carry out a comparative analysis of economic indicators over several periods.

We can analyze the cost structure and understand where you can save.

*Table 2.3.*

### **Cost structure analysis of pub «Crazy Jack»**

Indicator name	2017y		2018y		2019y		Deviation 2017-2018, UAH	Growth rate 2017- 2018,%	Deviation 2018-2019 UAH	Growth rate 2018- 2019,%
	Value, UAH	specific gravity	Value, UAH	specific gravity	Value, UAH	specific gravity				
Personnel costs	2000354	31,06%	2261600	34,05%	2 374 680	33,36%	374 326	113,06%	113 080	105,02%
Purchase of souvenir products	66890	1,04%	42000	0,63%	27 000	0,37%	-24 890	62,79%	-15 000	64,28%
Rent	1272000	19,75%	1272000	19,15%	1 296 000	18,20%	0	100,00%	24 000	101,88%
Depreciation of fixed assets	100000	1,55%	148380	2,23%	150 000	2,10%	48 380	148,38%	1 620	101,09
Utility bills	490112	7,61%	543000	8,17%	597 300	8,39%	49 888	110,79%	54 300	110%
Internet expenses	12000	0,19%	12000	0,18%	12 000	0,16%	0	100,00%	0	100%
Hospitality expenses	89000	1,38%	60000	0,90%	54 700	0,76%	-29 000	67,42%	-5 300	91%
Purchase of products	1909092	29,65%	1785600	26,88%	2 062 368	28,97%	-123 492	93,53%	276 768	115,50%
Tax fees	500000	7,76%	517440	7,79%	543 312	7,63%	43 312	103,49%	25 872	105%
Total	6439448	100%	6641420	100%	7 117 360	100%	201 972	103,14%	475 340	107,16%

As we can see from the presented structure (Table 2.3), the largest share in the composition of the prime cost are labor costs and rental costs. At the same time, in absolute terms, labor costs increased significantly in 2019 in comparison with the previous period by UAH 113,008. At the same time, the share of this category of costs has hardly changed, which positively characterizes the policy of remuneration and labor motivation at the enterprise.

We also see that the costs of purchasing products have increased due to the fact that suppliers have changed and raw materials have become more expensive.

Revision of agreements with suppliers and work with the menu will help us to reduce costs for these items, as well as pay attention to the number of staff and how their work affects the revenue of the institution.

## **2.2. Determining the influence of factors on the implementation of development strategy of the pub «Crazy Jack» Kyiv**

The most important factors that affect the implementation of the company's development strategy are the following:

Changes in the growth rate of the industry. The growth rate of the industry is high 10% per year. The number of catering establishments is increasing every year, which leads to an increased competitive situation in the market

Changes in buyers and use of the product. More and more people are getting used to the fact that eating out is normal. However, rapid changes in this industry are unlikely.

Product innovation. Product innovations are possible, in our case it is the emergence of new drinks and dishes.

Technological innovations make the work of catering establishments much easier. Today, technological development is happening very quickly, so it is necessary to keep track of new products and competitors who can use more technological equipment.

Marketing innovation. The factor has an impact on the industry. In the catering industry, advertising is actively used on the Internet, on platforms such as Instagram, Facebook, Pinterest, etc.

Entry or exit of large firms in the industry. The factor has an impact. Entry from large firms can intensify competition among existing firms in the industry. The dissemination of technological know-how has a positive impact on the industry.

Changes in cost and efficiency. Recently, prices for raw materials have increased, which has affected the price of ready-made meals. Changes in value have led to the loss of a certain segment of consumers.

Impact of legislative changes. This factor has a great impact on the industry and most often changes in legislation restrict the activities of catering

establishments. As an example, we have already considered the crisis in 2020 and quarantine with the restriction of the work of establishments at night.

Changes in the social, demographic situation, lifestyle. The factor has a positive impact on the industry. Recently, it has become fashionable and prestigious to meet., To spend time in coffee houses, cafes, which favorably affects the activities of establishments of a similar concept.

Reducing uncertainty and risk in business. At the moment, we can say that the industry has an average level of uncertainty and risk. Many establishments fail in the first weeks after opening because they were not in line with consumer interests or were located in a disadvantageous location. However, we can observe a trend of increasing risks, again due to the situation with the epidemic around the world.

The environment that influences the development and operation of the development strategy is all the competitors of the establishment. Therefore, it is necessary to carry out a comparative characteristic of competing establishments in order to determine our strengths and weaknesses. This will help us refine our strategy and understand how our competitors' strategy works.

For a comparative analysis, we took establishments that are located next to the «Crazy Jack» pub and are similar in concept.

*Table2.4.*

### **Competitors' analysis of pub «Crazy Jack»**

Name	Address	Availability of promotional offer	Working hours	Price	Rating among visitors
Mister Cat	st.Velyka Vasylkivska, 72	+	24/7	\$\$	3,8
ТЯГА	St. Antonovicha, 50	-	01pm-3am	\$\$\$	4,6
Eurasia	St.Velika Vasylkivska, 88	+	10am-5am	\$\$\$	4,3

Mafia	St.Velika Vasylykivska, 76	+	24/7	\$\$	3,8
HYPE. True American Food & Drinks	St. Antonovicha, 50	-	Sun-Thu 12pm-12am Fri-St 24/7	\$\$\$	4,1

The main competitors for the «Crazy Jack» pub are the «Mister Cat» and «Eurasia» restaurants. «Mr. Cat» is located in a shopping center and is surrounded by business centers. In addition, the institution offers business lunches, which is very attractive for office workers who want to have a snack at lunchtime. «Eurasia» and «Mister Cat» are similar with promotions and interesting offers for guests. This includes happy hours (2 meals for the price of one during special hours), plus birthday discounts and frequent pet food.

However, all these establishments have a low rating among guests, as they have obvious disadvantages with many advantages. After analyzing the reviews, we found out that the restaurant «Mister Cat» has a wrong personnel policy, there is not enough staff, so guests have to wait for their dish for a very long time, there are also problems with the work of technical staff, due to the large flow of guests, the washers do not have time wash the dishes and grate them.

In «Eurasia», the main disadvantage is the long wait for food. During the «happy hours» promotion, the guest has to wait for their blues for 40-50 minutes, which is unacceptable for an establishment of this level. In addition, there are complaints about the quality of food, although these are not common.

The «Crazy Jack» pub format and live football matches help the establishment stand out from the competition. Since it is necessary to remember that there are always many football fans near the Olympic stadium. However, do not forget that there are a lot of business centers around the establishment, whose employees also did not have a snack at lunchtime. There are no promotions or business lunches provided for them, so they often dine with competitors. In



addition, the «Crazy Jack» pub cannot boast of a varied menu. It presents mostly snacks and salads.

It is also worth noting the presence of positive reviews about the institution. Guests most often note a cheerful atmosphere and a friendly team, but there are those who complain about too loud music and the impossibility of chatting with friends.

Thus, we have come to the conclusion that «Crazy Jack» is a competitive pub, but it is necessary to work with the menu and offers for guests. Until the end of 2019, accumulative bonus cards were in force, on which a percentage of the check and 10% of the check were additionally accrued in honor of the birthday. This option was removed in 2020. Therefore, there are no more promotions and discounts in the institution, which is very unprofitable against the background of competitors with excellent offers.

However, the development of the institution is influenced not only by competitors, but also by the entire external environment as a whole.

The external environment of an organization is also called its environment, which is business and background. The business environment is formed by those phenomena, processes and institutions of the environment with which the organization interacts directly and can influence them (for example, suppliers, consumers, intermediaries, competitors). The organization can only adapt to the background environment, but it is not able to purposefully influence it. The state policy, the state of the market and many other circumstances are beyond the control of the vast majority of organizations - they have to «take note of» and either obey, or «escape» from their influence, or try to neutralize the consequences in one way or another. Since resource constraints are difficult to overcome, especially in the short term, the organization can in fact only react to some changes in the environment, and ignore others. And its future depends on how correctly it chooses them.

As we determined from the SWOT analysis, the environment has a strong influence on our establishment. The most important role is played by the political

and economic environment. It is worth considering that the pub is located almost in the very center of Kiev. That is, the influx of visitors is guaranteed. The average salary in Kiev is UAH 15,000, which allows people to visit entertainment establishments. In addition, the pub is located near the stadium and visiting fans will always drop by for a beer.

Strategic decisions are strongly influenced by events in the political environment. This environment is made up of legal structures, government institutions and influential groups of the public that influence various organizations and individuals and restrict their freedom of action within society.

Over time, the number of legal acts regulating entrepreneurial activity is growing. They appeared for various reasons. The first reason is the need to protect firms from each other. Entrepreneurs unanimously extol competition, but when they affect their own interests, they try to neutralize it. Laws are adopted to define the concept of “unfair competition” and prevent its manifestation. The second reason for government regulation is the need to protect consumers from unfair business practices.

The activity of the «Crazy Jack» pub (and any other bar, restaurant, cafe, pizzeria, etc.) refers to the restaurant business, which, in turn, is based on the legislative framework. The type of this commercial activity is catering.

The set of elements of the internal environment of the «Crazy Jack» pub are directly related to its opportunities in the market. The microenvironment includes: personnel, finance, areas, equipment, technology, labor organization. Consider the organization's staffing and organizational culture.

Analysis of the organization's human resources:

Number of employees at the enterprise: 26 people. More than 16 of them are staff: waiters, cook assistants, bartenders, etc. The remaining 10 people hold managerial positions.

As of 01.01.18, 22 people worked in the cafe, of which 11 were women, which is 50% of the total number of employees.

As of 01.01.19, the cafe employs 26 people, of which 15 are women, which is almost 70% of the total number of employees. The age of employees varies as of 01.01.19, within the range of 20 - 45 years. Considering the fact that there are no retirement age employees among those working in the «Crazy Jack» pub, employees who reach 55-60 years old are not hired.

The age structure of cafe employees is distributed as follows, the main staff of employees from 20 to 30 years old - 63%, the composition of employees 31 - 40 years old was distributed equal to 30%. Employees over 40 years old accounted for 7%, respectively.

65% of Crazy Jack's employees have a college degree. This is a very high indicator, which creates a positive picture of the educational level of the staff. 25% of employees are at the stage of obtaining higher education, among them 8 people are under 28 years old. 10% of employees have secondary vocational education. These are all employees with secondary vocational education are non-specialized personnel.

Distribution of employees by the number of years of work experience. As a result, the main number of employees - 53% - work from 2 to 5 years; 25% have up to 1 year of experience, therefore they were accepted during 2018.

It is also interesting that 7% of employees with over 5 years of experience in this industry have worked in restaurants and bars and have gone through a number of reorganizations together.

A positive result in the numerator of the replacement rate indicates that the number of those hired is higher than the number of dropouts, and therefore a part of those recruited compensates for the loss of labor resources due to dismissal, and some of those hired are used in newly created jobs.

It's worth noting that «Crazy Jack» has little focus on employee fringe benefits.

Among all the holidays, employees celebrate the New Year and employees' birthdays with colleagues. This situation has a positive effect on the establishment

of friendly relations. In addition, until 2020, there was a bonus system that rewarded the best employees of the month and year.

A healthy moral and psychological climate can be traced in all departments. This is not to say that all employees are friendly to criticism, occasionally managers show weakness and put pressure on subordinates. However, these are all working moments that do not affect the friendly atmosphere in the institution.

Recruitment of personnel for a pub is a key issue, the solution of which ensures the implementation of the main task of the enterprise - making a profit. At the enterprise, only the general director has the right to assign personnel so that everyone occupies the position to which he corresponds. Among the positive features of the organizational culture of the pub are:

1. A rationally organized system of training for beginners: passing a probationary period, which in most cases contributes to better adaptation in the workplace, securing experienced mentors who help to understand the specifics of the work;
2. The tradition of celebrating the company's birthday;
3. Complex of rituals. For example, awarding the nomination of the best employee (ceremonial presentation of certificates);
4. Carrying out activities for joint recreation, in particular: birthdays of employees, field trips.

It is also very noteworthy that the majority of employees know the mission, goal, strategy and structure of their company, although they received information about them from various sources: more often from colleagues than from direct management.

Of course, there are some shortcomings of the current organizational culture, they cannot be called negative aspects, because they do not lead immediately and directly to a decrease in the effectiveness of the organization, but in the future they can affect it negatively. These features include the absence of:

1. Rules of conduct
2. Advertising slogan;

### 3. Competitions of professional skills;

The policy of an enterprise in relation to organizational culture is expressed not only in the formulation of official values, but also in specific activities carried out by the company.

Recently, there has been a tendency towards conscious consumption. Therefore, it is also necessary to note the cultural component of external factors that affect the organization. Today, people are increasingly attracted to establishments that care about the environment and promote the right values. Therefore, one should not forget the reputation of the pub, which plays an important role in the choice of the place by the guest in which he will spend his leisure time.

### **2.3 Evaluation of the effectiveness of the current development strategy of the pub «Crazy Jack» Kyiv**

Today, the «Crazy Jack» pub has a targeted reduction strategy. A cost-cutting strategy, the main idea of which is to find opportunities to reduce costs and take appropriate measures to reduce costs. Thus, the implementation of this strategy is associated with a decrease in production costs, an increase in productivity, a reduction in hiring, and sometimes dismissal of personnel, with the termination of the production of profitable goods and the closure of unprofitable capacities.

The pandemic has taken many establishments by surprise. Therefore, the management team decided to shorten the menu, remove business lunches and return the establishment to the usual pub format, in which only quick snacks are served with a variety of drinks. In addition, working hours are reduced. Before the order, the pub was open around the clock. However, now all establishments should switch to the schedule from 7:00 to 23:00. According to the latest information, it became known that a weekend quarantine will be introduced and all catering establishments will have to be closed during the quarantine. This has become an

even greater obstacle to further effective development strategy. Therefore, it was decided to put everything as authentic as possible.

This is not to say that the strategy is ineffective in today's realities. However, it involves a reduction in personnel and the use of not all the equipment capacity. Which will lead to downtime of the technical component and obsolescence of capacities. In the future, this can play into the hands of the institution's competitors.

The director decided to remove from the menu all main dishes with a cooking time of more than 20 minutes. At the same time, pizza and burgers appeared on the menu, which made the pub more like a fast food restaurant.

All staff motivation has been reduced. The pub has entered resource saving mode. This negatively affects the work and dedication of the staff of the institution. The «Crazy Jack» pub didn't start working around the clock. That deprived him of the main advantage over other establishments. The light and relaxed atmosphere of the late night pub began to evaporate.

It should be noted that these actions are currently anti-crisis in connection with the coronavirus pandemic. Once everything is back to normal, «Crazy Jack» Pub will continue to operate as usual and will support the development strategy that was in effect until March 2020.

Apart from the problem of quarantine and restrictions, it is worth noting that the strategy in force until 2020 was quite effective for the institution. This can be seen in the growth in the number of employees and their salaries. Also, corporate politics did not lag behind. The best workers of the year went on vacation abroad. It was a great incentive for every employee in the pub.

The «Crazy Jack» pub is ineffective in its marketing communications. The information on the pages in social networks is not regularly updated. There is also no sending of messages that notify guests about new promotions and discounts when they appear.

Due to the fact that the pub is located on the corner of the house in the basement, it is quite difficult to notice it right away, so focusing on advertising and making the location your advantage is simply a necessity.

The analysis took into account all costs, which also included bonuses and additional payments to employees.

In order to assess the effectiveness of the current pub strategy, you need to refer to the profit table for the last two periods:

*Table 2.5.*

### **Balance sheet profit of pub «Crazy Jack»**

Indicator name	2018y, UAH	2019y, UAH
Revenue	10 321 750	13 184 272
Cost of sales	1 827 600	2 089 368
<b>Gross profit (loss)</b>	8 494 150	11 094 904
Selling expenses	4 754 420	5 027 992
Administrative expenses	160 000	298 000
<b>Profit (loss) from sales</b>	3 579 730	5 768 912
Interest receivable	0	0
Interest payable	0	0
Other income	384 900	250 000
Other expenses	1 176 000	2 506 000
<b>Profit (loss) before tax</b>	2 788 630	3 512 912
Current income tax	501 953	632 324
<b>Net profit</b>	2 286 676	2 880 587

As we can see, the strategy that has been in effect in recent years has been profitable. Along with the rise in income, costs began to rise. Most of the floor funds are for bonuses to employees and for the purchase of products.

### **Conclusions to the part 2**

A full-fledged, competent and high-quality strategic analysis of the enterprise helps the management of the enterprise to determine strategic goals and benchmarks for different periods of time - from short-term (up to 1 year) to

medium and long-term forecasts and plans. By regularly analyzing their own activities and those of direct competitors and other industry participants, comparing their own products and technologies used with similar ones used by other organizations, management can see a complete picture of the market, the dynamics of changes in demand and price preferences, and the purchasing power of target groups. At the same time, the need for a comparative assessment of the state of your enterprise in relation to the industry as a whole and its individual participants should not arise only at the moment when management feels lagging behind and the need for changes, but even when the enterprise is recognized as the undisputed leader of the industry - otherwise. In this case, there is a danger of losing leadership without noticing the achievements and successes of competitors that are «dangerous» for the enterprise.

The result of a full analysis of the enterprise should be such an internal and organizational management structure that would provide the enterprise with sensitivity and resilience in relation to changes in the external environment: in order to be able not only to timely detect, but also correctly interpret, for example, changes in demand or the appearance of that or other advanced technology.

A qualitative analysis of the enterprise's activities is not only a revision of what has already been achieved, but also a forecast, a delicate calculation for the future.

The main influence on the activities of the catering industry is exerted by political, legal and economic factors. The most dangerous threats for the company are: rising inflation, raising the refinancing rate, rising prices, the emergence of new competitors with their active advertising campaign.

The weak points of the «Crazy Jack» pub are: weak competitive position, poor awareness of the activities and format of the restaurant, low communication policy and the lack of marketing tools in the current work. However, «Crazy Jack» pub has strengths, such as original format and concept of the establishment, as well as entertainment events that are popular in the catering market today.



## PART 3

### IMPROVING THE «CRAZY JACK» PUBLIC DEVELOPMENT STRATEGY

#### 3.1 Substantiation of the program of measures for the implementation of the development strategy of the pub «Crazy Jack»

When developing a strategy, enterprises use different approaches:

- Determine the main strategy common for the enterprise (in accordance with the set strategic goals), and then determine the functional ones that ensure the implementation of the main one;
- Or, based on analysis, taking into account reserves, functional strategies are determined, and then the main strategy for the enterprise is formed.

The criteria for choosing a strategy were:

- Competitive position of the enterprise;
- Availability of favorable (external and internal) conditions for the development of the enterprise;
- Expected results achieved in the implementation of a particular strategy;
- Availability of resources (financial, labor, material);

After analyzing the activities of the «Crazy Jack» pub, you can choose the main strategy for Michael Porter for the further development of the enterprise. The main strategy will be the differentiation strategy.

This strategy is aimed at gaining a competitive advantage, which presupposes the orientation of the enterprise's activities to provide greater benefits to consumers (except for low prices) by offering high quality goods with a high level of related services at justifiably high prices. Product differentiation brings variety to the market, as each of the competitors tries to find original ways, ways imparting distinctive characteristics to the manufactured product. This strategy enables the company to become a leader in the industry for a certain group of products.

To implement the main strategy, we have identified several functional ones that will help us achieve our goals.

*Table 3.1.*

**Categories of functional strategies of pub «Crazy Jack»**

<b>Functional strategies</b>	<b>Main directions of implementation</b>
Marketing strategy	<ul style="list-style-type: none"> <li>- Formation of a favorable image</li> <li>- Establishing advertising communications</li> <li>- Development of new promotions and offers for the pub</li> <li>- Improvement of the bonus program</li> </ul>
Manufacturing strategy	<ul style="list-style-type: none"> <li>- Menu update</li> <li>- Development of new dishes</li> </ul>
HR strategy	<ul style="list-style-type: none"> <li>- Staff motivation</li> <li>- Building deadlines</li> <li>- Staff trainings</li> </ul>
General management development strategy	<ul style="list-style-type: none"> <li>- Schedule changes</li> <li>- Cooperation with entertainment organizations</li> </ul>

Having considered the main areas of implementation, we will move on to specific actions to implement strategies.

After analyzing the reviews on the Internet and on the pub's Instagram page, we came to the conclusion that there are no responses to guest comments. Neither positive nor negative. An establishment renowned for its friendly atmosphere cannot afford to be so negligent in its guests' reviews. Therefore, in order to maintain the image, it is necessary to hire a SMM specialist who can competently maintain social networks and communicate with guests, responding to their comments on the network.

In addition, it is necessary to allocate an advertising budget for promoting the Instagram page. Change the design and add photos every two days. You need to start keeping stories with events and respond to people on comments under the posts.

The bonus program was an excellent solution at one time. However, nowadays no one carries many cards with them. To do this, you need to move the card to electronic format and activate it by phone number or through the application. In addition, it is necessary to revise the bonus system. To make guests feel important, we suggest starting savings from 3% and further, the more they spend, the higher the discount percentage. The maximum percentage of savings is 25% of the amount of the bill.

Today the Crazy Jack pub has a small menu, which mainly features beer snacks, burgers and pizza. We propose to enlarge the menu and add more hot meat dishes. Since the establishment is located next to the business centers, from which guests can enter for a business lunch in the middle of the working day. Do not forget about business lunches. However, you need to add them to the menu not standard, but make 2 hearty dishes and a drink. Fish dishes and snacks are not on the menu. Dried squid and small fish make a great beer snack. Therefore, it is necessary to diversify the menu with fish dishes.

Conduct a motivation survey among the staff to find out which goals each employee has priority. Find motivation for everyone. Rewards for fulfilling the sales plan and a growing percentage of sales, as well as a bonus system for additional sales.

Set deadlines for each employee to pass the test on knowledge of the menu and the stages of guest service.

Conduct staff training every two weeks. To do this, allocate time before work in order to organize the presence of all employees. Send bartenders to the brewery so that they can explain step by step how and from what a particular beer, ale or cider is brewed. Conduct monthly certification in order to understand the knowledge in which area is needed more.

The pub is least busy in the morning hours from 7 am to 7 pm. To minimize the costs of keeping the pub open, we suggest changing the opening hours from 13:00 to 06:00, while leaving business lunches from 13:00 to 15:00.

To attract more guests, it is necessary to start cooperation with various enterprises that conduct games and quizzes in different establishments. To allocate weekly evening for interesting quizzes or games and fill the hall with guests, thereby popularizing the institution among different segments of the population. Give a separate banquet room as a venue for mafia games on weekdays, which will also attract new guests.

In order for the strategy to be effective, all measures that are taken before the strategy comes into force are defined in their time frame.

*Table 3.2.*

**Table of measures to be introduced of pub Crazy Jack**

<b>Measures</b>	<b>Implementation period</b>				
Analysis of the strengths and weaknesses	+				
Analysis of market opportunities and threats.	+				
Market potential assessment		+			
Development of goals, setting goals		+			
SWOT analysis	+				
PEST analysis	+				
Service market forecasting		+	+		
Development of quality standards				+	+
Building a forecast of sales and income			+	+	
Development of an effective promotion and advertising strategy				+	
	January	February	March	April	May

As you can see from the table, all preparatory stages must be completed in 4 months. In this case, the analyzes were carried out. They need to be repeated due to the volatility of the political situation in the country in connection with the pandemic, in order to determine the possible consequences of the development strategy if the opening hours of the institution do not change, and people continue to lose their jobs.

The main expense items in this strategy are marketing activities. For a better job, it is necessary to hire a SMM specialist on a full-fledged work schedule, who will be involved in promoting and maintaining the pub's social pages.

Table 3.3.

**Table of implementation period of strategy of pub «Crazy Jack»**

<b>Main directions of implementation</b>	<b>Implementation period</b>
Formation of a favorable image	From January 2021
Establishing advertising communications	February 2021- March 2021
Development of new promotions and offers for the pub	January 2021
Improvement of the bonus program	January 2021 – February 2021
Menu update	February 2021
Development of new dishes	Every 6 months
Staff motivation	Every month
Building deadlines	Every month
Staff trainings	1 time in 2 months
Schedule changes	February 2021
Cooperation with entertainment organizations	From January 2021

Innovations need to start from the New Year 2021. Since New Year's holidays are a great time to attract new guests. However, some measures should be taken from February also because of the New Year holidays, during which many specialists take days off, especially those who work on outsourcing. Also, many of the measures will remain throughout the year to track how they affect the development of the pub. Staff motivation and trainings will keep staff knowledge and the quality of guest service at a high level for the entire period of time, regardless of staff turnover.

By the end of 2021, if the quarantine is not continued, all measures will be introduced and organized for the further development of the «Crazy Jack» pub and we will be able to assess the quality of the measures applied, which are necessary for improvements in the development strategy.

### **3.2 Forecasting the effectiveness of the development strategy of the pub «Crazy Jack»**

In order to accurately predict the effectiveness of the proposed strategy, it is necessary to step by step disassemble each implemented item and evaluate the costs and revenues of each individual measure.

- Formation of a favorable image

Generating high-quality customer feedback on social media. To do this, we need to keep in touch with all guests who leave reviews on all possible resources about the institution. In addition, continuous surveys are required at the initial stage of improving the pub's image. In order for guests to understand that their opinion is taken into account and carries weight. A friendly atmosphere must be maintained not only in the institution itself when accepting orders, but also outside it on the Internet.

To better communicate with your audience, you need to follow new trends on the Internet. Since Tik Tok is now popular, it is worth creating an account and uploading videos with various interesting facts about alcohol and dancing. Instagram should also be more active and keep communicating in comments and private messages with guests. It is worth showing the personalities behind the development of the pub, and not just talking about the promotions and offers of the establishment. The more people know the brand from the inside, the more they start to love this place, and the motto of the pub «Crazy Jack» sounds like "Your favorite pub"

In order for social networks to rob and promote the pub, you need to hire an SMM specialist who will help you create a promotion plan.

In terms of promotion, you need to make out the following points:

1. Types of content to be published;
2. Time of publications.
3. Conducting contests - what contests, when and what to give.
4. Choosing a program for automation.

5. How to work with bloggers - who to attract for cooperation and how to pay them.

6. Advertising - launch targeted advertising.

7. Evaluation of the effectiveness of promotion.

Collaborations with well-known brands of alcohol have a great effect on improving the image. For example, Jägermeister constantly holds contests and entertainment programs among the establishments with which it cooperates. This will help popularize the pub and make it a place of relaxation, not just a place to consume alcohol.

*Table 3.4.*

**Table of forecasting income and expenses for creating a favorable image of pub «Crazy Jack»**

<b>Introduced measure</b>	<b>Implementation costs per month</b>	<b>Benefit per month</b>	<b>Implementation period</b>
Hire an SMM specialist	15 000 UAH	Growth of subscribers by 3-10%	February 2021
Development in Tik Tok	Free	Popularization of the pub among guests from 18 to 25 years old	February 2021
Collaborations with alcohol brands	Barter	New equipment, the opportunity to win in competitions, various events	January 2021

- Establishing advertising communications

To advertise the pub, we suggest using Instagram, Facebook and newsletter in the Viber and in messages to guests with great offers, discounts and promotions. For the quality management of social networks, a content plan is needed, in which it will be determined what content, when to publish. A content plan is drawn up for a month by an SMM specialist. In addition, it is necessary to conclude an agreement with the company, which provides services for sending messages in the Viber.

Table 3.5.

**Table of forecasting income and expenses for advertising communications of pub «Crazy Jack»**

<b>Introduced measure</b>	<b>Implementation costs per month</b>	<b>Benefit per month</b>	<b>Implementation period</b>
Targeted advertising	8 000 UAH	Growth of subscribers by 5%	February 2021
Advertising with bloggers	5 000-20 000 UAH	Growth of subscribers by 3-8%	February 2021
Sending messages	6 000 UAH	Guests will learn about promotions and new offers faster and the room occupancy is getting higher.	January 2021
Content plan development	Included in the cost of the work of the SMM specialist		February 2021

- Development of new promotions and offers for the pub

To maintain interest in work and team spirit, we proposed to introduce competitions between pubs of the same chain, which will be held every quarter.

Competitions for guests, in the form of photo contests and beer pong with prizes. January 24 - World Beer Day, we must not forget to celebrate it.

This will maintain a friendly atmosphere among guests and employees of the establishment.

Allocate a prize fund for this. For guests - 5,000 UAH per month. For the staff - certificates for visiting a network of pubs and gifts from partners.

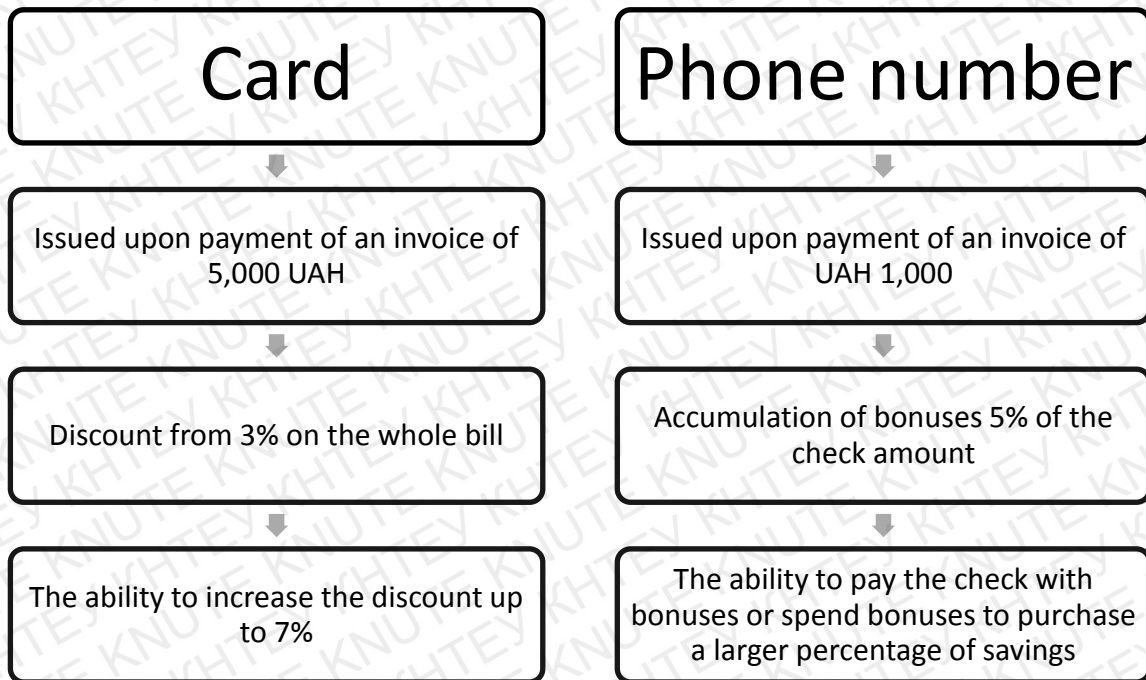
In addition, souvenirs with a pub logo can be used as prizes, an example is presented (Appendix B). The cost of making souvenirs is listed in the balance sheet.

- Improvement of the bonus program

We propose to update the bonus program. Remove savings cards and make it possible to collect bonus points by phone number, so as not to use plastic cards.



Before that, there was a loyalty program with accumulated discounts. We offer a loyalty program with accumulated bonuses that can be used to pay a bill or buy souvenirs. This will help to save money and not provide a fixed discount, but create some kind of competition in the form of savings.



**Figure3.1. Comparison of old and new bonus programs of pub Crazy Jack**

- Menu update

In connection with the coronavirus pandemic, the director of the institution decided to remove business lunches from the menu. We believe they need to be returned as the Crazy Jack pub is located among the business centers. Daytime traffic is minimal, so business lunches will attract office workers.

We also suggest changing the business lunch time. Previously, they started at 12:00 and ended at 17:00. Today, it is best to have lunches between 13:00 and 15:00.

In addition, the menu has undergone many changes over the past few months. Now it looks more like our competitors' pizza and burgers menu. In order to stand out favorably, it is worth diversifying the menu with hot dishes and an abundance of snacks for different types of alcohol. (Appendix C)

In order to show what the extra charge for business lunches is, below is a menu of business lunches with prices and margins. A complimentary drink is offered with meals. Tea or juice.

*Table 3.6.*

**Table of business lunch menu of pub «Crazy Jack»**

№	Name	Cost price UAH	Price UAH	Margin%
1	Squid and mushroom salad with soy dressing	10,84	40	269
2	Pork salad	9,5	40	321
3	Vegetable salad with celery, tomato and cabbage, lean	7,3	40	447
4	Borscht with beef	15	60	300
5	Chicken bouillon	12,28	60	388
6	Chicken breast in a cheese crust, garnish of your choice	25,56	90	252
7	Grilled oily fish fillet garnish of your choice	27,69	90	225
8	Sautéed vegetables with baked potatoes	18	90	400
Total		126,17	420	232

- Development of new dishes

Guests complained about the lack of fish dishes on the menu. There are also no fish snacks for beer. Due to the fact that the menu was cut, the emphasis began to be placed on pizza. We propose to introduce to the menu dishes from fried and sandy fish such as carp, salmon and pollock. We suggest updating the menu and for the first 3 months to monitor the reaction of guests and collect feedback on the new menu.

- Staff motivation.

It is necessary to introduce a new system of staff motivation. For this, we will propose to conduct a survey among the staff in order to determine what type of motivation is needed more.

There are two main types of motivation:

"Internal" - associated with the pleasure that the employee gets from the process of work itself, the achievement of the planned result, as well as high self-esteem;

"External" - associated with the fact that the company provides an employee: salary, bonuses and incentives, additional leave, promotion, recognition and respect of management and colleagues, etc.



**Figure3.2. Types of motivation of pub Crazy Jack**

As soon as the staff see that they are motivated by what is necessary for this particular person, the efficiency will increase and there will be less staff turnover, although it was minimal among bartenders and cooks. Most often, waiters and managers changed, so it is among them that a motivational survey should be conducted first of all.

- Building deadlines.

Revise pub certification of knowledge. Set the time for studying the menu and passing the practice. Mandatory attestations after training. To do this, initially it is necessary to hire an HR specialist, in the future, in order not to spend the budget, you can delegate this work to managers who will conduct certification, according to the prepared forms.

And most importantly, if the results of certification are followed by immediate changes in positions, working conditions and remuneration, the result will exceed all expectations. Only then will serious preparation, education, implementation of standards begin, and the level of professional competencies will increase from certification to certification.

Based on the results of certification in a pub, you can build a training plan for employees, a plan for their career growth, both vertical and professional horizontal. In addition, the results of certification help to create an effective system of financial and non-financial motivation.

- Staff trainings.

Trainings for personnel are planned to be held every 2 months, constantly monitoring the results of certification. Most trainings can be carried out without the help of professionals. However, once every six months, it is worth sending staff to educational programs, since the bar business and its trends are rapidly changing and it is necessary to keep abreast of events in order to remain competitive.

Currently, to assess the effectiveness of training, the Kirkpatrick system is often used, which calls for assessing:

- the involvement of the participants, the emotional state immediately after the training (feedback questionnaire);
- assimilation of knowledge (final testing);
- behavior change (observation in the workplace).

Based on preliminary analyzes of similar establishments that received staff training, the efficiency of each employee increased by 20%.

- General management development strategy

Optimization of the opening hours of the establishment by cutting down the night hours, so the cost of wages for bar staff at night will be lower than the potential cost of delivery at night.

It is better not to work around the clock, but to work only when there are guests. Since the location is near the metro, it is better to work before the opening of the metro.



**Figure3.2. Load schedule of pub Crazy Jack**

After we analyzed the time of the main workload of the institution, we found out that the minimum peak of activity falls on the time from 4 am to 1 pm. Therefore, we suggest cutting back the pub's opening hours. However, it is necessary to take into account the fact that at 3 am there is no public transport, so the institution will have to pay employees for the return trip. To avoid unnecessary expenses, it was decided to leave the working hours from 13:00 to 06:00. In this case, employees will be able to travel home on their own.

- Cooperation with entertainment organizations

Cooperation with various board game clubs and companies that conduct quests will help popularize the pub as a place where you can not only drink, but also have fun with friends and enjoy the game. For this it is necessary to start cooperation with different gaming clubs, provide them with a VIP room and advertising. Cooperate on the basis of a deposit from the table. These events should be held weekly on weekdays, when the percentage of workload is minimal. This will help attract new guests and keep the pub empty. At the same time, the number of guests may increase by 15-20 people per month.

- Forecasting the effectiveness of the development strategy of the pub «Crazy Jack».

After calculating all the costs of developing a new strategy and evaluating the profit, we can see the results in table 3.7 below. Despite the unstable situation in the world, we can roughly assess the effectiveness of this strategy.

Table 3.7

### Predicted «Crazy Jack» pub profit, UAH

Main directions of implementation	Expenses	Benefit	Company's profits
Formation of a favorable image	80 000	384 000	304 000
Establishing advertising communications	100 000	148 000	48 000
Development of new promotions and offers for the pub	28 000	0	-28 000
Menu update	115 290	265 168	149 878
Development of new dishes	16 828	50 876	34 048
Staff trainings	5 000	-	-5 000
Schedule changes	-	45 666	45 666
Cooperation with entertainment organizations	2550	25 500	22 950
<b>Total</b>	<b>347 668</b>	<b>919 210</b>	<b>571 542</b>

However, if you do not take into account the situation with the pandemic, the forecasts for this strategy are as good as possible. Having analyzed all the advantages of the introduced measures, we can say with confidence that by the end of 2021, the pub's profit will increase by 7-8%. Thanks to new ways of communication, the number of new guests will increase by 22%.

### Conclusion of part 3

It was determined that for any restaurant enterprise operating in market conditions, the main problem is to increase the efficiency of economic activity. Depending on the internal reserves of the institution and the situation of external operating conditions, this problem is solved by different restaurants in different ways, but it is based on the creation and implementation of a strategy of differentiation to achieve competitive advantage.

We can see that with the introduction of a new strategy, many stages will have to be changed. Most of all, the development of the pub will be affected by the

reduction in opening hours. Since there will be the greatest savings in resources and money. In addition, each item that is planned for implementation increases the number of new visitors, and, accordingly, the profit.

In order to adequately assess the effectiveness of this strategy, conditions are necessary in which the pub will operate at night. To date, it is difficult to give the most accurate assessment of the effectiveness of this strategy in connection with the coronavirus and quarantine methods. A pub is a nightlife that people come to after work to relax and have a glass of beer. Therefore, a prerequisite should be a long working time at night, which cannot be the case now.

## CONCLUSIONS

This work was a study of the object and subject of research;

The object of the research is the "Crazy Jack" pub, and the subject of the research is the development strategy of this enterprise.

The work consists of three sections:

The first section outlines the theoretical and methodological aspects of the development strategy for the restaurant business and briefly tells the history of the development of pubs in Ukraine. In the second section, an analysis of the current development strategy of the "Crazy Jack" pub.

During the assessment of the current development strategy, a number of factors were identified that reduce the efficiency of the pub, reducing its potential productivity. Based on the indicators and the use of scientific literature on a given topic, the analysis of the analysis was carried out with the receipt of subsequent indicators, on the basis of which it is possible to develop methods for solving problems that are relevant for a given enterprise.

In the third section of this work, on the basis of the data obtained in the second section, the main problems of the enterprise are highlighted and the ways of their solution are proposed.

The main problem in the "Crazy Jack" pub was an incorrectly chosen reduction strategy, which was a menu cut. As well as the irrational use of the institution's working time. In addition, insufficient communication with guests outside the pub also made it difficult to create a positive image of the pub. In the third section, measures are developed and proposed that will help improve the development strategy that will increase the efficiency of the entire team, especially that these methods are used in other, more successful restaurants, and that these methods increase the quality of work of employees and their job satisfaction.

However, it is important to understand that these recommendations will be most effective in a stable economic, social and medical situation in the country. As of today, Ukraine's health care system detects more than 7,000 new cases of



COVID-19 infection per day, the country is on the brink of an economic crisis, and tourism segments such as restaurants, hotels and airports are suffering the most. These recommendations will be most relevant during the period when some restrictive measures will be lifted and Kiev will stop working in quarantine mode.

## REFERENCES

1. Adam Gower, Four development strategies, 2020
2. Bar and Tavern Business Plan [Electronic resource]  
<https://www.bplans.com/bar-and-tavern-business-plan/>
3. Biloshkurska, N. V., Biloshkurskyi, M. V., and Omelyanenko, V. A. Evaluation of Ukrainian industry innovation development with a technological progress parameter., 2018, pp. 23–28
4. Cherdantseva IG Planning activities in the restaurant business taking into account market trends / IG Cherdantseva // Collection of scientific works of ChSTU. - 2017 - Issue 47. - P.83 - 89
5. Chandler Jr. Alfred D. , Strategy and Structure: Chapters in the History of the Industrial Enterprise, 1962
6. Current restaurant trends 2016-2017 in Ukraine. [Electronic resource]. - Access mode: <https://lasoon.net/kyiv/mnenie-eksperta/aktualnyerestorannye-tendentsii-2016-2017-v-ukraine>
7. Diakonidze M. Development of tourism services and employment perspectives, 2019
8. Dzhedzhula, V., & Yepifanova, I. METHODOLOGICAL BASES OF CONCEPT FORMATION AND CHOICE OF INNOVATIVE BUSINESS STRATEGIES, 2018
9. Elena Lylova, Transformation of the HR Management in Modern Organisations, 2020
10. Gagarin, A.A. Digital technologies and how they work in the restaurant business, 2017

11. Garafonova, O. I. ; Tokovenko, A. M. The innovative strategy of enterprise: special approaches to formation in the current conditions of development of the restaurant sphere in Ukraine, 2018
12. Geissbauer R., Schrauf S., Koch V. Industry 4.0 – Opportunities and Challenges of the Industrial Internet assessment, 2017
13. Ginda MI Trends in the development of the restaurant industry. Collection of materials All-Ukrainian scientific-practical conference "Actual problems of economy and management in the conditions of systemic crisis "(Lviv, November 29, 2016). - Lviv: IAPM, 2016. - Part 1. - P.301-306
14. Global Industrial Automation Control Market 2018-2022 [Electronic resource] [https://www.researchandmarkets.com/research/zx46rv/global\\_industrial](https://www.researchandmarkets.com/research/zx46rv/global_industrial)
15. Gorynina A.A., Prostova D.M., Sosnina N.G. DEGREE OF GUEST SATISFACTION AS A COMPETITIVE ADVANTAGE IN THE RESTAURANT BUSINESS, 2017
16. Government statistics [Electronic resource] [http://www.ukrstat.gov.ua/operativ/oper\\_new.html](http://www.ukrstat.gov.ua/operativ/oper_new.html)
17. Grinko AP Theoretical and accounting and economic aspects of formation information on costs, revenues and financial results at enterprises restaurant economy: monograph / AP Grinko, OO Kvasha. - H.: Publisher Ivanchenko IS, 2016. - 290 p.
18. Grosul VA Trends in modern development of restaurant enterprises farms in Ukraine and Kyiv region / V.A. Grosul, T.P. Ivanova // Scientific Bulletin of Uzhhorod University. Series Economics.- 2017. - Issue 1 (49). Vol.1. - P. 143 - 149
19. Hakansson, H. (ed.) Industrial technological development. A network approach. London, UK: Routledge Revivals, 2015

20. Information about restaurants and the development of the restaurant network [Electronic resource] <http://afisha.birmir.net>
21. James A. Walsh, Regional Development Strategies, 2020
22. Jeremiah (Jerry) P. Thomas The Bartender's Guide: How to Mix Drinks; or, The Bon Vivant's Companion (1862 Edition) - . 2016
23. Karpov VA Gorbachenko SA Analysis of business projects. Other edition - Odessa: Atlant, 2015.- 241 p
24. Kibanov A. Y. the organization personnel Management - 2nd ed. - M .: INFRAM, 2017
25. Koyuda VO, Pasko MI Methodological approach to business planning enterprise development /V.O. Koyuda. E. Pasko // Business-inform. - 2015. - №9. - with. 394 - 402
26. Law of Ukraine of 03.12.90 № 507-XI: On prices and pricing
27. Lubis A. Absah Y. Analysis of Restaurant Business Strategy in Developing Business using SWOT Analysis, 2019
28. Mark A. Husselid, Dave Ulrich. Measuring the performance of the DEPARTMENT. People, strategies and production.-M .: Williams EID, 2017
29. Melnichenko OA Features of state regulation of development restaurant business / OA Melnichenko // State construction. 2016. - №1. - P. 1-9
30. Prokopyuk A. Modern tendencies of development of restaurant economy of Ukraine and Poland / A. Prokopyuk, Y. Felenchak // Scientific Bulletin of NLTU of Ukraine. - 2015 - Vip. 25.4. - P. 259–265
31. Pyatnytska GT Modern trends in the development of the restaurant industry in Ukraine / GT Pyatnytska, VS Naydyuk // Economy and State. - 2017. - № 9. - P.66 - 73

32. State strategy of regional development for the period up to 2020:  
[Electronic resource] - access mode:  
[http://www.oda.te.gov.ua/data/upload/publication / main / ua / 20090 / strategija2020.doc](http://www.oda.te.gov.ua/data/upload/publication/main/ua/20090/strategija2020.doc)

33. Tax Code of Ukraine (as amended by the Laws Of Ukraine) № 2755\_VI  
dated December 2, 2010 as amended on July 26, 2019[Electronic resource]. -  
Access mode: <http://sfs.gov.ua/nk/>

**APPENDICES**

**Kyiv National University of Trade and Economics  
Hotel and Restaurant Business Department  
Tourism and Recreation Department**

***HOTEL RESTAURANT  
AND TOURISM BUSINESS:  
FOCUS ON INTERNATIONAL TRENDS***

**Articles of master programs students  
Specialty 073 «Management»  
(specialization «Hotel and Restaurant Management»,  
«Tourism Management»),  
241 «Hotel and Restaurant Business»  
(specialization «International Hotel Business»),  
242 «Tourism» (specialization «International Tourism  
Business»)**

**Kyiv 2020**

**OCHERETIUK B.**  
RESORT'S PRODUCT POLICY FORMATION.....

**SOLOMAHA I.**  
SOCIAL MEDIA MARKETING OF CRUISE OPERATOR.....

**YAKUBOVSKA A.**  
PRODUCT PORTFOLIO DIVERSIFICATION FOR RESORT .....

### **PART 3. INTERNATIONAL HOTEL BUSINESS**

**BOLOTENKO A.**  
INTERCONTINENTAL HOTELS GROUP INTEGRATION  
GROWTH TECHNOLOGIES.....

**DAINEKO I.**  
INTERNATIONAL COMPETITIVE POSITION OF HOTEL CHAIN .....

**DROBOT V.**  
INTERNET MARKETING IN HOTEL CHAINS.....

**MARYNICH A.**  
HOTEL MARKETING STRATEGY.....

**MISHCHYRIAK A.**  
BAR BUSINESS DEVELOPMENT IN UKRAINE.....

**OVSIIENKO K.**  
DIVERSIFICATION OF SERVICES OF HOTEL BUSINESS .....

**OVSJANNIKOV N.**  
FEATURES OF REVENUE MANAGEMENT FOR HOSPITALITY.....

**PONOMARCHUK Y.**  
DISTRIBUTION POLICY OF ENTERPRISE .....

**PONOMARENKO A.**  
HR MANAGEMENT DEVELOPMENT TREND .....

**RAMIK A.**  
DETERMINANTS FORMATION OF CORPORATE BRAND.....

**ROPOPA T.**  
FORMATION OF THE SYSTEM OF REPUTATION MANAGEMENT  
OF THE ENTERPRISE OF THE HOTEL BUSINESS .....

**SADOVSKA D.**  
DISTRIBUTION CHANNELS OF HOTEL SERVICES .....

**SAMARINA A.**  
CORPORATE HOTEL SALES PROMOTION SYSTEM.....



## BAR BUSINESS DEVELOPMENT IN UKRAINE

MISHCHYRIAK A., 2 course of master FRHTB KNUTE,  
speciality «Hotel and Restaurant Management»

*The article is devoted to the history of bar business in Ukraine. The problems that stand in the way of the development of bars and pubs are considered. The definition of the word «development» is given in the context that describes the situation with our catering establishments. The advantages and disadvantages of the bar industry in Ukraine, in particular in its capital, the city of Kiev, are determined.*

*Стаття присвячена історії барної справи в Україні. Розглянуто проблеми, які стоять на шляху розвитку барів і пабів. Дано визначення слову «розвиток», в тому контексті, який описує ситуацію з нашими закладами громадського харчування. Визначено переваги та недоліки барної індустрії в Україні, зокрема в її столиці - місті Києві.*

**Keywords:** bar, bartender, alcohol, cocktail, development

**The actuality of the article.** Bar business is actively developing around the world. Bartenders invent new types of mixologies and introduce new trends in bar business separately from gastronomy.

Bar culture as such appeared in Ukraine not so long ago, however, during this time, the cocktail cardinally transformed. I am sure that we live in a unique time in the evolutionary industry. Our bars go to Europe to conduct guest-bartendings, and at the same time, outstanding bar figures come to Ukraine. Therefore, I believe that we are now at the peak of the development of the bar industry.

Today, bar culture in Ukraine is not so common among consumers. Therefore, this subject is so relevant now. We must bring the culture of bars in Ukraine to a new level among consumers. So that people look at the bars as places where you cannot just get drunk, but also have a great time, having tasted an exquisite drink during a conversation.

**Setting objectives.** The purpose of this article is to study the history of the development of bar business in Ukraine. Look at the stage at which the bar culture of our country is now. And also find out how consumers relate to alcohol in drinking establishments today.

**Analysis of recent researches and publications.** To understand the whole history of the development of bar business in Ukraine, one must turn to the times when the cocktail was born in the USA. [1.p.16] Not many famous bartenders and historians wrote about the history of the formation of this culture; however, there are indeed valuable publications from such authors as Jeremiah (Jerry) P. Thomas («the father of American mixology»), H.Craddock, D. Kaplan, A. Day, N.Fauchald, S. Teague

The history of bar business in Ukraine has been developing for only 25 years. Although it was known about alcohol was still in ancient Babylon. Initially, wine was used exclusively for medicinal purposes. After that, blame found wider application.

Over the past 100 years, the United States has turned alcohol from an illegal swill into a profitable business that is still growing rapidly.

However, in the post-Soviet space there are still no cultivars of drinking. Everyone is used to multi-colored cocktails and only now they are gradually beginning to perceive mixology.

Before you start considering the problems of the bar industry in Ukraine, you need to define the word «development», which will often be used in this article. «Development» is a type of movement and change in nature and society associated with the transition from one quality, state to another, from old to new. The idea of development in its original form was already formulated in ancient philosophy by Heraclitus, who believed that everything exists and at the same time does not exist, since everything flows, everything is constantly changing, everything is in a constant process of emergence and disappearance. [2, p.16] In our case, we will consider precisely the socio-cultural development, which leads to economic growth in the country.

At the moment, the restaurant business in Ukraine is generally booming. It has not yet reached its peak of development; however, positive movements towards the development of a consumer culture are already visible. Today, there are a large number of restaurateurs who are not aimed at the top of society, but at the middle class. Thus, many people begin to leave their homes in order to have a meal in a catering establishment and not to make a holiday out of it, as they did a few years earlier.

Although many countries are beginning to move away from the usual restaurants and are moving to more budgetary coffee houses and fast foods, in Ukraine the number of restaurants still prevails over other types of establishments.[5] However, such a story is not traced in Kiev. Because in the capital everyone is aimed at a faster rhythm of life and noisy companies.

The structure of catering establishments



Fig. 1. Ratio of bars, restaurants and fast foods in Ukraine for 2019

Bars in Ukraine are far from the first place. Since, for most people, going to a catering establishment is still something unusual and unusual. Therefore, visitors to bars are often young people who visit such establishments in the evening after work or study. Ukrainian people still believe that culture of drinking is less important than alcohol.

But we are stubbornly moving forward towards a bar culture, which will make Ukrainian bars and pubs unique places with colorful cocktails and proper drinks. Already today in the capital, more than 500 bars are opening, which are ready to receive guests around the clock. In addition, the culture does not stand still and every year in Ukraine a large number of bar shows and festivals are held, where bartenders compete in their skills, and guests do not come to just drink, they come to enjoy the atmosphere and delicious cocktails. But for now, we are only on the verge of a bar revolution.

In order to understand why our bars are not as popular as the same American ones, it is worth delving into the history of the occurrence of bar business.

The word «bar» of American origin means a wooden counter - a barrier separating the buffet from visitors. However, he did not always save alcohol from the brave cowboys. There is an opinion that the high not comfortable stools near the bar were invented by the owners in order to ensure a quick change of visitors. They first appeared in the 18th century in the Wild West, in America. The innkeepers then, not without reason, fenced off visitors with a solid barrier, putting a glass of drink, a sandwich or a pile of fried peanuts on a massive rack for cowboys and various travelers. [3. p.47]

The first bars offering mixed drinks appeared in 1882. In Europe, they became widespread after the demonstration and tasting of their products at the 1889 World's Fair in Paris. In the 19th century, taverns were very popular, where they served sellers of tavern tinctures (including honey and beer).

Over time, instead of simple wooden shelves behind the bar, high sideboards began to appear - buffets. (from the French. buffet). Over the years, the bars have undergone a number of changes, but the nature of the service in the bars «without delay» has been fixed for this type of institution.

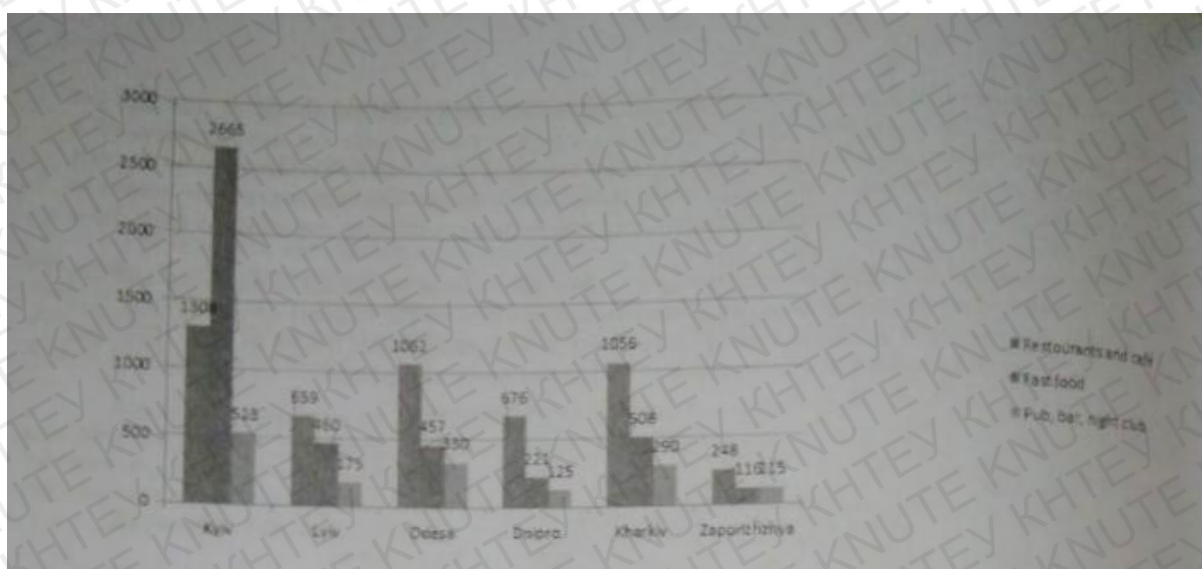


Fig. 2. Ratio of bars, restaurants and fast foods in Ukraine for 2019 by cities

Later, modern beautiful walls appeared to demonstrate various drinks and tobacco products, such establishments became known as bars. Previously, bars were only independent enterprises, now they are an integral part of restaurants, cafes and other places of mass stay of people.

The history of the cocktail is still unknown. Although there are many legends, none of them has ever been confirmed. It is still believed that the United States is considered the birthplace of the cocktail, as is the birthplace of the word «cocktail» itself.

Cocktails were distributed in the Americas during the Prohibition. It was then that, despite the ban, skillful bartenders «masked» the taste of alcohol for juices or milk drinks. Before the start of World War II, the popularity of cocktails grew rapidly. After that, they were forgotten until the 60s. Already in the mid-70s with the advent of disco, young people began to recall the forgotten tastes of light and sweet cocktails. After which they entrenched in our culture.

Today, bars in Ukraine are not as widespread as cafes or restaurants due to the high cost of rent and high prices for raw materials. All this happens because prices are very tied to the dollar. And many bars open with restaurants or provide additional services in the form of a hookah or board games to attract more consumers.

But, despite this, various barmen shows are constantly held, from where new fashion trends come to us. For example, «Barometer» is a very popular international show of bartenders, which is held annually in Kiev. Many famous speakers attend this show in order to convey to modern bartenders new trends and trends that are constantly changing in bar culture. Therefore, bar business in Ukraine began to develop and people began to understand that now it is important what exactly you drink, and not how much.

Therefore, you need to dwell in more detail on the variety of bars, especially those that are most popular in Ukraine. The most common in Ukraine are bars, as such, and pubs (institutions more focused on the beer industry). Let's count how many catering establishments opened in Kiev in 2019 and see which restaurants open the most.[5]

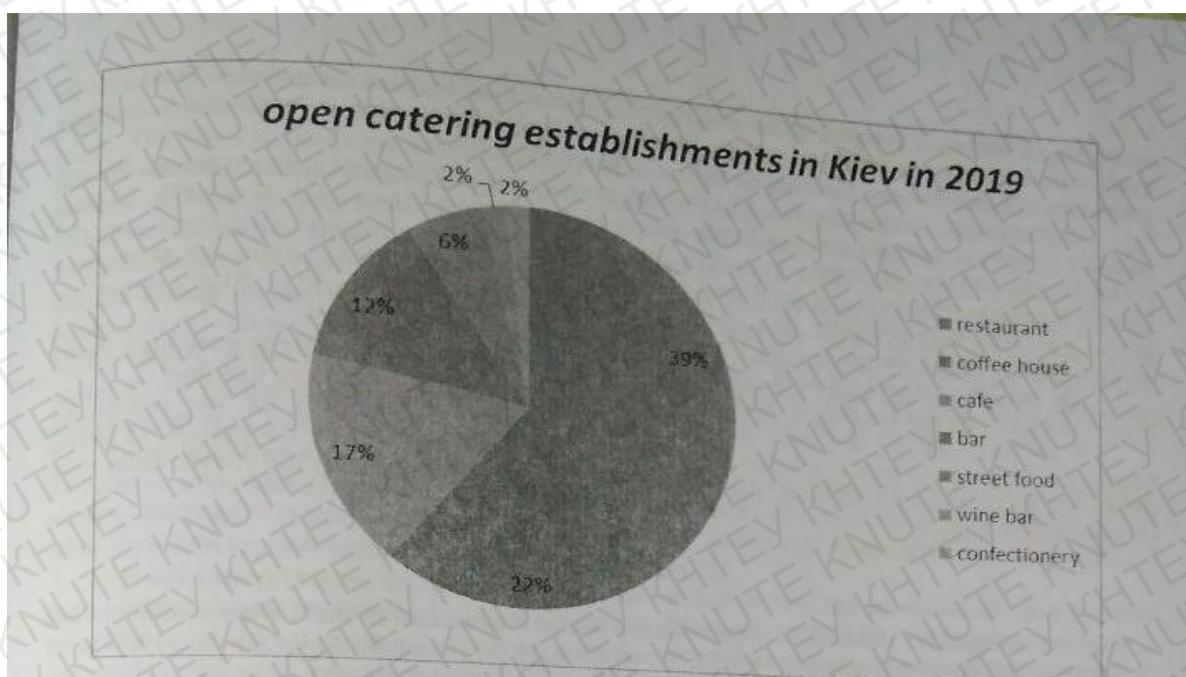


Fig. 3. The number of open catering establishments in Kiev in 2019

To understand why there are not so many bars and pubs even in the capital of Ukraine, in spite of other cities, it is necessary to pay attention to the pros and cons of such establishments.

#### Advantages and disadvantages of bars in Ukraine

Table 1

Advantages	Disadvantages
1. Many free niches	1. It is difficult to develop something new in an incompletely explored market
2. Great opportunity to stand out with an interesting idea.	2. Many typical competitors
3. Bars evolve quickly and can be one of the first «trendsetters»	3. High rental price and licenses
4. It is possible to reach a large audience	

It's false not to notice how many advantages the history of the bureau industry began to bring. All festivals and bar shows are aimed at reviving the culture of drinks from the time of the United States. People can drink not only strong alcohol with Coca-Cola, but also enjoy the tart tastes of all kinds of cocktails.

In addition, we began to move away from complex molecular kitchens and fusion industries. Bartenders began to «turn to the roots», use seasonal ingredients and clear drinks. However, there are still pioneers who still continue to invent all kinds of tastes from standard products. For example, they left over from goat cheese often becomes the basis of cocktails in one American pub. And some Ukrainian bartenders are in a hurry to adopt such an experience. Back in 2005, few people took bartending seriously. Yes, there were bartenders who built their careers on this, but few of them paid attention to mixology with all its details and few understood alcohol at all. It was understood by a small group of people, and they were either older statesmen or young rebels who swam against the current. To a greater extent, these people wanted to revive lost traditions, techniques and ingredients instead of pushing this art to something new. Now young bartenders-mixologists are growing up in a culture of prosperity: almost everything that was lost has returned.

everything is still rare, everything that was missing at that time is taken for granted. Therefore, for many it is a chance to focus energy on innovation and innovation, and at this time the older generation of bartenders are focusing on the art of hospitality.

**Conclusions.** At the moment, Ukraine has not yet reached its peak in bar business. We still continue to open restaurants and fast foods, where people eat more than drink. Gradually, Western cocktails and mixes of tastes come to us, which for the ordinary Ukrainian are still incomprehensible. However, I would like to note that new trends quickly enter our culture and guests welcome them cordially. We move on to standard cocktails such as Blue Lagoon and Screwdriver. We delve deeper into the classics of juicy tastes and tart aromas.

Do not forget where the bars came from. Therefore, we try to return those traditions, thanks to constant festivals and bar shows. And many well-known bartenders are doing just fine.

I am sure that we are only on the verge of the great opening of the bar culture, the Ukrainians are ready to look at alcohol from the other side and use it not for the purpose of getting drunk, but to try an exquisite drink that brings people together and makes the conversation more intimate and friendly.

#### References

1. John M. Kingsdale, «The 'Poor Man's Club': Social Functions of the Urban-Working Class Saloon», in American Quarterly, Vol. 25, No. 4. (Oct. 1973) Engels F. Anti-Dühring. 1966. p. 16
2. Libation, a Bitter Alchemy. Deirdre Heekin. p. 47
3. Hamill, Pete (1994). A Drinking Life: A Memoir. New York: Little, Brown and Company. p.49
4. Jeremiah (Jerry) P. Thomas The Bartender's Guide: How to Mix Drinks; or, The Bon Vivant's Companion (1862 Edition) - . 2009. -
5. [http://www.ukrstat.gov.ua/operativ/oper\\_new.html](http://www.ukrstat.gov.ua/operativ/oper_new.html)

The work was performed under the scientific guidance of Ph.D.,  
Assoc. professor AVDAN O.G.

## DIVERSIFICATION OF SERVICES OF HOTEL BUSINESS

OVSIIENKO K., FRGTB, 2m-10am  
speciality «Hotel and restaurant business»

*У науковій статті проаналізовані особливості формування і проведення диверсифікації послуг готельного оператора.*

*Ключові слова:* Диверсифікація, готель, готельний оператор, готельне господарство, гостинність, туристична індустрія.

*In the article the features of forming and performance of diversification at the enterprise of hotel operator analysed.*

*Key words:* Diversification, hotel, hotel operator, hotel business, hospitality, touristic industry.

**Actuality.** The tourism industry occupies an important place in the economy of most countries. It accounts for up to 10% of world gross national product, 11% of world consumer spending. The number of tourist trips worldwide is approaching 800 million, and, according to the World Tourism Organization (WTO), by 2023 will reach 1 billion. It should be noted that the total population of the planet is 7 billion people. The tourism industry is one of the three largest export industries.

Appendix B

Figure 1

Souvenirs with a pub logo



## Menu of pub Crazy Jack

**Маргарита** 159

тесто из муки семола, красный соус, сыр моцарелла, томаты, базилик, орегано  
диаметр пиццы 30см 480г

**Cansas Burger** 189

Булочка бриош, котлета из телятины, соленый огурчик, помидор, крымский лук, микс салата, соус чеддер, соус Texas. 480г

**Blackberry Burger** 199

Булочка бриош, две котлеты из говядины, сыр моцарелла, бекон, карамелизированный лук, черничный соус, соус «Чеддер» 480г

**Крем-суп из шампиньонов** 79

300г

**Куриный бульон** 79

Суп на основе сочного куриного филе, с добавлением вареного яйца и пшеничной лапши. 300г

**Украинский борщ с телятиной** 79

Настоящий борщ с мясом, насыщенный украинскими овощами 300г



## Menu of pub Crazy Jack

тесто из муки семола, соус Альфредо, сыр моцарелла, ветчина, шампиньоны, лук диаметр пиццы 30см	450r
<b>Четыре сыра</b>	189
тесто из муки семола, соус Альфредо, сыр моцарелла, дор блю, чеддер, фета, базилик, орегано диаметр пиццы 30см	450r
<b>С курицей и беконом</b>	169
тесто из муки семола, соус Альфредо, филе куриное копченое, сыр моцарелла, бекон, петрушка, орегано диаметр пиццы 30см	480r
<b>Mexico</b>	189
тесто из муки семола, чевоний соус, сыр моцарелла, фарш из говядины, фасоль, перец халапеньо, кинза, орегано диаметр пиццы 30см	560r
<b>С баварскими колбасками</b>	189
тесто из муки семола, красный соус, сыр моцарелла, сосиски Варшава, Копченые, Бирвурст, американская горчица, травокосилки крипсы диаметр пиццы 30см	500r
<b>Четыре мяса</b>	197
тесто из муки семола, красный соус, сыр моцарелла, салями чоризо, салями милано, ветчина, бекон, орегано диаметр пиццы 30см	500r
<b>Маргарита</b>	159
тесто из муки семола, красный соус, сыр моцарелла, томаты, базилик, орегано диаметр пиццы 30см	400r

**Мороженое**

в ассортименте

**Чуррос**

испанские пончики из заварного теста с добавлением сгущенного молока

**Вафельный торт**

вкусный как в детстве