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# CLASSIFICATION TRANSFORMATION IN THE FOOD SECTOR

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Соколи І.І., Кравченко О.М. Класифікаційна трансформація у ресторанному господарстві.

У статті уточнено поняття ресторанний бізнес. Систематизовано трансформаційні перетворення класифікацій закладів ресторанного господарства за видами економічної діяльності, типами та класами. Обгрунтовано рекомендації щодо удосконалення діючої класифікації закладів ресторанного господарства в частині перенесення кав'ярень і чайних салонів з групи «Продаж їжі і напоїв» до групи «Продаж напоїв і страв». На підставі співставлення вітчизняної та міжнародних класифікацій зроблено висновок про необхідність розширення класифікації закладів ресторанного господарства України з метою можливості здійснення коректного статистичного обліку всіх існуючих видів закладів ресторанного господарства та отримання достовірної інформації для стратегічного розвитку галузі та окремих суб'єктів ресторанного господарювання.

Ключові слова: ресторанний бізнес, ресторанне господарство, класифікація закладів ресторанного господарства

Соколы И.И., Кравченко О.М. Классификационная трансформация в ресторанном хозяйстве.

В статье уточнено понятие ресторанный бизнес. Систематизированы трансформационные преобразования классификаций заведений ресторанного хозяйства по видам экономической деятельности, типам и классам. Обосновано рекомендации относительно усовершенствования твующей классификации заведений ресторанного хозяйства в части перенесения кофеен и чайных салонов из группы «Продажа пищи и напитков» в группу «Продажа напитков и блюд». На основании сопоставления отечественной и международных классификаций сделан вывод о необходимости расширения классификации завелений ресторанного хозяйства Украины с целью возможности осуществления корректного статистического учета всех существующих видов заведений ресторанного хозяйства, и получения достоверной информации для стратегического развития отрасли и отдельных субъектов ресторанного хозяйствования.

Ключевые слова: ресторанный бизнес, ресторанное хозяйство, классификация заведений ресторанного хозяйства

Sokoly I.I., Kravchenko O.M. Classification transformation in the food sector.

The concept of the restaurant business was clarified in this thesis. The transformation conversion of the industrial classifications of restaurant industry by economic activities, types and classes were systematized. The recommends of improvement of the current classification of restaurant business activities in part of transferring such business activities as café and teahouse from "Sale of food and beverages" group to "Sale beverages and food" group were substantiated. Basing on a comparison of Domestic and International classifications was made the conclusion of expansion necessity in Ukrainian classification of restaurant industry with the aim to have a possibility of correct statistical accounting of all existing restaurant business activities types, to obtain of reliable information for strategy development of restaurant industry and each individual business entity.

Keywords: restaurant business, restaurant sector, classification of restaurant business activities

he food sector in market conditions are dynamic widespread sector of the economy that is continuously increasing in the number of entities and of the types of activities and displays. Globalization processes integrating the economies of all countries together require adaptation and adoption terminology identity that makes it relevant to study the processes of transformation classifications using various organizational forms of business entities in the restaurant business. Clarification of terminology base, bringing to international standards classifications restaurants provide the possibility of correct statistical records of all existing types of institutions restaurants, reliable information for strategic development of the sector and individual entities, modern forms and methods of doing business.

### Analysis of studies and publications

Today there is still a debate on the definition of key terms and concepts in the restaurant industry activities. Various researchers [1... 5, 8, 9, 12] explore the theoretical concepts such as catering, restaurant business, restaurant business, restaurant business, restaurant management, catering and restaurant business, analyze and improve existing classification of entities restaurants and others. However, the improvements are permanent, continuous, and requires constant monitoring and incorporate new trends as the legal and economic issues.

# Unsolved aspects of the problem

The confusion of definitions in restaurant management is primarily concerned with changes in legislation. Thus, according to the order of the State Committee of Ukraine for Technical regulation and consumer policy from October 29, 2003 № 185 from 1 January 2003 the phrase catering is changed to restaurant households Thus, we have reason to believe that the term catering and restaurant households are identical and interchangeable, but note that at this time in accordance with applicable law considered more correct term restaurant management that needs to be clarified.

Classification characteristics of business entities in Ukraine restaurant business is constantly changing, closer to international standards, but has not received all the necessary attributes. Today there is a need to determine feasibility of further improving the classification of species and types of institutions restaurants for domestic classification, as well as its

practical scope of implementation is not yet fully meet international standards.

The purpose of this article is the concept of the separation of the concept of the restaurant business restaurant business, identify areas for improvement of the existing classifications of entities in the restaurant business.

#### The main material

The food sector. (FS) is economic activity of economic entities on services relative to meet consumer needs for nutrition of organizing leisure or not. Business entities operating in the restaurant business through institutions FS [6].

Despite the clear definition in law, some researchers agree that the term food sector, restaurant business is fundamentally different from the concept of catering [5, 7]. The main difference between the two authors determined that businesses catering business and restaurant business operating for profit and with this goal and fulfill a social function. catering. In this context of the restaurants include restaurants, barbecue, basically only dining, pizzerias, bistros, and of the catering room. That commercial area and the is the first activity organized for profit to provide services at the place of mass nutrition education, second treatment, work and so on noncommercial. But really, the activities of the restaurant industry provides enterprise operation as for profit, and without this goal [1], and the task of catering or restaurant business is to serve customers of all troops and provision of services [8].

However, there is such a thing as the restaurant business. Scientists treat business as an activity aimed at making profit through the creation and implementation of specific products or services. Profit is determined by the primary stimulus activity [2]. In the study, the concept of business Stolyarenko A.M found a different language and terms, and found that they all have common features [1]:

- Business is an economic activity;
- Business must not contradict the current legislation;
- Purpose of business is profit.

Scope of restaurants includes the activities of enterprises of different organizational forms, such as are for -profit, and companies that fail to provide for such purpose. Thus institutions restaurants are divided into commercial establishments such, institutions and non-commercial type. Thus, the only type of commercial enterprise should be attributed to the restaurant business, because their main goal is profit. [1] This view does not contradict the notion of business as described above, and in our opinion is quite reasonable.

By V. Antonov, restaurant business is the economic activity definition to implement the social order in the form of services best meet the needs of food of different social groups in order to realize the mission of the enterprise for sustainable development tangible and intangible, adjusting cash flows, financial support in the reproduction of the labor force

on the basis of reconciling the interests of all market actors [9]. In our opinion, which coincides with the opinion of S. Tkachev, this definition contains too many elements, which complicates its further use in scientific and practical treatment, and is not quite clear. In turn, S. Tkachev identified the restaurant business as an integrated field of entrepreneurship and business entities public network restaurants aimed at meeting the basic socio — cultural needs of the customers and profit through production, distribution and consumption of restaurant product [2]. We believe that this definition is sufficiently capacious, but too complicated, making it difficult to understand out of context of scientific work of the author, and not transparent for use as self — determination.

Based on the above, we clarified the concept of the restaurant business. The restaurant business is the kind of business in the restaurant sector, which aim is to get the profit by services relative to meet consumer needs for nutrition of organizing leisure or not.

Consider national and international classification of institutions restaurants. To do this, first you must determine what the institution FS is, and how it differs from company FS. The main provisions, terms, and classification of establishments are restaurants in the law [10, 11].

FS is organizational and structural unit in the FS, which provides industrial and commercial activity: producing, sells and arranges consumption of own production goods can arrange leisure consumers [11].

FS enterprise is institution (set of institutions) who is self enterprise FS, registered economic entities, have the right to legal persons and operates for profit [14]

According to the law schools Ukraine FS distinguished by the types and classes [10, 11]. Detailed classification ZRH Ukraine is represented in ISO 4281:2004 Institutions restaurants. Classification [11].

Until 2004, Ukraine GOST 30389-95 used Public Power. Classification of enterprises, which is now used by countries such as Azerbaijan Republic, the Republic of Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Turkmenistan. That this standard is fairly common in the former Soviet Union. Having considered these two classifications and the International Industrial International Classification of Economic Activities (ISIC Rev 3.1 Standard Industrial Classification of All Economic Activities), we concluded that the classification according to GOST 30389-95 is a clear and concise, but the classification of any information ISO 4281:2004 in closer to the international classification ISIC Rev 3.1. amended in 2002. Yes, GOST 30389-95 clearly defined division catering for the types of the restaurant, bar, cafe, dining room, snack bar. And distribution of food and beverage into three categories: luxury, highest first. In the domestic classification given in ISO 4281:2004 is also a division of enterprises restaurants on the types and classes. The document provided the following definition of terms:

Type of institution restaurants – a set of common characteristics signs of industrial and commercial activities of the institution FS (ISO 3862) [10, 11].

Class institution FS is a set of distinctive features Institution WG certain type, which characterizes the requirements for its products goods, the conditions of their use, organizing services and leisure customers. By the level of comfort, service levels and scope of services, restaurants and bars are divided into three types: suites, and higher first (ISO 3862) [10, 11].

In the classification of establishments are a number of definitions of different types of restaurants, but it is impossible to clearly determine whether they are just different resort restaurants. One thing that clearly indicates what types of facilities are restaurants, a series of tables REQUIREMENTS restaurants basic types and classes provided in the. However, none of these tables are not set requirements for these types of food service establishments as factory- harvesting, kitchens, and restaurant for special orders (catering), although these types of agencies exist in FS Ukraine and distributed worldwide. That 's exactly the types of institutions

restaurants, indirectly confirmed by analysis of the structure of the classification.

Classification of institutions restaurants that given in ISO 4281:2004 [11] and is shown schematically in Fig us. 1.1, close to the international classification that is prescribed by the International Standard Industrial Classification of Economic Activities (ISIC Rev 3.1.) In the edition of 2002, and is the classification by economic activity, based on a set of requirements for the product range and level of services and service delivery. Thus, in the first group the emphasis is on cooking, is the title of the group. But it is not clear then why it applies also coffee and tea salon. In the second group of businesses for sale, selling drinks and food to them that it focuses on the selling of drinks, everything else is related goods. In our view, it would be logical to include this and the following types of businesses restaurants as coffee and tea salon. The third group comprises companies that specialize in the sale of food and beverages to consumers, combined with the professional features, these include dining and buffets, which we think is quite logical. The fourth group includes companies involved in the supply of food prepared centrally for use elsewhere.

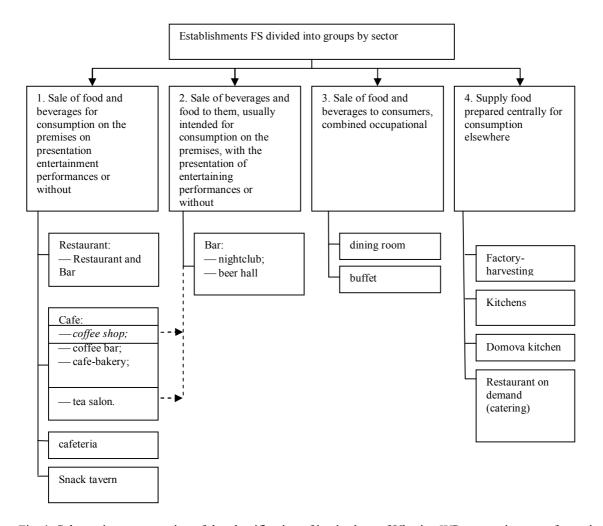


Fig. 1. Schematic representation of the classification of institutions of Ukraine WP appropriate transformation (authoring)

Analysis of the existing classification of establishments catering facilities (ISO 4281:2004) led to the conclusion that it lacks a clear and transparent grading it according to the types and classes of establishments. Therefore, we consider it worthwhile to improve the existing classification, and agree with Malska M.P, offering share options at restaurants such types of restaurant, cafe, cafeteria, snack bar, bar, dining room, pantry, plant, stockpiling, kitchens, restaurant on special order (catering) [12].

In turn, some types of institutions have their own variations of the FS, restaurant-bar is the kind of restaurant, coffee shop, coffee bar, café, bakery, and tea salon is a kind of cafe and night club and beer hall is a kind of bar.

The above-mentioned types and kinds of institutions WP can be full service facilities WG, fast service WG, Entertainment Club, a public institution or closed WG, and they may make part of square meals

Also, these types of institutions restaurants like restaurants and bars are divided into three categories: luxury, highest first [11].

In order to systematize the perception of types and classes we developed a diagram (Fig. 2), which combined types ZRH proposed slightest MP, and classes ZRH provided by applicable law.

In the International Standard Industrial Classification of All Economic Activities ISIC Rev 3.1 edition in 2002, the restaurant industry classification is given in paragraph 552 Restaurants, bars and canteens (restaurants, bars, table), which are part of subdivision Hotels and Restaurants (Hotels and restaurants) paragraph 55 classification [13]. In order to be able to compare, we have constructed a schematic representation of the classification according to ZRH ISIC Rev 3.1, 2002 version (Figure 1.3).

A marked similarity in the formation of groups of different types of institutions FS. First four main points of this grouping are identical. Further, from the fifth to the ninth International Classification of items separately allocated activities restaurants and bars are located on board ships and trains (Section 5, 6 and 9), regulated sale of finished beverage (Section 8), and sales through vending machines (Section 7). In the domestic grinding classification is absent, we believe quite logical. As shown in Fig.1 and 3, the domestic classification structure as close to the international, which is shown in ISIC Rev 3.1, edition 2002, but is somewhat simplified.

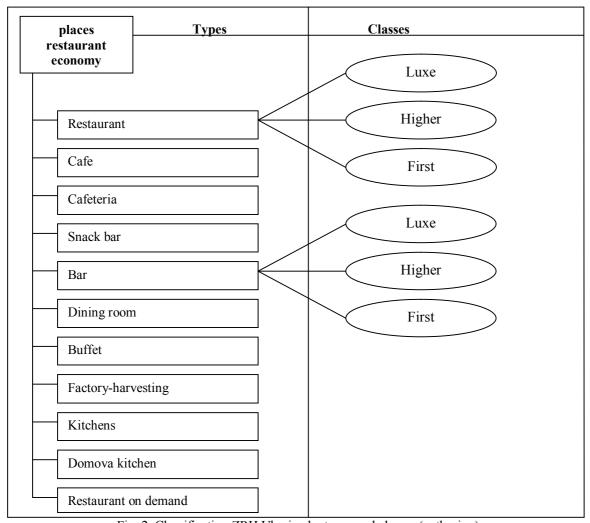


Fig. 2. Classification ZRH Ukraine by types and classes (authoring)

The structure of the considered classification ISIC Rev 3.1 indicates the existence of three formal groups ZRH, which was reflected in a diagram. Each of these groups is common. The first group included ZRH engaged in marketing of their products in different rooms type. The second group included those ZRH that render their services remotely. The third group includes all ZRH that are not included in the previous two, this trading activity with food and drinks durable (Section 7. 8), and the activity of dining cars, which is provided directly by the transport company (Section 9). It should be noted that the activity of dining cars, which falls under the fifth paragraph is provided by individual organizations outsourced

According to the international classification term class is part of the classification. Belonging to a certain class is treated as belonging to a particular group. In 2008 the structure of the international classification ISIC Rev 3.1 has undergone some changes, and has been greatly simplified with respect to the previous one. In ISIC Rev 4, edition of 2008, everything that is related to food services included in the section and accommodation and food service activities (accommodation and activities to provide

food services), section 56 Food and beverage service activities (activities the provision of food services and consumer products).

According to the text of an international classification ISIC Rev April 2008, Section 56 'employees to provide services to food and beverage consumption includes services for the provision of food services and consumption of drinks that provide a complete food or drinks for immediate consumption (immediate) use, as in a traditional restaurant and self-service in the restaurant or take-away restaurant, stationary or mobile, with or without a seat seats. Particularly emphasizes the fact that the food for immediate consumption is not the kind of institutions that provide them [14].

Removed producing foods that are not subject to immediate consumption, or consumption in the near future or ready meals, dishes that are not considered (see Chapter 10: Industrial food production and 11 Manufacture of beverages). Also excluded are not selling products of own production, which is not involved in the process of meal (meal), or meals which are not subject to immediate consumption (see section G: Wholesale and retail trade) [14].

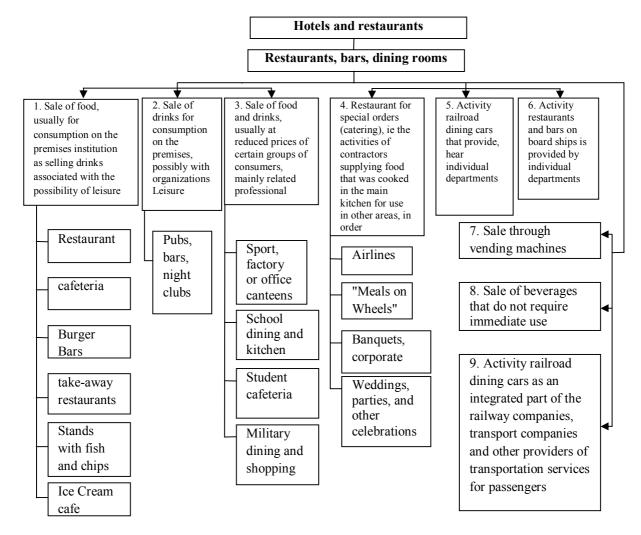


Fig. 3. Schematic representation of the classification according to ZRH ISIC Rev 3.1, 2002 (authoring)

We see that a new version of the International Classification departed from the term Restaurants (Restaurants), we consider the notion of national identity restaurant management, and proceeded to use the term food service activities (activities catering), which in our opinion the expression activities of food

is identical with the term that was used in Ukraine by 2003, the catering.

For further analysis of the changes in the international classification and comparison with existing at that time edited the national classification construct Schematic representation classification ZRH under ISIC Rev 4, edition of 2008 (Fig. 4).

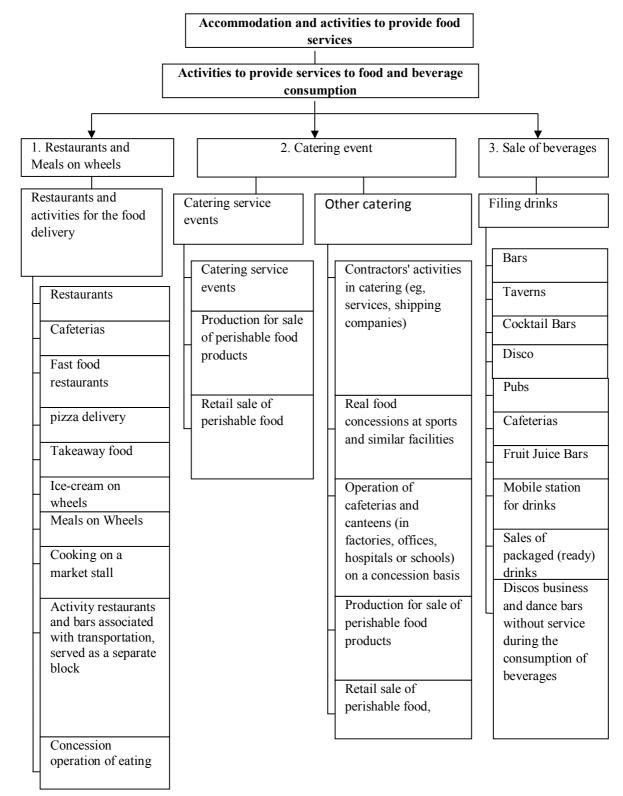


Fig. 4. Schematic representation of the current classification ZRH according to ISIC Rev 4, 2008 (authoring)

This revised classification ZRH immediately noticeable clear split into three main groups ZRH. This division existed before, but was vaguer, as is evident from the text of the classification. Compare the domestic current classification ZRH regulated ISO 4281:2004 (Fig. 1.) with the current international classification ISIC Rev 4 (Pic.4). Both classifications there are three types of groups:

- ZRH specializing in the sale of finished food and beverage attendant, with the possibility of leisure, or not;
- ZRH specializing in the implementation of drinks, food and related, with the possibility of leisure, or not;
- ZRH engaged in supplying food prepared centrally for use in other locations, catering.

In the domestic classification [11] as a separate block of selected everything that is related to the sale of food and beverages to consumers, combined with the professional characteristics. The international classification [14] operation table and cafeterias (in factories, offices, hospitals or schools) is a group 2»Catering event or events". That is according to the international classification of food service personnel organizations always provided by third parties, while under the national classification of such services can be provided both by the enterprise or a third party, on the basis of the food concession.

Interestingly, that the classification of establishments FS provided in the Ukraine National classification, classification by sector 009:2010, applicable from 01.01.2012 [15] is almost identical to the classification ISIC Rev 4, but is very simplified compared to the latter. This simplicity leaves plenty of room for contradictory interpretations of the content of each of the points classification. Schematic representation of the current classification now in Ukraine ZRH made by the author (Fig. 5).

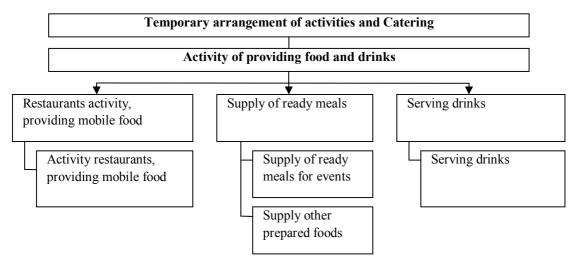


Fig. 5. Schematic representation of the classification according to ZRH National Classifier of Ukraine, classification by sector 009:2010, applicable from 01.01.2012 (authoring)

On the basis of the analysis of domestic and international classifications of different periods, it is concluded that the current classification in Ukraine [11, 15] correspond to the international, but have their own identity. In contrast to the international, the domestic classification under ISO 3281:2004 separate block out companies that operate to meet the needs of consumers combined with professional groups that we believe is a reasonable, and does not require changes.

As you can see, unlike the international classification ISIC (Fig 3 and 4) analyzed national classification (Fig. 1 and 5) is more consolidated and not included in the full range of varieties ZRH. We believe this is due to lower levels of the development of the restaurant industry, and consumer culture in Ukraine. While this simplifies the process of consolidation of statistics ZRH, on the other hand does not give enough data to analyze market saturation by certain specific ZRH. For example, the national classification of ISO 4281:2004 (Figure 1.), At first glance, it is unclear where the attribute of

quick-service FS. The fact that such facilities will become part of this element classification, restaurant, shows a note, given to the term "restaurant", which states that the time is divided into service restaurants: fast service and the usual [11].

At the same time, in the International Classification present separate block "Fast food" that avoids distortion of information regarding the number of restaurants, money, and man- for restaurants in different regions and parts of the cities, but also makes it possible to calculate precisely the amount of fast service. We believe that the concept of "quick service restaurant" is contrary to the concept of "restaurant". FS is the kind of establishment where used method of quick-service, self-service and offer a limited range of products, which speeds up the process of care [11]. At FS diverse range of the same time, the restaurant is an institution its products, excellent service and comfort combined with organizing recreation and leisure customers. [11] We believe that these two types of institutions FS are fundamentally different concepts.

In the first case, the emphasis falls primarily to provide services quickly, the product range is limited, while the restaurant focuses on a wide range of dishes, mainly domestic production with a high level of service and comfort. Therefore, it is advisable to separate classification.

## **Conclusions**

As a result of studying transformation processes classifications in the restaurant business was a concept of the restaurant business and provided suggestions for improvement of the existing classification in restaurant management. Catering describes the kind of business in the restaurant sector (as it is an integral part), which aims to profit by services relative to meet consumer needs for nutrition of organizing leisure or without stems.

In the above examples, and thanks to the schematic, ocular domestic and international classifications institutions FS concluded that the country's imperfect classifications require revision because it was given under refinement and expansion.

Systematized existing classification of establishments by type of restaurant facilities and classes, and recommendations in the Ukrainian Classification move coffee and tea shops, the group "Sales of food and beverages" in group "for drinks and food". Based on comparison of national and international classifications concluded that the need to expand the classification of establishments restaurants Ukraine. Improvements to the existing classification of business entities in the restaurant sector will raise the quality level of statistical records of all existing kinds of schools, restaurants and obtain reliable information for strategic development of the sector and individual actors restaurant management.

Existing classification constantly changing over time and the development of restaurant services, as appropriate in the future to continue the improvement of the existing classification based on international trends and must-specific developments in their own restaurants.

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