

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

**FINAL QUALIFYING PAPER**  
**on the topic:**  
**«Distribution policy of «Mama Manana» restaurant»,**  
**LLC «Good Snack», Kyiv city**

Student of the 2<sup>d</sup> year, group 2a,  
specialty 073«Management»  
Specialization «Hotel and Restaurant  
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## Kyiv National University of Trade and Economics

Faculty of Restaurant, hotel and tourism Department of Hotel and restaurant  
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Specialty 073«Management»  
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### Task for a final qualifying paper Ponomarchuk Yulia

1. Topic of a final qualifying paper

Distribution policy of the restaurant «Mama Manana», 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 study the theoretical foundations of the formation and implementation of distribution strategy and development of recommendations for their implementation in the activities of the restaurant business.

**The object of research** is the process of formation and implementation of the strategy of distribution of the restaurant business.

**The subject of research** is - theoretical, methodological and practical principles of development and implementation of the strategy of distribution of the restaurant business .

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

## **INTRODUCTION**

### **PART 1. THEORETICAL BASES OF FORMATION DISTRIBUTION POLICY OF RESTAURANT BUSINESS**

- 1.1. Analytical review of literature sources
- 1.2. Bases of formation of distribution strategy

Conclusions to the part 1

### **PART 2. DIAGNOSIS OF DISTRIBUTION STRATEGY OF THE RESTAURANT "MAMA MANANA", LLC "GOOD SNACK", KYIV**

- 2.1. Strategic analysis of distribution policy of restaurant "Mama Manana", Good Snack LLC, Kyiv
- 2.2. Determining the influence of factors on the implementation of distribution strategy of "Mama Manana" restaurant
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### **Part 3. IMPROVING THE DISTRIBUTION STRATEGY OF "MAMA MANANA", LLC "GOOD SNACK",**

- 3.1. Formation of the program of measures for the implementation of the distribution strategy of "Mama Manana" restaurant
- 3.2. Perspectives and suggestions for development distribution strategy of restaurant "Mama Manana"

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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.

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

Ponomarchuk Y.V.

(last name, initials, signature)

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

Student Ponomarchuk Y. V. completed the final qualifying paper, according to the issued task and the approved schedule.

The student substantiated the need to form a distribution policy of the restaurant business enterprise, provided the strategic analysis of the distribution policy of the restaurant Mama Manana, determined the influence of factors on the implementation of distribution policy of the restaurant, evaluated the effectiveness of the current distribution policy of the restaurant Mama Manana in Kiev city.

In the paper the measures to improve the implementation of the distribution strategy are proposed, the suggestions for its development are researched and summarized.

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 of a final qualifying paper

Avdan O.H.

## **11. Resume about a final qualifying paper research**

A final qualifying paper (project) of the student Ponomarchuk Y.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

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## Introduction

A distribution policy is the strategy applied by a company for the correct shipment of its products from the production chain to its positioning in the market. Distribution policies refer to the measures taken by a company, from manufacturing to packaging and final transport stages, to ensure the product reaches the most appropriate channels and points of distribution and does so within the planned launch and product replenishment times.

The organization of effective distribution policy at the enterprise has very important and directly affects in the results of its activities, because the possibility of further production and the existence of the enterprise in general depends on whether the manufactured products will be sold.

The distribution policy of restaurant enterprises is based on the realization of tangible and intangible results of the service. The main difference in the distribution policy of restaurant enterprises is to combine the process of selling products with the process of serving individual consumers and providing additional services. The tangible and intangible results of the service are interdependent and inseparable.

The study of the main forms and methods of distribution is aimed at identifying promising means of promoting product to the end consumer and organizing its distribution based on a comprehensive analysis and evaluation of the effectiveness of used or planned to use channels and methods of distribution, including those used by competitors.

Distribution management in external conditions an environment that is changing rapidly, necessitates improvement and is constant implementation of changes in distribution policy. Distribution policy can be defined as a multifaceted management process aimed at providing effective distribution of the enterprise in the long run in conditions of changing environment. Proper organization distribution management and timely implementation distribution strategies can

provide the company with a stable position in the market and intensify its economic activity.

The selection of distribution channels depends on several factors such as market type, product type, scale and number of producers, market structure of country and there is no predetermined rule which can determine the number of distribution channels without considering the above factors. The proper function of this network in society leads to consumers access to the goods and services at a reasonable cost. Economic balance and improvement of both production and consumption depends greatly on reformation and regulation of this network. Distribution channels are different based on their consumer and industrial market and based on the number of involving factors in distribution channel. The choice of distribution channels and channel members will have a huge impact on the company's strategy. A careful attention should be also taken into account at different levels in distribution channels decision making process.

Management of distribution policy in enterprises aims at effective and systematic use of all economic, organizational and social opportunities to achieve the ultimate goals of the operation of this enterprise in the market.

**The purpose of the work-** is to study the theoretical foundations of the formation and implementation of distribution strategy and development of recommendations for their implementation in the activities of the restaurant business.

**The object of research-** is the process of formation and implementation of the strategy of distribution of the restaurant business.

**Subject of research** is theoretical, methodological and practical principles of development and implementation of the strategy of distribution of the restaurant business.

Achieving the goal of the work involves solving the following tasks:

- substantiate the essence of distribution activities of restaurant business enterprises;



- characterize features of stimulation of distribution activity in a complex of marketing communications;
- investigate the peculiarities of restaurant distribution management as a system, marketing and restaurant distribution services;
- analyze the economic and financial and distribution activities of the restaurant "Mama Manana" in Kyiv;
- evaluate the effectiveness of distribution activities of the restaurant "Mama Manana" in Kyiv;
- determine the system of improving the distribution activities of the hotel "Mama Manana" in Kyiv;
- substantiate the program of measures on the effectiveness of improving the distribution activities of the restaurant "Mama Manana" in Kyiv.

## Part 1

### Theoretical bases of formation of strategy of distribution of the subject of restaurant business

#### 1.1. Analytical review of literature sources

Distribution Channel Marketing has a cultural nature and deals with a deep understanding of customers, recognizing the needs and desires of individuals, and appropriately satisfying their needs and desires. Therefore, marketing places in the cultural expertise domain. Marketing is a phenomenon in which economy is dominated on culture (Slater & Tonkiss, 2013)[1].

The strategy of distribution channels can be seen as a special part of the general marketing strategy with which the firm expects to achieve its distribution goals in the target markets [2]. This way, the strategy of marketing channel is related with the aspect of marketing strategy of country (Bert R.(2004 & 2013). One channel refers to different measures for making a product or service available for the market. In this context, a channel serves as a bridge between the producer and the consumer through which the products reach the target market (Jokinen K.2012) [3]. The strategy of distribution channels refers to a wide group of principles through which a firm wants to achieve its distribution objectives by focusing in drafting distribution techniques and methods to achieve the general goals of the enterprise (Mehtaa R., Dubinskyb A., Andersonc R.) [4]. The company has to develop an integrated strategy of distribution channels. It has to evaluate each channel's direct influence in product sales and its transverse effect through other channel interactions or options (Kotler Ph& Lane Keller K, 2012) [5]. Providing a plan that connects the strategy of distribution channels with individual performance is also a valuable tool in the reduction of conflicts (Kiran V. &Majumdar M. & Kishore K., 2012) [6]. The specific objectives included in the relationships between time, cycle, order and sales availability describe the influence of distribution strategies in consumer's value (Aila F., Ondiek G. & Mise J & Odera O 2012) [7]. An essential element towards company's success is the

selection of an appropriate distribution strategy which will increase sales and profit (Nguyen T. 2013) [8]. Distribution strategy is useful in the distribution of effective goods and services with the targeted clients. The company can choose to implement the exclusive strategy of distribution where a retailer receives the right to operate in a certain zone or intensive approach of distribution where a product is available in all possible branches of retail sales. This strategy should be followed by the objective to serve the selected markets with a minimal cost while maintaining the desired image of product (Road A., Daryaganj, 2007) [9].

The main objective of the distribution policy is to assure the conduction of the products and services from the company to the final consumers. The first thing which a company has to do is to analyze the selected distributions channels to make sure that the products arrive at the target group (Herrmann, Sattler, 2008) [10]. The company must see which is the performance and the success of the selected distribution channel and in what way does this correspond to the customer's expectations. Secondly it must analyze the efficiency of the physical distribution and of the partners which have a role in the transportation of the products from the producers to the final consumer (Schögel, 2001) [11]. Consequently, the controlling of distribution deals with the analysis of the distribution channels performance and with the logistics of the distribution. A company has the possibility to transmit the products toward the consumers through many distribution channels. The distribution through more than one channel is named polidistribution and has several advantages (Kotler, 2002) [12]. Distribution channels are networks of interdependent entities, which are responsible for performing multiple activities, processes and tasks, with purpose to provide adequate services or products to the market (Rosenberg, 1974) [12].

The nature and characteristics of channels also depends on the level of economic development. Research has suggested that channels in developed countries are likely to have larger wholesalers, larger retailers, and fewer levels in the channel when compared to channels in less developed countries (Olson & Granzin, 1992). Channel change may be influenced by market drivers such as

volatility in consumer needs, consumer sophistication and channel sophistication; environment drivers such as volatility in competitors' strategies and environment conflict; and firm drivers like company size and scope economies (Coelho & Easingwood, 2008).

## **1.2 Methodological bases of formation of distribution strategy**

Distribution is efficiently managing the acquisition of raw materials by the factory and the movement of products from the producer or manufacturer to business-to-business users and consumers. It includes many facts, such as location, hours, website presence, logistics, atmospherics, inventory management, supply-chain management, and others. Distribution systems focus on the physical transfer of goods and services and on their legal ownership at each stage of the distribution process. Channels reduce the number of transactions and ease the flow of good [14].

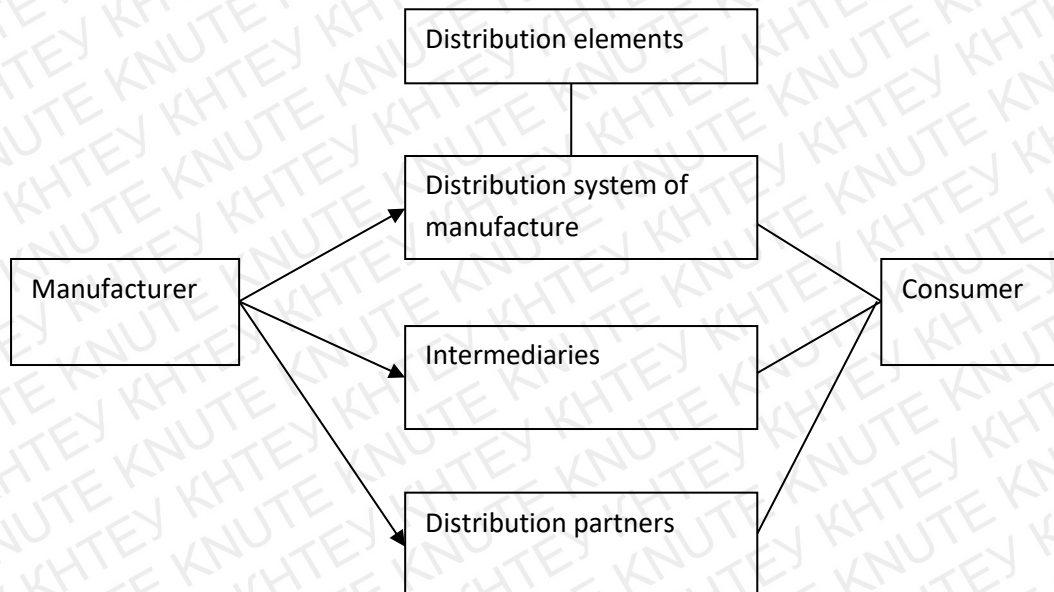
Distribution channels are divided into: direct and indirect. Direct channels allow the customer to buy goods directly from the manufacturer, while an indirect channel moves the product through other distribution channels to get to the consumer.

A direct distribution channel is organized and managed by the manufacturer itself. Direct channels tend to be more expensive to set up at the beginning and can sometimes require significant capital investment. Warehouses, logistics systems, trucks and delivery staff will need to be set up. However, once those are in place, the direct channel is likely to be shorter and less costly than an indirect channel. By controlling all aspects of the distribution channel, a manufacturer has more control over how goods are delivered. They have more control over cutting out inefficiencies, adding new services and setting prices.

An indirect distribution channel relies on intermediaries to perform most or all distribution functions, otherwise known as wholesale distribution. The most challenging part of indirect distribution channels is that another party has to be entrusted with the manufacturer's products and customer interaction. However, the most successful logistics companies are experts at delivering receivables in a way that most manufacturers cannot be [18].

The distribution system of enterprise can include such subjects of distribution: distribution system of manufacture, intermediaries, distribution partners, which are shown at the picture 1.1.

Figure 1.1 Process of distribution goods



The following marketing intermediaries most often appear in the distribution channel:

- Agents and brokers are distribution representatives of manufacturers and wholesalers, and brokers are entities that bring buyers and sellers together. Both agents and brokers are usually hired on commission basis by either a buyer or a seller. Agents and brokers are go-betweens whose job is to make deals. They do not own or take possession of goods.

- Industrial distributors are independent wholesalers that buy related product lines from many manufacturers and sell them to industrial users. They often have a sales force to call on purchasing agents, make deliveries, extend credit, and provide information.

- Wholesalers are firms that sell finished goods to retailers, manufacturers, and institutions.

- Retailers are firms that sell goods to consumers and to industrial users for their own consumption [15].

The main reason for using intermediaries is that, sometimes intermediaries can better offer goods to the target market. The task of the company's marketers is to evaluate the effectiveness of the use of intermediaries. It is considered effective

to use intermediaries, when they are better able than the manufacturer to provide the following sites:

- information base (collection of marketing information and research, as well as dissemination of results)
- distribution promotion
- establishing contacts with potential buyers
- negotiations with partners
- organization of trade
- financing of distribution channels.

We can evaluate a new distribution channel or improve our channel management at any time. It's especially important to think about distribution when we are going after a new customer segment, releasing a new product, or looking for ways to aggressively grow our business.

The performance of the distribution channels is linked to several potential factors that the company has previously analyzed. This market research helps identifying the right channel for the company by evaluating the circumstances surrounding the product and the market. The choice of the channel must effectively plan the delivery of the product to the customer. The restaurant industry faces many challenges such as fierce competition, innovations in information and communication technology and increasingly demanding customers. Restaurants can use multiple distribution channels to reach consumers, targeting the different stages of the buying process, and gaining competitive advantage.

Distribution can typically be grouped into three primary categories:

**Intensive distribution** – intensive distribution means there are a lot of intermediaries. An example of intensive distribution may be snack foods; one product may be stocked in many stores and may have many different channels of distribution.

**Selective distribution** – selective distribution means there are a few intermediaries. An example of selective distribution might be a particular type of fruit that is only sold within a certain geographical area.

Exclusive distribution – exclusive distribution means only a few intermediaries and those intermediaries have to carry only their products. An example of exclusive distribution might be high end fashion products that are only sold in very specific stores [16].

Role of distribution:

- The result of all efforts of the enterprise directed on development of manufacture and reception of the maximum profit is definitively defined;
- By adapting the sales network to customer demands, the manufacturer has a much better chance of winning the competition;
- distribution network continues the production process, preparing goods for sale;
- During distribution, it is more effective to identify and study the tastes and preferences of consumers.

Functions of distribution:

1. Transportation - any action to move goods from their place of production to the place of consumption.
2. "Division" - any action to ensure the availability of goods in quantities and forms appropriate to the needs of the user.
3. Storage - any action to ensure the availability of goods at the time of purchase or use in proper quality
4. Sorting - any action to create sets, specialized or complementary products that are adapted to consumption situations
5. Establishing contact is any action that facilitates access to numerous groups of consumers.
6. Information - is any action that increases knowledge of market needs and conditions of competitive exchange.

In addition to performing these basic functions, distribution participants can provide the customer with additional services due to their proximity, convenient work schedule, speed of delivery, service and issued guarantees.

For developing a distribution channel strategy for enterprises we have to:



-identify the Proper Channel of distribution. First should be identified which channel works best for the product. Can we sell product directly to the end consumer or must go through wholesalers and retailers? These are important questions to ask to get think about how many businesses need to be involved to sell product. The longer the channel, the less profit we'll receive from a sale. In most cases, selling directly to the consumer will yield the most profit. As a result, many manufacturers choose to bypass wholesalers entirely and sell directly to retailers and consumers.

-consider the audience. While identifying the proper distribution strategy, we should also consider our audience, what are the needs of customers, what are adoption customers to product. The answers to these questions will impact which distribution channels we choose to pursue. While a direct channel of distribution is the easiest and fastest way to get our product to the consumer, an indirect channel typically reaches a larger audience.

-evaluate and adapt channels of distribution. Some channels will work better than others. As a result, evaluating the performance of each channel is critical to improving our strategy. Many businesses evaluate their channels using the Strategic Profit Model, which examines key metrics of a channels financial performance and logistics performance metrics, which examine how effective intermediaries are in delivering product. To keep strong relationships with buyers and sellers along distribution channels, many businesses also conduct periodic satisfaction surveys that are designed to evaluate partner satisfaction. When pulled together, these metrics we should be able to provide with a complete picture of our distribution channel strategy and how it can be improved [17].

The formation of distribution strategy of the enterprise is influenced by factors:

- products and services produced by the enterprise;
- microenvironment of the enterprise (its goals and resources - financial, technological, technical, human)
- consumer audiences (their needs, tastes and preferences)

- conditions of competition;
- external factors.

### **Conclusions to the part 1**

Thus, in the first part highlights the theoretical information of the organization effective distribution activities at the enterprise. The formation of the distribution system enterprises must be based on reasonable, adapted and efficient distribution policy. The organizational structure of the distribution service of the enterprise depends on the volume of distribution activities, type, nature of products. Methodical approaches of scientists to the estimation of distribution activity of the enterprise are considered. The classification of distribution channels and distribution policy is given. Positive and negative aspects in using different distribution channels are given. It is indicated why the management and control of distribution policy is important for the successful operation of the enterprise. Choosing the right distribution channel for enterprise is the key to the success of the product.

## Part 2

### **Diagnosis of distribution strategy of the restaurant “Mama Manana”, LLC “Good Snack”, Kyiv**

#### **2.1. Strategic analysis of distribution policy of restaurant Mama Manana, Good Snack LLC, Kyiv**

"Mama Manana" is a chain of colorful Georgian cuisine restaurants. There are four restaurants in Kyiv and one in Kharkiv. The menu includes the most popular Georgian dishes - khinkali, ajapsandali, different types of khachapuri, rack of lamb, kebabs, barbecue, chicken - tapaka. An open kitchen and tone menu are the specialties of the establishment. Visitors can choose chacha and different varieties of Georgian wines in the alcoholic list. Guests can also taste desserts in the form of gozinaks, churchkhela and matsoni with mint. The interior of the establishment has oriental motives. In warm seasons, the cooks of "Mama Manana" offer to taste treats on the summer terrace.

Finding customers is important in the restaurant business. For attraction customers of the restaurant "Mama Manana" used : outdoor advertising, proper registration of the institution, self-promotion, advertising in the press and on the Internet, promotion on Instagram, Facebook. For the distribution of services, the restaurant "Mama Manana" used a direct sales channel, as it allows to maintain contact with consumers and thus control distribution, services.

Distribution promotion in restaurant is the use of various means of influence, which are designed to accelerate, strengthen the appropriate response of consumers. The restaurant "Mama Manana" uses the following types of distribution promotion:

- guaranteed refund with poor product quality, improper maintenance
- treat guests with novelties
- posting information about special offers
- stimulating the quality of the restaurant staff through salaries, bonuses, bonuses for the implementation of the sales plan.

The owners of the restaurant "Mama Manana" have developed a restaurant website to deliver food from the restaurant to customers' homes. The Internet user receives information about the menu, photos of dishes, description of ingredients, cooking time and delivery time. The guest can pick up the order or receive it with home delivery.

Good managerial organizational structure helps to provide a high level of service in the restaurant. Organizational structure of "Mama Manana" restaurant is shown at the appendix B. "Mama Manana" restaurant has linear functional type in which, every staff position has one leader. In quarantine period the amount of staff decreased in twice. Functions of hostess have managers and waiters, who worked at the first floor. They distribute people through 3 halls. Staff coordinated and help each other to do their job.

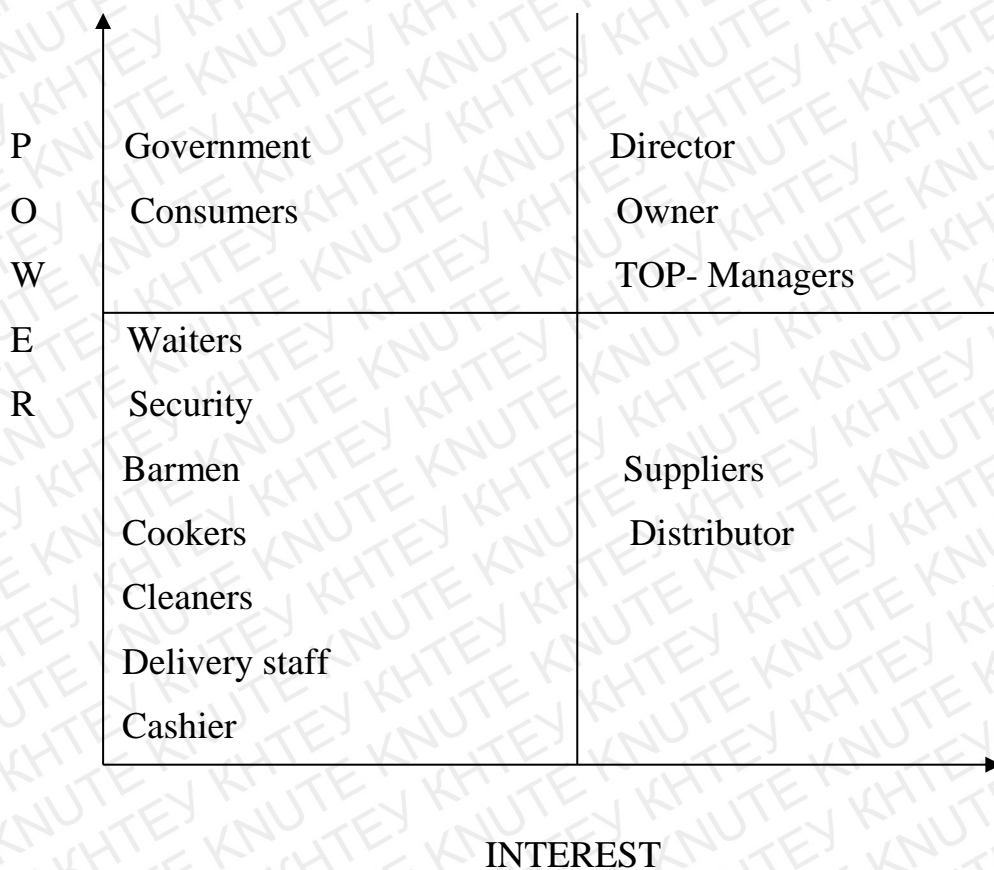
Staholders analysis help to identify the most powerful stakeholders in the restaurant "Mama Manana". Director, owner and top-managers have the greatest interest and influence on the company. They are interested in getting the biggest profit and make the most important decisions. They influence to the decisions about distribution policy and about choosing distribution channels in company.

Big power and lower interest have government and consumers. Government regulates tax system and loyalty program to entrepreneurs. Consumers influence to the company. They are making choice to buy or not buy our food. So, we have to work to keep our guest satisfied.

Low power and high interest have our distributors and suppliers. They are interested in getting orders from restaurant and will give the best proposition to work with us.

Low power and low interest have our staff. They have to be informed about all need information and are ready to work hard and productively. Stakeholders analysis shown at the figure 2.1.

Figure 2.1. Stakeholder analysis of restaurant "Mama Manana"



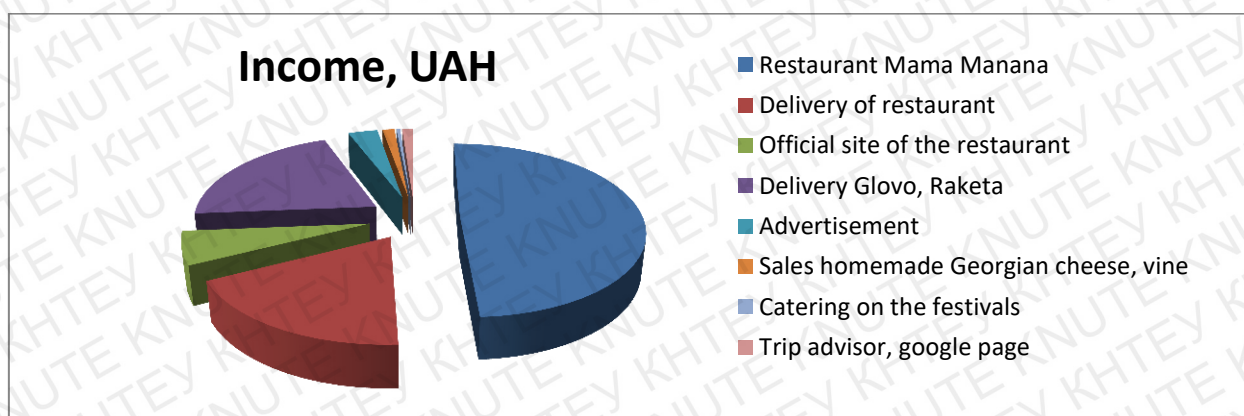
Distribution channel is the way of delivering product from manufactures to the customers. Distribution channel can be analyzed by the turnover of the profit received in the channels. First of all a company has to analyze the performance of a distribution channel. To analyze the success of the distribution channels the Boston Consulting Group Matrix can be used. Distribution channels bring to the company the biggest amount of income. These distribution channels can grow or they can decrease. The amount of income from distribution channel of the restaurant "Mama Manana" is shown at the table 2.1. On the figure 2.2. we can see the amount of Income from distribution channels of the restaurant "MamaManana" in September 2020.

Table 2.1

Income from distribution channels of the restaurant "Mama Manana" in  
September 2020

Distribution channel	Income, UAH
Restaurant Mama Manana	2400000
Delivery of restaurant	900000
Official site of the restaurant	300000
Delivery Glovo, Raketa	1000000
Advertisement	150000
Sales homemade Georgian cheese, vine	60000
Catering on the festivals	20000
Trip advisor, google page	55000
Total	4885000

Figure 2.2 The Income from distribution channels of the restaurant "Mama Manana" in September 2020



The growing distribution channels with a big turnover are called “stars”. They must be intensively promoted so that they should remain for the company in the future an important income source. For the company "Mama Manana" the stars are restaurant and restaurant delivery. In this distribution channels owners should pay more attention, as this is the main source of income and provide the best service and quality.

The second category of distribution channels are decreasing and are called “cash cows”. This distribution channels must be kept, but the company must reduce the costs with these and has to make sure that there are also other alternatives for the distribution of the products. For the company "Mama Manana" cash cow is distribution channel from delivery Glovo and Raketa. They are independent and hard to control them.

There are also distribution channels which bring little incomes for a company. They can be of two types: increasing and decreasing. The increasing distribution channels, with small turnover are named “question marks” and have the possibility to become in the future stars. The new distribution channel which appeared on the market must be analyzed, tested and the company has to check the way it fits to the products of the company. For the company "Mama Manana" question marks are distribution channels from site, catering, and saling homemade cheese, vine. In this consequence they must be promoted for becoming the future stars.

The last category of distribution channel are the “poor dogs”. These are the distribution channel which bring to the company a small turnover and have few future potential. For the company "Mama Manana" the dogs are distribution channel from trip advisor and advertising. They are not profitable. . Depending on the possibility of relaunch, company have to reduce the costs with these channels or give them up.

To evaluate of a company’s strengths, weaknesses, opportunities, and threats used SWOT analysis. It involves monitoring the external and internal marketing

environment. SWOT analyses of the restaurant "Mama Manana" with the analysis of strengths, weaknesses, opportunities and threats are shown at the table 2.2.

Table 2.2

## SWOT analysis of restaurant "Mama Manana"

<b>Strengths</b>	<b>Weaknesses</b>
Low price	Lack of business lunches
Friend atmosphere	Undeveloped Instagram page
Master classes	Big amount of staff that changed every time
Delivery	Not quality dishes, as the result of big load and delivery
Wide range of dishes	The time for waiting for delivery
Tasty Georgian dishes	
<b>Opportunities</b>	<b>Threats</b>
Attract new customers ( good location near railway station)	Pandemia
Provide better drink menu	Season demand
Invite animator team for guest	The country economy is failing
Children master classes	Quick change of staff
Improve loyalty program for staff	Competition
Attract professional staff for a long period of time	Changing tastes of customers
Technology to reduce cost	Supply disruptions due to political, economical weather conditions
Training the employees	

Strengths are the strong parties in the company, competitive advantage in the market. The company positions themselves, as friendly place with home hospitality



atmosphere, range of tasty Georgian dishes at low price, with the own free delivery.

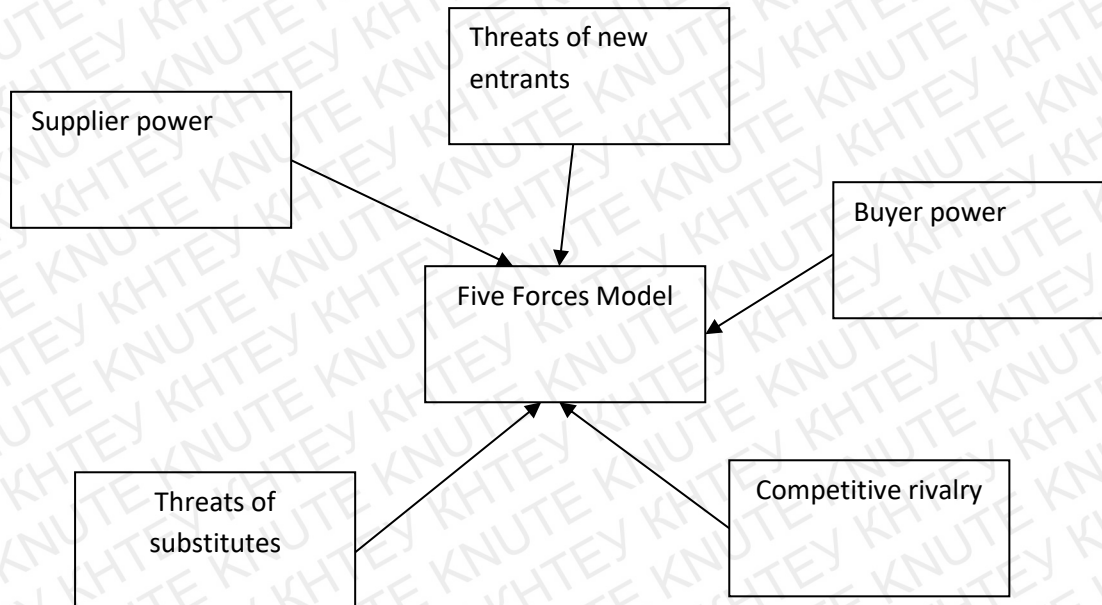
Weaknesses are the poor parties at the company. The managers have to analyze and reduce them. In the era of Internet the managers have to improve social media channel of distribution, to create special propositions for lunch, to control their staff and organize the better system of controlling.

Opportunities can be seen as any sector of the market in which the company would enjoy a competitive advantage. Opportunities can be assessed according to their attractiveness and the organizations probability of success in this area. People want to have more fun. The managers every time should create something new, provide master classes for children, where they can study the culinary art. The staff is the face of any company. They have to be professional and interested at their work.

Threats is a challenge posed by unfair trend or development in the restaurant environment which, in the absence of a clear response, will lead to the loss of the company's market position. Threats of the company can be external and internal. Economical crisis, pandemia are the main problems now. The company has to be flexible, smart and unique. Problems inside the company can be no less serious. So the owners of "Mama Manana" restaurant have to look through the distribution strategy and create new distribution channels, develop delivery and optimize work process.

To analyze the external factors in the industry environment are used Five Forces analysis of the business. The structure of Five Forces analysis shown at the figure 2.3.

Figure 2.3 Structure of Five Forces analysis



Michael E. Porter's Five Forces Analysis model provides valuable information to analyze weak and strong force of distribution policy restaurant "Mama Manana". This theory is based on the concept that there are five forces which determine the competitive intensity and attractiveness of the market: competitive rivalry in the industry, the bargaining power of customers or buyers, the bargaining power of suppliers, the threat of substitution, and the threat of new entrants.

Competitive rivalry in restaurant industry has strong force on the restaurant. "Mama Manana" company faces tough competition, because restaurant market is saturated. The restaurant industry has many firms of various sizes, global chain. The restaurant are aggressiveness, this factor influences a competition. Low cost of restaurants product evidence, that customers can easy transfer to others restaurants. So, the restaurant has to think about increasing uniqueness, deduction the costs for delivery and reducing the price of their product.

Buyer power has strong force on the company. "Mama Manana" must address the power of customers on business performance. This element of the Five Forces analysis deals with the influence and demands of consumers, and how their

decisions impact businesses. In relation, because of market saturation, consumers can choose from many restaurants other than "Mama Manana". This condition makes the bargaining power of buyers a strong force in affecting the company's external environment. Moreover, the availability of substitutes is relevant in this external analysis. In this case, the availability of many substitutes adds to the bargaining power of customers. Based on this element of Porter's Five Forces analysis, it is important to develop strategies to increase customer loyalty, especially in the face of the sociocultural trends.

Supplier power has moderate force on the restaurant. Suppliers influence on the restaurant production capacity based on the availability of raw materials. This element of the Five Forces analysis model shows the impact of suppliers on firms and the restaurant industry environment. In any causes the company can find another suppliers directly from Georgian.

Threat of substitutes or substitution has middle force on the restaurant "Mama Manana". In Ukraine we can see varieties of different cuisines. Consumers can cook their food at home in any recipe and cuisine, just for one willing. There are substitutes of Georgian cuisine as local bakeries and other restaurants.

Threat of new entrants or new entry has moderate force on the restaurant. "Mama Manana" has their own brand. The people know about that restaurant. It is hard small and middle businesses to create a strong corporate and distribution strategy, but the market is ready for new customers. Thus, the external factors in this element of the Five Forces analysis shows that the threat of new entrants is a considerable but not the most important strategic issue.

The controlling of the distribution policy is very complex and has an important role for the success of the company. It has not only to check if the products arrive at the final consumers in a desired way, but it also has to analyze the costs of the logistics in order to reduce them as much as possible.

## **2.2. Determining the influence of factors on the implementation of distribution strategy of "Mama Manana" restaurant**

Distribution policy, which is based on the goals and objectives of distribution, must comply with the general business concept of the enterprise and the adopted course of its development. The distribution policy of the enterprise should serve as a basis for development its supplier, production and technological, innovation and financial policy.

Distribution policy of the company "Mama Manana" focusing on:

- receiving business profit in the current period, as well as providing a guarantee of receipt in the future;
- maximum satisfaction of effective consumer demand;
- long-term market stability of the enterprise, competitiveness its products;
- creating a positive image in the market and recognition from the outside the public.

Factors influencing distribution management activities - are the driving forces that affect implementation of distribution activities of the enterprise and provide a certain level of received results. To identify the nature of the impact factors for the management of distribution activities enterprise is important classification, which provides for the division of factors on various grounds.

The organization of distribution activities in restaurant Mama Manana and its efficiency are influenced by groups of factors :

- external factors divided into direct factors (directly affect the activities of the organization and depend from this activity) and indirect (do not affect directly, and through certain mechanisms and relationships) actions. Factors of indirect action have the ability to influence through factors direct action. The factors of the external environment of the organization of direct action include: consumers, suppliers, competitors, government agencies authorities, infrastructure, legislation, trade unions, parties, public organizations, system economic relations in this region, competitors. The factors of the external environment of the organization of

indirect action include: international events, international environment, scientific and technological progress, political circumstances, socio-cultural circumstances, state of the art and technology, features of international economic relations, the situation with the economy.

- internal factors - situational driving forces all medium-sized organizations: goals, structure, objectives, technology, workers and resources. Internal the environment is that part of the whole an environment that is reviewed within the organization.

Factors of the internal environment which effect on distribution policy "Mama Manana": channels distribution, financial resources, volumes production, managerial responsibility and employees of enterprises, the content of operations on preparation of products for distribution.

According to the duration of influence there are permanent and temporary factors. Permanent are factors that act constantly and not depend on the will of business entities. For "Mama Manana" restaurant permanent factors are: scientific and technological progress, state and interstate regulation, the state of information systems, currency and monetary system, energy and environmental issues. Temporary are factors that emerge at some moment and continue for some time. For "Mama Manana" restaurant permanent factors are: seasonality, political and social conflicts, disasters.

All businesses carry out their activities in the marketing environment, which can be both a source of attractive market opportunities and a source of potential dangers. Marketing environment in which operating enterprise can be divided into: micro and macro environment. In this regard it is important to consider the level of success and failure enterprises in achieving the goals of their activities, which depends on how successful it controls controlled factors and takes into account the action of uncontrolled ones.

Macroenvironment - political circumstances, economic situation, inflation rate, interest rate, unemployment, the country's balance of payments, socio-cultural characteristics, demographic situation, the state of the legal sphere, the environment. The peculiarity of them is equal influence on all those, who

participate in exchange transactions and on competitors. In fact, it is almost impossible for the company to change the impact of these factors. However, in a more favorable light will be the company that is able to more accurately predict their movement and adequately assess the effects on the market situation and successfully respond to changes in strategy and distribution policy.

Microenvironment is the market, those entities and forces that form it. It consists of suppliers, different customer markets types, competitors, various contacts audiences. The enterprise can partially influence the factors of the microenvironment by directing the efforts.

Distribution management includes forecasting, transportation, warehousing, and delivery within the larger universe of logistics and supply chain management. These require precise tracking, real-time information, and highly-skilled staffing to execute effectively.

"Mama Manana" restaurant has big storage for making stock of raw materials product and

The perfect circumstance for distribution management is to have all fully loaded storage with regularly stock recovery. It's hard to achieving this ideal objective in real life. Also, an effective distribution and warehousing company strives to maintain the optimal inventory with their suppliers to keep inventory management costs at a reasonable level without excessive safety stock. With the proper planning and execution, distribution management can effectively coordinate all factors.

Communication between distributor, managers, delivery service is very important in creating uninterrupted operation. Distribution management must ensure the proper flow of information, forecasting, and accurate, safe, and timely deliveries are provided.

The next important factor on implementation distribution system of "Mama Manana" restaurant is creating a good culture of distribution. The first step in preparation is to develop a customer-focused mission and company culture that blends the importance of customer satisfaction with the realities of business

profitability. Marketologists of company measure every element of the business from forecasting, procurement, inbound freight management, warehousing and inventory control to order processing, load consolidation, delivery scheduling. Working directly with employees in each discipline, look for ways to make each process more efficient. Key considerations are cycle time, cost analyses, on-time deliveries, accurate order fulfillment, and safety measurements.

The next important factor is training and commitment of staff. Training employees to execute the needs of a distribution company is more than explaining and showing, how to perform a function. Underlying successful performance is a result of individuals understanding , why a job needs to be done right and the potential consequences of poor performance to the company's future. In the restaurant "Mama Manana" all staff teaching every time to provide the best service and developed staff to implement the right training and tools for a successful distribution management strategy. The key for superior distribution management is to help new staff become familiar with all aspects of the job to be able to make intelligent and independent decisions in the future.

Intermediaries have a direct influence, due to the possession of acquired skills in a particular market, the disposal of certain capacities that bring the goods to the final consumer, the ability to rationally move the goods.

According to the degree of control, the factors influencing distribution activities are divided into managed and unmanaged. Factors, that are controlled by the company "Mama Manana": product quality, distribution channels, technology of distribution of goods, product positioning in the market, the level of customer service. Uncontrolled factors include those that occur independently from the will of the subjects of management: natural disasters, political and financial crises.

By the nature of the impact:

a) safety - impact that does not affect safety enterprise, its product and market position, however, it can have positive effects and contribute distribution policy;

- b) harmful - their effect on the company causes minor damage to the enterprise. It may be a new competitor entering the market, who does not implement an aggressive strategy market capture;
- c) dangerous - factors that cause harm individual links in distribution activities, for example: refusal in cooperation intermediaries or suppliers, fire warehouse or fire in the restaurant;
- d) critical - factors that are extremely negative affect all the work of the enterprise and threaten bankruptcy or closure of the enterprise.

By level of influence:

- a) national - those that operate in the territory of the region, in which it operates business entity: change in taxation, customs clearance of goods, exchange rate;
- b) regional - occur in a particular area, may be associated with features of the given territory or new conditions of conducting business in this area: the introduction of the implementing free economic zone, the process of occupation territories;
- c) sectoral - related to the processes that occur in a particular industry: lack of raw materials , acceptance decisions on industry subsidies, changes in wholesale prices, fuel, energy tariffs;
- d) domestic - factors that arise in connection with changes in production technology, product quality control.

Consumers make trends in the restaurant business. Firstly the enterprise make an analysis of willings customers, the level of demand in such area. They are the main factors of influence in the enterprises. Nowadays, exist a lot of product substitute, the restaurants with food show, new technologies of cooking dishes. So, every restaurant have to be a good competitors and implement something new and interesting for the customers.



### **2.3. Evaluation of the effectiveness of the current distribution strategy of the restaurant "Mama Manana"**

In modern conditions there are acute problems in the field of effective organization of distribution activities of enterprises. In market conditions, manufacturers face the task: finding new markets and studying the demand of products, creating an effective distribution management system, determining optimal sales, selection of the most rational channels of movement of goods. One of the factors of their successful solution should be the formation of an adequate strategy of distribution activities, focused on the maximum consideration of consumer preferences. This is due to the fact that the organization of distribution management is considered both as a function and as a process of enterprise management. The successful operation of enterprises, as well as the movement of their trade flows in the new economic conditions involves a change in all areas of activity of economic entities, but mainly it concerns the production and marketing activities of the enterprise. Working with the product and production program is one of the main areas of implementation of the product policy of the enterprise. In the availability of fierce competition, the main task of the production management system and distribution - ensuring and maintaining the organization's best market share. The inability to manage production and distribution in modern business conditions gives rise to the following chain of problems: overcrowded warehouses, defaults, lack of working capital for the purchase of raw materials, partial and complete termination of production. One of the most important tasks facing monitoring is to develop management decision options. Throughout its activities, the company constantly monitors certain provisions of the adopted distribution policy, it will help them adapt to rapidly changing market conditions. Monitoring of production, distribution and marketing activities will allow better control of the effectiveness of certain elements of distribution and production policy and make the necessary changes, control the conformity of the product range of consumer demand, as well as make decisions on the cancellation of unprofitable products, their modification, or developing new ones.

"Mama Manana" is a restaurant, that selling dishes and product Georgian cuisine. The restaurant is located at the street Kirpu 5 b, in the Terminal food, near railway station. The main activity of the enterprise is the sale of restaurant products, delivery of finished products to consumers, organizing birthdays, holidays, sale of products from farms. The main products of the restaurant: preparation of Georgian specialties: khachapuri, khinkali, traditional Georgian first courses, main dishes, desserts, farm cheeses, Georgian homemade wine. Staff of distribution use the following functions that contribute to the successful solution of marketing requirements: conducting research, distribution promotion, establishing contact with potential customers, manufacturing goods in accordance with customer requirements, transportation and warehousing, financing, acceptance of responsibility for the distribution channel. The company "Mama Manana" has direct and indirect distribution system. Direct distribution channel is selling dishes directly in the restaurant. Indirect distribution system is delivery dishes through courier to the consumers. Waiting time for a meal is 1.5 hours with delivery. "Mama Manana" company have 4 restaurant in Kyiv. When people order food to the home, The system generate ordering to the closely located restaurant. So it's save the time for cooking and delivery. The biggest amount of profit the company get in restaurant. The income of main distribution channels are shown at the table 2.3.

Table 2.3

Income of main distribution channel, that company had got in 2019, UAH

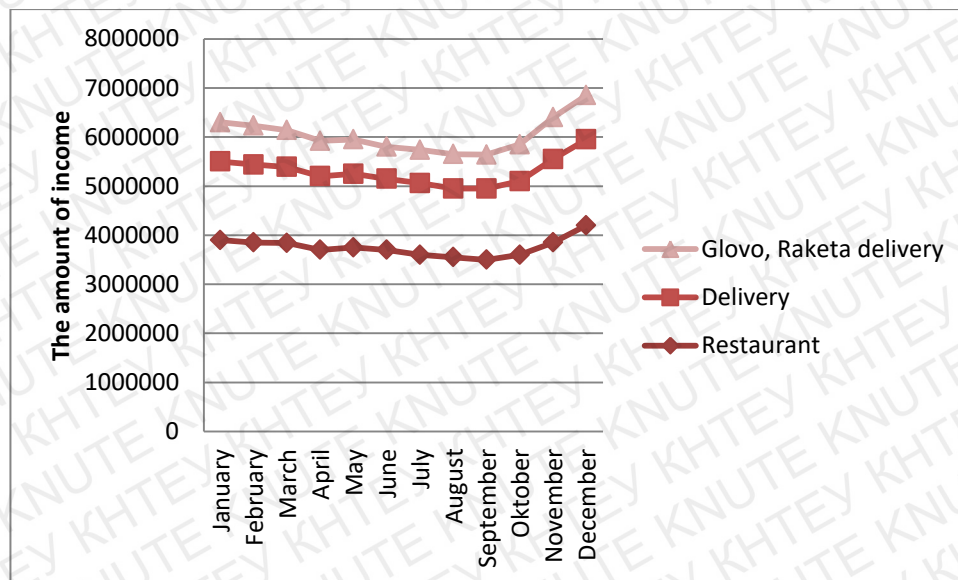
Month	Restaurant	Delivery	Glovo, Raketa delivery	Total for one month
January	3900000	1600000	800000	6300000
February	3850000	1590000	790000	6230000
March	3840000	1550000	750000	6140000
April	3700000	1500000	720000	5920000
May	3750000	1500000	700000	5950000

Continuing of table 2.3

June	3700000	1450000	650000	5800000
July	3600000	1460000	680000	5740000
August	3550000	1400000	700000	5650000
September	3500000	1450000	690000	5640000
Oktober	3600000	1500000	750000	5850000
November	3850000	1700000	850000	6400000
December	4200000	1750000	900000	6850000
Total	45040000	18450000	8980000	72470000

The dynamics of growing and decreasing revenue we can see at the figure 2.4.

Figure 2.4 Dynamics of revenue for restaurant "Mama Manana" in UAH



In restaurant business, the amount of income can be different, according to seasons, economic situation in country, pandemia, changing of taste guest, the lowest price in the competitors. The best income are at December, January, March and November. People celebrate holidays, have corporate meeting and parties. In the cold time at the year, the customers love to spend their time and drink tasty Georgian tea, mulled wine, to eat hot dishes cooked at the own and have a good time in favorite place.

Every enterprise has income and loses. Every distribution system has fixed and variable distribution costs. The fixed costs of distribution policy "Mama Manana" of one month we can see at table 2.4. Variable distribution costs, which the restaurant "Mama Manana" paid monthly are given at the table 2.5.

Table 2.4

Monthly fixed distribution costs of the restaurant "Mama Manana", UAH

Rent	200000
Salaries	600000
Training cost	10000
Delivery expenses	25000
Materials for delivery	10000
Administrative expenses	7000
Advertising expenses	25000
Distribution promotion cost	15000
Product delivery	100000
Packaging expenses	20000
Discounts for regular guests	10000
Market research	15000
Customer service	10000
Total	1047000

Table 2.5

Monthly variable distribution cost in general of the restaurant "Mama Manana", UAH

Utilities	250000
Taxes	1200000
Mobile communication	1000
Extra costs	15000
Commissions	20000
Software	5000
Total	1491000

There are 120 seats in the restaurant "Mama Manana". The amount of visitors for each hour, for one day is given in the table 2.6.

Table 2.6

Predicted dynamics of visiting the restaurant "Mama Manana" for 120 places

Time of work	Duration of visiting, (minutes)	Turnover of seats for 1 hour (times)	Fullness of restaurant	Amount of visitors ( persons)
09.00-10.00	50	1,2	0,3	44
10.00-11.00	50	1,2	0,3	44
11.00-12.00	50	1,2	0,4	58
12.00-13.00	60	1,0	0,5	60
13.00-14.00	60	1,0	0,4	48
14.00-15.00	60	1,0	0,6	72
15.00-16.00	60	1,0	0,6	72
16.00-17.00	50	1,2	0,5	72
17.00-18.00	90	0,7	0,4	34
18.00-19.00	90	0,7	0,6	51
19.00-20.00	120	0,5	0,8	48
20.00-21.00	120	0,5	0,9	54

Continuing of table 2.6

21.00-22.00	90	0,7	0,8	67
22.00-23.00	60	1,0	0,4	48

For determining turnover of seats for 1 hour used formula:

$$\eta = 60 / t$$

where,  $\eta$  is the turnover of the place for 1 hour.

T - duration of visiting, minutes

For calculation of the number of visitors used formula:

$$n = m \cdot \eta \cdot \kappa$$

where, n - number of visitors per hour, people;

m - number of seats at the restaurant;

$\kappa$  - fullness of the restaurant.

So, for one day the amount of guest is 772. The turnover of one seat place for the day is 6 times. It means, that the restaurant popular and have a good attendance. The restaurants full in the evening in period 19-22.00. In that time the guest should reserve a table.

The main competitors for "Mama Manana" restaurant are shown at the table 2.7. As this is the complex building Terminal food, near restaurant "Mama Manana" are located another food enterprises. The main differences in the restaurant "Mama Manana" and China Ma with another one is own availability of delivery service. The main advantages of "Mama Manana" restaurant is Georgian cuisine: Georgian cuisine, that is the only one in that region, the middle price for menu, beautiful interior, the friendly atmosphere, qualified English speaking staff, that can help to solve problem, tasty dishes, cooked with love, busy board for children, master classes of cooking khachapuri, khinkali for all family. Ones at months the guest can try Georgian wine at wine degustation with professional sommelier in warm atmosphere, to hear interesting stories about production, consumption of wine. The others restaurants are proposed Italian, Franch, European, American cuisine. Google ratings in "Mama Manana" restaurant is 4.7,

that are higher, than in other restaurants. It means that the restaurant has regular visitors and a good review system.

Table 2.7

Analyze of competitors of the restaurant "Mama Manana"

Name	Address	Cuisine	Google ratings	Average check
Mama Manana	Kyrpy 5B	Georgian	4,7	++
1.Semifredo	Kyrpy 5 B	Italian, European, Mediterranean	4,8	+++
2.China Ma	Kyrpy 5B	Chinese, Asian	4,5	++
3.Lviv croissants	Kyrpy 5B	French, Fastfood	4,6	++
4.Menya Musashi Vokzal	Kyrpy 5B	Japanese	4,6	++
5. 3B Republic	Kyrpy 5B	American, European	4,4	+++
6.McDonald's	Polzunova 6	American	4,5	++
7. Dinner's	Kyrpy 2 B	American. European. East European	4,5	++
8. Sushiya	Kyrpy 3	Japanese, Asian, sushi	4,1	++

So, company "Mama Manana" provides a good distribution policy. They have regular guests and checked distribution channels, which bring regular income. In the quarantine period, the restaurant has changed their distribution channels. The delivery brings more money than in the 2019 year.

## Conclusions to the part 2

At the part 2 was analyzed the distribution policy of restaurant "Mama Manana" LCC "Good Snack". "Mama Manana" is a restaurant, which producing dishes, make service at restaurant, has own delivery system.

During the analysis of approaches and methods of organization of distribution policy of the company the necessity of studying of the tasks connected with a research subject was revealed. Among the following tasks: management of distribution channels, comprehensive study of market conditions, optimization of intermediaries, synchronization of processes, supply, development of quantitative and qualitative standards for assessing the functioning of distribution policy.

The main problems of formation of distribution policy of the restaurant "Mama Manana" were investigated. A technical and economic analysis of the activities of the restaurant "Mama Manana" in Kyiv was conducted. The organizational and economic structure of the hotel is considered. An assessment of effectiveness of distribution activities of the restaurant "Mama Manana" in Kyiv conducted.



### Part 3

## Improving the distribution strategy of "Mama Manana", LLC "Good Snack", Kyiv

### 3.1. Formation of the program of measures for the implementation of the distribution strategy of "Mama Manana" restaurant

Distribution policy of the restaurant "Mama Manana" is based on the implementation of tangible and intangible results for the service. The tangible and intangible results of the service are interdependent and inseparable. Products in the restaurant ordered by an individual consumer immediately after payment become his property, so its storage becomes an additional service. The number of ordered meals and drinks depends on both the needs and solvency of each consumer. Restaurants can extend their distribution by providing additional services for home delivery, offices, businesses, hotel rooms, ordering through the Internet and telephone. Restaurants can sell their products through culinary departments. Construction of distribution channels products of own production will increase the amount of distribution of restaurant business.

The main task of the distribution plan is to develop and create a real distribution program that covers new significant aspects of the market: pricing, distribution promotion measures, promotion of goods on the market, distribution system and product placement.

Work on distribution organization begins with market research and marketing research:

- the company have to identify market needs;
- analyze potential customers, their needs and wants and create the right product according to the willing of guest;
- analyze product prices and forecast own prices.

When identifying market needs, it is necessary to form an idea of the overall market demand.

There are a number of other factors that affect the amount of demand: price of product, product quality, packaging, product advertising, the price of

interchangeable goods, customer income; activities of sellers, distribution agents, service, distribution channels.

The main parameter in the food industry is the quality of raw materials, semi-finished products and ready dishes. Improving product quality is a long process that requires improvement of production technology, purchase of new equipment. In "Mama Manana" restaurant keep all the rules of transportation raw products, control the quality in all process of cooking, follow right commodity neighborhood of product and dishes and time of sale of finished product are minimal. So, enterprise that produces higher quality products has an advantage in time, which is used to expand its market share and increase distribution.

The packaging of the product preserves it, facilitates transportation and use, present the product in a more attractive form. The one of distribution channel of restaurant "Mama Manana " is delivery. Managers implemented special boxes, which hold heat and cold for delivering dishes. Boxes had logotype of restaurant and beautiful design. Therefore, packaging is perceived as an integral part of product quality.

The choice of distribution channels of goods is important for its sale, the forms of such channels depend on the properties of goods, batch size, order of sale, storage and maintenance. The main channel of distribution is restaurant and delivery of dishes for "Mama Manana " restaurant.

The location of the enterprise is important in retail. In restaurant business is important the passability of people. "Mama Manana" restaurant is located near the train station in the complex Terminal food. It's the place, where people can wait for their train, to eat tasty Georgian cuisine and relax after hard trip. The restaurant has a lot of competitors with different cuisines: Ukrainian, Italian, bar, fast food, French, Chinese.

In restaurant "Mama Manana" the visitors can buy farm Georgian cheese and homemade Georgian wine. Such an assortment of restaurant leads to an increase in the number of customers, purchases and, as a result, to an increase in distribution.

Distribution promotion is the use of short-term measures designed to respond quickly to the market in response to the company's supply of its products. In essence, this is a direct incentive for consumers to buy products or services of the enterprise, include these products in their range for the next sale.

Thus, the main tasks of distribution promotion for restaurant "Mama Manana" are:

- ensuring rapid growth in distribution of the restaurant, diversification of goods and services;
- encourage consumers to try the product and make repeat purchases;
- encouraging the system of intermediary trade organizations and staff to intensify efforts to sell the restaurant products.

There are three types of promotion and can be used in implementation of restaurant "Mama Manana":

- general promotion - is characterized by the given theme, is a tool for the general revival of trade. For example: invitation of famous people to promote the brand of restaurant, organization of music program, weddings birthdays, themed parties;
- selective promotion- involves the placement of goods outside the general placement in a favorable position. For example: to emphasize some dishes in the menu, to put them on the right place ;
- individual promotion, - is carried out in places of general shipment of goods. Advertising billboards, indicators signal that the sale of certain goods is stimulated by lower prices, competitions, awards, special propositions for such dishes.

Restaurant "Mama Manana" uses such types of distribution promotion depending on the subjects of promotion:

Consumer promotion is tactics or techniques designed to help a business find new customers or reward current customers. The most common consumer promotions are aimed at enhancing the value of dishes, either by reducing the cost or adding more benefit to the regular price. However, consumer promotions can be utilized to achieve various other objectives as well, and different promotions work better for different purposes.

Price promotion in the restaurant "Mama Manana" is organized by selling dishes in discount in some day of week. Reduction of price is good way for attracting guest for the period of sharing to the favorite restaurant but can be a temporary method. Temporary reduction in the price of goods has both advantages and disadvantages. The advantages of temporary reduction are that in periods of crisis and problems in restaurant this way of promotion can increase the amount of guest. The disadvantage is that it does not create a circle of reliable, permanent customers. Restaurant made price reduction with a direct discount 10 % for all menu for permanent guest, discount for the birthday party. The restaurant made additional quantity of goods free of charge. They done happy hours from Monday to Friday till 15.00 untill 18.00.

Incentives for staff is aimed at motivating employees of the organization in order to intensify their activities. "Mama Manana" company makes for the staff such incentives for good job:

- 1) bonuses to the salary in the case of annual indicators are a reward for the results achieved, the amount of which can reach from one to three monthly salaries;
- 2) bonuses for achieving of selling special dishes for a month . Usually it's the most cheapest and not popular positions in menu. The staff has a plan for amount of goods for selling. Who made the biggest sell will get 1000 UAH. The second place will get 750 UAH, the third-500 UAH.
- 3) awarding points for a certain number of which the employees can get expensive gifts for one year;
- 4) tourist trips - designed for sales people who have achieved significant success in their work, for one year of working .
- 5) gift for selling defined positions on wine. Every month the staff has incentives in selling some position of wine. If the aim will be done, the staff will get one bottle of wine for every mission.

Moral stimulation for staff for providing the quality service is important in restaurant "Mama Manana". Staff associated their work at a particular company to meet their own needs and achieve personal goals. Creating an appropriate

psychological climate at the restaurant will help meet the personal needs of employees. Such measures include: regular meetings of employees with the director and managers, wine degustation for staff, creating a friendly, favorable atmosphere at work, providing opportunities for a career, employment guarantees; equipping employees with modern information and technical means.

The company provide staff with additional salaries, which include: extra payment and bonuses for high qualification skills, for work on weekends and in overtime, bonuses for production results, extra payment of work experience, payment of basic and additional leave in accordance with the law. Incentive and compensation payments include: downtime through no fault of the employees, labor and social benefits. For increasing the competitiveness of restaurant "Mama Manana" I recommend to develop system of staff incentives. This activities are shown at table 3.1

table 3.1

Planned activities for the implement of the incentives project in 2021

Activity	Period for implementing
Wine degustation for improving staff knowledge	Every month
Staff reorganization, examination	January
Invite new staff, training	February-March
Traveling to Georgia for best employees	June-August
Improving service standart	April-May
Traveling to Georgia for best employees	June-August
Development the motivation system	September-October
Psychology training for managers	November
Corporate party	June,December

This table showed activities, that can help increase staff motivation for improving corporate policy in the restaurant "Mama Manana". This is activities are divided for 2021.

Goal setting is a separate and important stage of marketing strategy setting long-term and short-term distribution goals. Long-term ones are set for 3-5 years and are an important guideline for making strategic decisions in the field of product distribution. For "Mama Manana" restaurant the long-term goals are creating the chain quality Georgian restaurants and spread product in Ukrainian market. Short-term goals are set for a quarter, half a year, a year. Goal for a quarter is to improve the delivery system of distribution. Half a year goals are to improve seasonal menu, create positions without meat, improve the menu of bar, introduce decaffeinated drinks in the menu of the novelty and replace cow's milk with vegetable milk. Year goals are to improve existing distribution channels and provide new one for extending restaurant market with food from the restaurant "Mama Manana ". In order to reflect the ambitions of the level of distribution of goods in the market, the breadth of the range, the availability of a mandatory range, the basic rules of calculation and the share of the shelf in key distribution channels.

The result of any distribution strategy should be an approved plan of tactical marketing activities to improve the distribution and quality of product representation in the food industry.

In "Mama Manana " restaurant provide additional services for attracting visitors:

- reservation of tables by phone and Internet on the official website of the restaurant;
- payment by credit cards, by cash, currency payment;
- packaging of dishes and products left after service;
- packaging of culinary products purchased in the restaurant;
- waiter provides free telephone calls, if it needs;
- guaranteed storage of personal outerwear;
- call a taxi at the request of the consumer in the restaurant is performed by a waiter;
- parking of personal cars of consumers on the organized parking near the restaurant.

The products are packed by the waiter in disposable plastic boxes and paper and cellophane bags on side tables.

### **3.2. Perspectives and suggestions for development distribution strategy of restaurant "Mama Manana"**

For improving a distribution policy at the enterprise, several issues should be addressed regarding the choice of product distribution channels, market coverage strategy, communication strategy and distribution promotion methods. All organizational decisions on the distribution policy of the firm should be made only after an in-depth analysis of the existing situation and should be aimed at fulfilling specific tasks of the enterprise, such as obtaining maximum profit or gaining the largest market share.

The emergence of new advertising media is a trend in the development of modern advertising in the restaurant business. Other advertising researchers said, that as the amount of advertising increase and consumers are over fulfilled of advertising messages, and mass-oriented techniques depreciate. Traditional advertising completely focused on branding, no longer has a predominant impact on people's behavior, because nowadays consumer needs a dialogue with the manufacturer.

One of the problems of the restaurant business is the problem of consumer information. The saturation of the advertising market leads to the oversaturation of potential consumers with information. As a result, restaurants face many difficulties: traditional methods of communication are no longer able to attract the attention of the consumer, there is a need to find new methods.

The one distribution channel for "Mama Manana" company is official site of the restaurant. On the site located information about dishes, picture of ready dish and the price of it. The site has made for attracting new customers through internet searching methods and for ordering dishes delivery. The site is an important tool for doing business, its business card. Each of its mechanisms over time requires changes and adjustments. Completion of the site is a natural and integral stage of development of any resource aimed at improving its performance and more effective performance of the tasks assigned to him. Site upgrade - a set of works to change the general style of the Internet resource, update or changing the system,



adding new features, and changing old ones. The main disadvantages of the site "Mama Manana" are not beautiful design, not comfortable using, problem with ordering on site, lack of the information about functioning of restaurant. Nowadays, very progressive are social media. It's the best way to finding guest. All, that need is make post, friends will see and will go to the restaurant "Mama Manana". "Mama Manana" restaurants have their own Instagram page, but the posts are not regular. So I propose to change this. People are open and want to show their life in the platforms. Georgian is very friendly country, they have interesting traditions. It can be fun, and people can know interesting facts about new country, new region. People can make photos in the traditional Georgian costumes and post it in Instagram and Facebook. Every day becomes more popular Tic Toc platform. Tic Toc bring entertainment character. The staff can make funny videos and post them in Tic Toc. It can be interesting and funny for staff. It's the way of showing creative at work. For social media promotion I propose to hire special person in staff, who will generate ideas, lead pages, manage all process, create videos, posts. This method of attracting customer needs extra costs: salary for specialist, extra materials, accessories, props for shooting. I think, that these expenses are justified and will help expand sphere of regular and potential visitors.

Events for attracting consumers. They aim to:

- to acquaint with properties of a new product;
- attract new buyers
- retain existing consumers by reminding them of "Mama Manana" restaurant products
- increase consumption;
- entice the consumer to visit a Georgian restaurant

"Mama Manana" restaurant has their own direct channel of distribution their dishes. This is advantages of the restaurant distribution policy. In every stages of distribution can be problems, depending on human factor, distributors and external problems. Managers have to work and control all this moments. Every day meetings can help staff to know problems, aim on day, and the good way to

communicate with managers. The work of restaurant is a chain, in which the problem in one stage of production or delivery will stop another stages. When restaurant has fullness and the delivery make a lot of ordering, kitchen has a lot of job and can't handle it in time and visitors have to wait more than one hour. Looking to this problem from inside the main reasons of this problem:

1. The staff has a panic and can't make a plan of their working
2. Problem in organizing work of kitchen and the work of the co-chef
3. The lack of equipment
4. Not right distribution of delivery

When cookers has a lot of ordering, they can't do it quicker, because all own are busy, all dishes have the time of cooking and then it becomes a panic. I propose to teach staff on the training to work in multitasks mode, to buy more owns for cookers to increase the productivity of each person. In some ways, I propose to sum the ordering of the same dish and cook it for one time. "Mama Manana" has 4 restaurants and every work for delivery. The distribution of delivery orders should be regulated not only by the remoteness of the order, but also by the presence of traffic jams, occupancy and loading of the kitchen, the volume of orders and the volume of stocks of products and ready meals.

Scheme of distribution policy of the restaurant "Mama Manana":

- purchase of raw materials
- receiving an order at a restaurant or delivery
- order preparation
- delivery by the waiter of the order to a table, delivery by the courier of the order - home to the consumer
- providing service in the restaurant
- taking feedback from guest

The best way to see, how working restaurant in the time of fullness. Waiters take the order and give it to the kitchen and bar. "Mama Manana" has first and second floor. The kitchen is located at the first floor, the bar and washing room at the second floor. So it needs a time to bring ordering dishes to the customers.

Waiters have to be calm, hardworking, smart, with good sense of humor, good team player, good motivated in work . The work day for waiters is 14 hours per day. This work needs physical endurance and moral stability. The waiters are changing very often, because of hard working conditions. I proposed to help the job of waiters and buy dumb waiter. It will help waiters to concentrate all their attention to guest service, reduce the time of making service and provide calm atmosphere among staff. Waiters are the face of the restaurant. They have to be happy and be good professionals. The main concept of "Mama Manana" restaurant is making the friendly, hospitality and home atmosphere. It's family restaurant with their own history, special products from Georgia with original legends that are liked of customers. On the tables instead of tablecloths there are paper on which guest can draw. A collection of the most beautiful paintings of visitors is collected on the walls of the restaurant. On the table there is an atlas of khachapuri and khankali, which can be viewed in the process of waiting. Due to inattention, the staff does not monitor the frequency of these bouquets, which is a negative point in the reputation of the restaurant. This should attract the attention of managers and staff, because cleanliness and comfort is the key to a good restaurant.

The bar accepts orders for delivery and service to the restaurant. The menu includes a variety of Georgian drinks and traditional tea, coffee, fresh fruit. There is problem with timely return of the order at the bar. This can be caused by the lack of utensils at the bar, a large number of orders. Therefore, to improve the work of the bar, I recommend finding an assistant bartender for the peak time in the evening. It can be a good variant of job for student. Due to the large flow of people, there is a beating of dishes, so I recommend replenished utensils faster.

"Mama Manana" is big restaurant with panorama windows, open kitchen, made in classic style with comfortable chairs and sofa, individual guest seating and friendly atmosphere. The feedback from the customers is very important part in communication sphere. The company should to know the customer expectations what is in real life and improve that moments for providing better service. For each guest the restaurants propose appetizer for decreasing the time of waiting, which

are made directly in the restaurant. After giving service waiters ask customers, if they are happy and liked all moments. Guest can write their feedback at the Google platform, Trip advisor, Facebook and Instagram page.

Innovation playing an important role in the socio-economic development, as a result of the ongoing process of globalization, increasing customer expectations and strengthen competition. Innovations simplify all changes introduced by business, regardless of the fact, that they are novelties, reproduced by the competitors or adapted products or services. Nowadays, the trends in the world changed quicker, than it was ten years ago. Restaurants made a good progress in development. The main tasks for restaurants are to make more healthy food, changed the old trends in the society, to make the culture of eating, to show people some novelties, to show people, that vegetables are tasty and useful. "Mama Manana" restaurants sell drinks, which are popular nowadays: buckwheat tea, coffee without caffeine, plants milk, vegetarian dishes. They are looking for new trends, analyze the market and create new seasonal menu. The company organizes trips for its staff to Georgia in search of new recipes, to be inspired by the wonderful atmosphere of Georgia.

People love to go to the restaurants not just to eat, but for feeling a good atmosphere of place, to see something new, for emotions. The restaurant "Mama Manana " has a good idea and concept. I proposed to improve some aspects of this concept for attracting new guest. It's a family restaurant, so in this place should be entertainment for adults and for kids. In the weekends I propose to make some events. In the Friday evening organize live music for making special atmosphere to this place and for emotions from customers. For children I proposed to organize special room for playing, with big amount of toys, books, painting pictures. In Saturday organize event for children and invite animators. In the restaurant exist ones at month degustation of Georgian wine, master classes of cooking khachapuri and khinkali. But I think, that the restaurant can do family master classes, with interesting manners of cooking, which will be good for family entertainment day. Two times in week the restaurants can conduct special show from chef with special

affect. This renovation will help to restore entertainment program and attract new visitors. To implement these innovations requires an additional budget, which the company can allocate, given that it is economically profitably for future. Special guest offer in "Mama Manana" restaurant are shown at the table 3.2.

Table 3.2

## Guest offer in "Mama Manana" restaurant

Offer	Description	Dates	Price, UAH
Music evening	Every Friday will be music at the evening	Every Friday	Free
Wine degustations	We invite our guest to try Georgian wine in freindly atmosphere with professional somelier	Ones at month	300
Khachapuri and hinkali master classes	Our shef will share the secret of recipe of tasty khachapuri and hinkali	Ones at month	300
Animation team for children	The best animation team will entertain families with children	Every Saturday	Free
Wi-fi	We propose the highly speed Wi-fi to our guest	-	Free

Continuing of table 3.2

Parking	We always have a place for parking a car	-	Free
Booking of table	Call to our restaurant and we will propose and reserve the best table for you	-	Free
Delivery	Our courier will bring the hot and tasty dishes to the customers quickly	-	Free, if the ordering is under 150 UAH
Congratulation of Happy Birthday	Our staff will congratulate and sing Georgian song and special present cake	-	Free
Take away	The guest will get a discount. if taking food by yourself	-	15 % discount

The company has different channels of distribution. For economically growth the company has to implement new distribution channel and develop them. Nowadays is very important to have differences from the competitor and the ability of company to easily settle for change. The restaurant "Mama Manana" has own delivery. The company can sign a contract with offices and companies to supply lunch for their employees from Monday to Friday. This is a good option for

distribution, as every day there will be a direct order for a certain time and a stable income. The extra costs that are required: the cost of delivery and the cost of construction material, which takes the same cost as the delivery of food to consumers. This is an opportunity to expand the company's distribution and create another stable income option for the company.

Catering is the industry associated with the provision of services at remote points, including all enterprises and services that provide contract services for organizing meals for employees of companies and individuals in the premises and in the field service, as well as servicing events for various purposes and retail sale of finished culinary products. In practice, catering means not only food preparation and delivery, but also service, table setting and serving drinks to guests, and similar services. Catering service is good variant of distribution dishes. The company participated in festivals of Georgian cuisine twice a year. So, company has all needs equipment, qualified staff, for providing good service. The restaurant can sign a contract with entertainment agency, they will create the right atmosphere, and make emotional and unforgettable holiday, corporate party, business meeting. The restaurants have the right menu, which can be interpreted to the outdoors event. At the catering events the restaurant can propose such dishes: meet menu on grill ( kebab, shashlik, kare), vegetables on grill, salads, appetizer, main courses, dessert cooking at the restaurant in advance. Catering can be implemented, but it requires special person, who will organize all events, control all moment of production, transportation, providing service and consumption.

Franchising is a form of entrepreneurship in which the franchisor grants another franchisee the right to act on its own behalf. The franchisee undertakes to work according to the rules that are determined by the franchisor, and in return enlists his comprehensive support and receives the right to use the name, reputation and market technologies of the franchisor. "Mama Manana" restaurant works by 3 years and have another one 4 restaurant. So, they have additional capital to open franchising restaurants. The staff can help to teach the franchisee all aspects of the restaurant, how it's functioning on all levels of managing system. Franchising

system can help "Mama Manana" company to extend their market share and strengthen brand.

Ar the table 3.3 we can see prognosed dynamics of revenue and expenses for implementing proposed distribution channels, period for implementation and benefit of measures.

Table 3.3

Prognosed dynamics of revenue and expenses of implementing extra distribution channel of "Mama Manana" restaurant

Implementation measures	Implementation budget for month, UAH	Benefits from this implementation	Implementation period
Program changes for site	5000	Grows of visitors by 5-10%	January 2021
Animation team in weekend	16000	Grows of family visitors by 15-20%	February 2021
Promotion restaurant in social media	15000	Popularization of the restaurant among guest 18-30 years old	February 2021
Hire social media manager	14000	Increase the income of restaurant by 10-15 %	February 2021
Buying extra equipment	30000	Productivity of staff will increase	January 2021
Bartender assistant for weekends	6000	The quickness of preparing drinks	January 2021

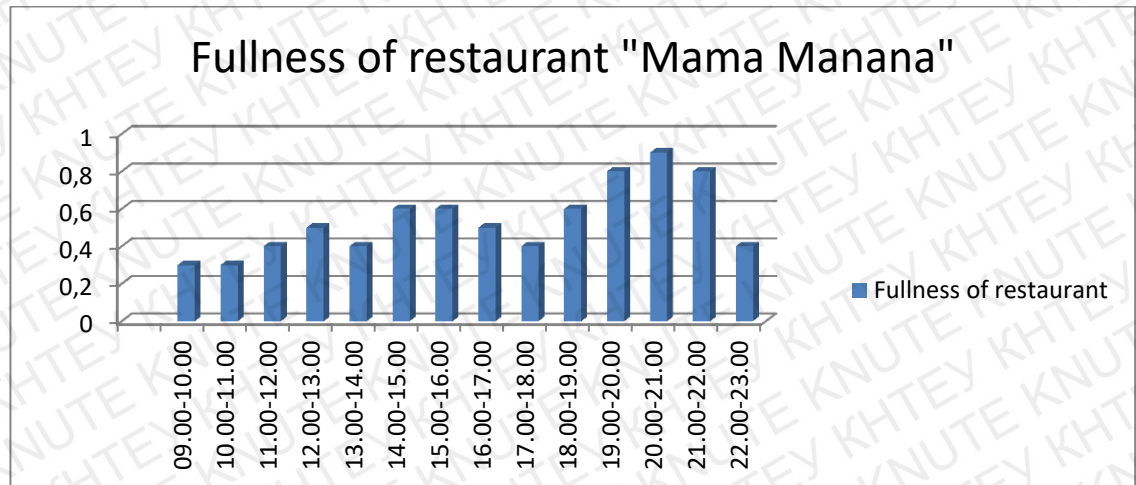


Continuing of table 3.3

Music band in Fridays evening	25000	The atmosphere at restaurant will increase, guests will be happy	February 2021
Implementation catering events	120000	Popularity of restaurant dishes will increase, the amount of income increase by 15-20%	March-April 2021
Organisator of catering events	20000	Professional manager will control all aspects in delivery, quality of dishes, staff job	March 2021
Franchising	2000000	Increase brand statement, permanent tipe of income for company	June-July 2021

Restaurant "Mama Manana" works 9 a.m.-23.00. The delivery works 11 a.m.-22.00. The effectiveness of working at this time is high, but the fullness of restaurant at the morning not so high. Waiters and barmens work for 14 hours at day. Staff are not motivated to work at the morning. Reason is not enough fullness at the morning. The opportunity to earn money are not so high. The fullness of restaurant "Mama Manana" shown at the figure 3.1.

Figure 3.1 Fullness of restaurant "Mama Manana" for one day



For optimization work of the restaurant I propose to decrease working time of restaurant for 2 hours. The proposal working time of restaurant "Mama Manana" is 11 a.m.-23.00. This is good suggestions for staff, the time for relax and renewing forces.

### Conclusions to the part 3

The third part proposes a system of improving the distribution policy of the restaurant "Mama Manana" in Kyiv, which allows using the latest ways to identify target markets, to attract customers, it has become available through the development of information technology and globalization of information resources.

It was determined that the proposed methods of improving distribution policy of the restaurant "Mama Manana" was chosen correctly. The introduction of catering services was chosen to expand the distribution of the restaurant, which is a relevant type of service today. It was decided to introduce the position of manager of the catering department, to organize catering services.

The second way to improve the distribution policy of the "Mama Manana" restaurant was to introduce lunches in the menu and search for offices, for the systematic delivery of lunches for workers. This question is relevant today, because it will help minimize the process of contact with a large number of people.

It was also decided to improve the existing distribution channels of the restaurant "Mama Manana", namely improving the work of the restaurant staff and

delivery, increase staff salaries, improve the site and ease of use, promote the restaurants services on social networks: Facebook, Instagram.

### **Conclusions and suggestions**

Nowadays, there are acute problems in the field of effective organization of distribution policy of enterprises. In market conditions, enterprises face tasks: finding new markets and studying the demand for products, creating an effective distribution management system, determining the optimal distribution volume, choosing the most rational channels for the movement of goods. One of the factors of successful solution should be the formation of an adequate distribution strategy, focused on maximizing consumer preferences.

As a result of the research, the thesis analyzed the theoretical aspects of the organization of effective distribution policy and provided practical recommendations for improving the distribution policy of the restaurant "Mama Manana".

In the theoretical section the classical provisions are worked out distribution policy. The essence, principles, form of organization of distribution activity are analyzed. The classification of distribution channels, positive and negative aspects of working with intermediaries are given. The analysis of literary sources of distribution policy is carried out.

The second section analyzes the economic and financial and marketing activities of the restaurant "Mama Manana" in Kiev. A SWOT analysis was conducted to identify the strengths and weaknesses of "Mama Manana" Restaurant, as well as the threats and opportunities. The company has a sufficient number of strong positions. An analysis of competitors, the advantages of the Mama Manana restaurant and the negative aspects that need to be improved to increase the effectiveness of sales policy. Fixed and temporary distribution costs are analyzed. The analysis of the main distribution channels and profit from them for the year is given. The part provides an analysis of the factors that influence the implementation of the marketing strategy of the restaurant Mama Manana

The third part of the diploma work is devoted to the development of practical recommendations and measures to increase effective distribution activities at the company "Mama Manana". Measures to improve distribution activities were selected. For each event the content was described in detail, the processes of innovation implementation were described. Measures to improve distribution policy will increase profits. Also in the third part presents methods of stimulating distribution policy of the restaurant "Mama Manana". As "Mama Manana" restaurant has a high turnover of staff, methods have been proposed to help encourage valuable staff to work and keep staff from being laid off. Methods of improving the attendance of the institution are given. It is considered economically feasible to introduce new distribution channels of the enterprise such as: development of lunch menu, signing contracts for supply to offices and food companies for workers on a regular basis, organization of catering services and improvement of existing distribution channels: improvement of Instagram and Facebook page, updating of logistics restaurant facilities, improving the system of ordering and service.

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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**



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## DISTRIBUTION POLICY OF ENTERPRISE

**PONOMARCHUK Y., 2-2am Master degree, FRHTB KNUTE,  
specialty «Management», specialization «Management of restaurant and hotel business»**

*У статті висвітлюється визначення важливості політики збуту для підприємств та правильного вибору каналів збуту. На основі досліджень проаналізовано політику збуту підприємств, можливі помилки та шляхи вирішення проблем.*

***Ключові слова:** політика збуту, канали збуту, прямий збут, непрямий збут, онлайн збут, інтенсивний збут, вибіркового збут, ексклюзивний збут, вплив пандемії на політику збуту, проблеми збуту.*

*The article is devoted the importance of distribution policy for enterprises and the right choice of distribution channels. Based on the research, the distribution policy of enterprises, possible mistakes and ways to solve problems are analyzed.*

***Key words:** distribution policy, distribution channel, direct distribution, indirect distribution, on-line distribution, intensive distribution, selective distribution, exclusive distribution, the impact of the pandemic on distribution policy, problems of distribution.*

**The actuality of the article.** Today, the study of distribution policy is relevant for all enterprises and plays an important role in the system of production relations of society. An important task in the activities of any trading company is the organization of an effective sales system that can ensure the necessary competitiveness in a market economy. A distribution system is central to the enterprise. The purpose of sales is to bring to consumers a specific product with the necessary consumer properties, in the required quantity, in a certain place, with acceptable costs. Improving the efficiency of economic activity and financial condition of enterprises are directly related to solving problems and controversial issues in the management system of distribution activities of enterprises.

**The purpose of the article** is to determine the essence of distribution policy for enterprise and to analyze the enterprises distribution policy.

Various aspects of the problem of distribution policy development have been studied by the following foreign and domestic scientists: V. Apopiya, G. Bolt, L. Balabanova, V. Burtseva, F. Kotler, A. Sheremet, Rosenberg, Sattler, Mosleh.

A distribution policy is the strategy applied by a company for the correct shipment of its products from the production chain to its positioning in the market. Distribution policies refer to the measures taken by a company, from manufacturing to packaging and final transport stages, to ensure the product reaches the most appropriate channels and points of sale; and does so within the planned launch and product replenishment times [1].

Distribution channels are well organized arrangements that perform all the necessary tasks to assist exchange transactions. The basic function of a distribution channel is to provide a link between production and consumption and to create time, place and possession utilities which constitute the added value of distribution [2]. A main task of distribution channels is to have high efficiency. Transportation and storage, which is another task of distribution channels, are to be used at maximum capacity at minimum cost.

**Channels of distribution:** The distribution channel influences multiple other marketing decisions – the price, the product development, employee management, organizational structure.

**Zero level:** A level zero distribution channel is the simplest. It involves a direct sale from manufacturers to consumers with no intermediary. Direct distribution would mean that the manufacturer finds a way to directly communicate to customers without using any market intermediaries and will deliver the goods themselves. The most important aspect of direct distribution marketing is communication to the end customer.



Fig. 1. Zero level of distribution channel

First level: A level one channel has one intermediary as the middleman between the producer and consumer.

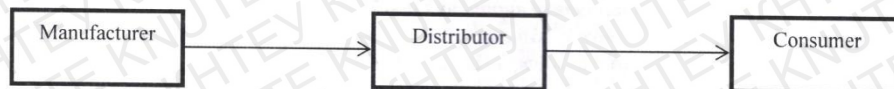


Fig. 2. First level of distribution channel

Second level: When thinking about levels, associate the number to the number of intermediaries. In this case, a second level channel involves two intermediaries between producer and consumer.



Fig. 3. Second level of distribution channel

Third level: Here's where an agent or broker comes in. Agents work on behalf of companies and deal primarily with wholesalers. From here, the wholesalers sell to retailers who then sell to consumers [3].

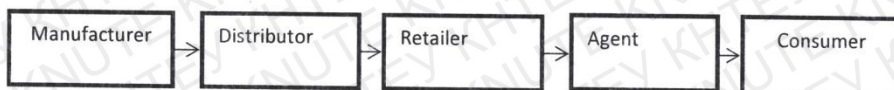


Fig. 4. Third level of distribution channel

Types of distribution channel:

**Intensive Distribution:** As many outlets as possible. The goal of intensive distribution is to penetrate as much of the market as possible.

**Selective Distribution:** Select outlets in specific locations. This is often based on a particular good and its fit within a store. Doing this allows manufacturers to pick a price point that targets a specific market of consumer, therefore providing a more customized shopping experience. Selective distribution caps the number of locations in a particular area.

**Exclusive Distribution:** Limited outlets. This can mean anything from luxury brands that are exclusive to special collections available only in particular locations or stores. This method helps maintain a brand's image and product exclusivity. Some examples of companies that enact exclusive distribution would be high-end designers like Chanel or even an automotive company like Ferrari [4].

## 2. Research results

*Is the strategy of distribution channels as a special part of the general marketing strategy for your company?*

Table 1

**The strategy of distribution channels as a special part of the general strategy**

The strategy of distribution channels	%
Yes	93%
No	7%
	100%

Based on the table, 93% of the enterprises said that the strategy of distribution channels is seen as a special part of the general marketing strategy; while 7% don't see it as a special part of the general marketing strategy.

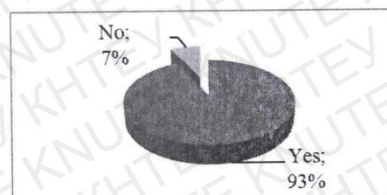


Fig. 1. The strategy of distribution channels as a special part of the general strategy

What distribution channels does your enterprise use?

Table 2

**The use of distribution channel**

The use of distribution channel	%
Direct distribution channels	49%
Indirect distribution channels	34%
On-line distribution channels	17%
	100

The leaders of the questioned enterprises said that distribution channels are highly important for their growth and market penetration. From the table we notice that they give high priority to direct distribution channels, 34% use indirect distribution channels and 17% use the on-line channels believing that these channels will remove their base of consumers. Choosing the right distribution channel is important decision for your business. What you choose determines how your products are handled, the speed in which they are delivered, and how successful you are at getting your goods into the hands of consumers.

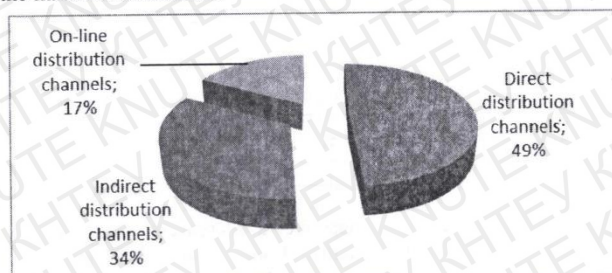


Fig. 2: The use of distribution channels

What is the problem of distribution policy in your company?

Table 3

**Problems in distribution policy**

Problems in distribution policy	%
Bad knowledge of market	27%
Bad communication with customers	24%
Not right chosen distribution channel	21%
Not right chosen geographic location of selling	15%
Not professional staff of distribution	13%
	100%

According to the research the biggest problem in distribution policy is bad knowledge of market. 24% chosen bad communication with customers, 21% not right chosen distribution channel, 15% not right chosen geographical location of selling and 13% not professional staff of distribution.

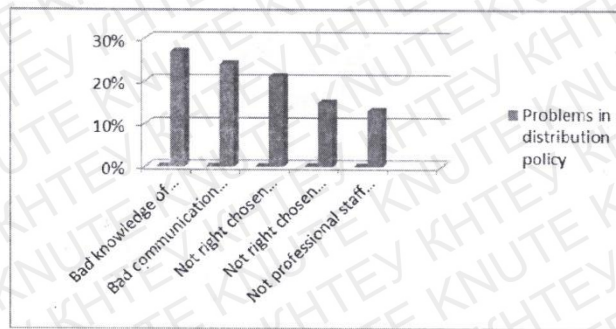


Fig. 3. Problems in distribution policy

*How the pandemic affected the sales level depending on the distribution channel?*

Table 4

**The impact of the pandemic on the level of sales depending on the distribution channels**

	%
Online distribution channel	
Decrease	80%
Increase	11%
No impact	9%
Offline distribution channel	
Decrease	75%
Increase	16%
No impact	9%
Online and offline distribution channel	
Decrease	78%
Increase	13%
No impact	9%
	100%

80% of 100% of online business owners feel a decrease in demand compared to 75% in offline and 78% for businesses that were present in both channels. Online also showed the lowest percentage growth compared to others - 9%, 16% (offline) and 13% (both channels). Companies with offline distribution channel lost more money than another companies, as they unsecured backup plan for such cases as today.

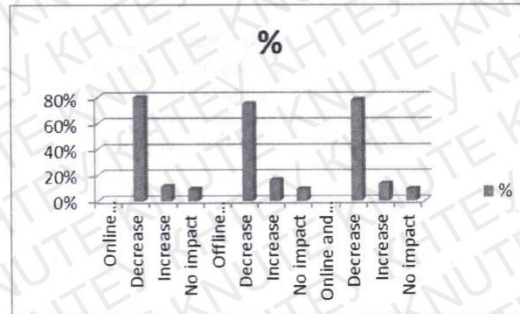


Fig. 4: The use of distribution channels

What actions are enterprises taking to stabilize the situation caused by the pandemic?

Table 5

**Actions for stabilization situation caused by the pandemic**

Actions	%
Transition to online work	30%
Transition to remote work	25%
Full stop of work	15%
Adaption of assortment	9%
Cost reduction	7%
Searching of new customers	4%
Improving of delivery	5%
Changing distribution channel	5%
	100%

A third part of entrepreneur chose the strategy of a complete transition to online (those who were previously presented only offline or in both channels). A quarter part noted the transition of employees to remote work. 15% indicated that they were forced to completely stop work. Mostly among them are industries such as construction, beauty salons, hospitality industry. 9% of entrepreneur noted the adaption of assortment, 7% cost reduction, 4% searching of new customers, 5% improving of delivery and 5 % changing distribution channel.

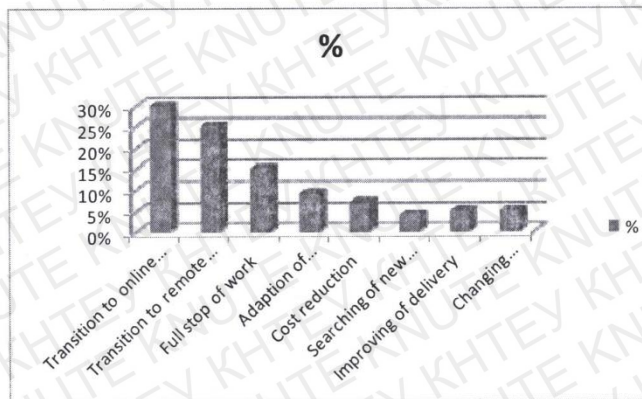


Fig. 5. Actions for stabilization situation caused by the pandemic  
Source: Evaluating the authors based on the results of research

### Conclusion

Thus, the decision you will take about your distribution channel will affect your pricing, your products, your relationships with your intermediaries and your customers. distribution policy is aimed at improving the efficiency of the trading company. Because the main goal of any business is to obtain maximum profit, the sales activities should be given as much attention as possible. Every trading company should be well organized distribution service, which will deal with ways to promote their products in free markets competition.

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The work was performed under the scientific guidance of Ph.D.,  
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### HR MANAGEMENT DEVELOPMENT TREND

**PONOMARENKO A., 2 course of master FRHTB KNUTE,  
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*This work reveals the essence, methodology and practical application of the activities of HR management in the modern world. Theoretical and methodological approaches, basic aspects and areas of activity of HR management will be considered. A comparison also will be made between modern and outdated approaches to working with staff, and well-reasoned recommendations regarding optimal work with staff based on statistics and experience other countries.*

**Key words:** HR management, human resources, management, development.

*Дана робота розкриває сутність, методологію і практичне застосування діяльності HR менеджменту в сучасному світі. Будуть розглянуті теоретичні та методологічні підходи, основні аспекти та сфери діяльності HR менеджменту. Також буде наведено порівняння між сучасним і застарілим підходами до роботи з персоналом, і аргументовані рекомендації щодо оптимальної роботи з персоналом на базі статистики та практики різних країн світу.*

**Ключові слова:** HR менеджмент, людські ресурси, менеджмент, розвиток.

**Actuality of article.** Every year the world market is developing rapidly: the economies of countries are gradually growing, the number of start-ups is increasing, the threshold for entering the market is increasing. Along with new businesses, new jobs appear where the list of applicants exceeds the number of available jobs. It is necessary to choose the most worthy candidates, while selecting them so that they can be not just a working team, but an effective team. The larger the enterprise, the more efforts must be made to maintain and develop the labor potential of the team. And HR manager helps to deal with this problem. HR management is one of the effective methods of obtaining a competitive advantage for a company.

Figure 1 Organizational structure of the restaurant "Mama Manana"

