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**SURVIVAL STRATEGY
FOR RESTAURANT BUSINESSES DURING STATE OF WAR**

Summary

Restaurant businesses in conflict zones face immense challenges requiring strategic adaptation to survive and maintain operations. The ongoing war has disrupted various aspects of the industry, including staffing, logistics, customer demand, and financial stability. A robust survival strategy is crucial for overcoming these challenges and ensuring continuity. To adapt to changing consumer behavior, restaurants have shifted toward more casual dining, take-out, and delivery services, focusing on affordability and convenience. Cost reduction through streamlining operations, simplifying menus, and consolidating roles is essential to manage rising expenses. Due to the shortage of experienced staff, businesses are prioritizing training and offering psychological support to maintain employee morale. Leveraging technology, such as online ordering systems and social media advertising, helps restaurants stay connected with customers and boost brand recognition. Franchising offers an attractive model for expansion with reduced risks, allowing businesses to reach a broader audience while maintaining a proven business structure. Supporting local suppliers and sourcing products locally strengthens the supply chain, promotes sustainability, and aligns with consumer preferences. Psychological and emotional well-being is key, creating a positive atmosphere for both staff and customers contributing to loyalty and continuity. Looking ahead, post-crisis recovery will involve embracing global

trends such as digitalization, sustainability, and wellness. In conclusion, the survival of restaurant businesses during a state of war depends on their ability to quickly adapt, innovate, and focus on efficiency while maintaining customer engagement and employee well-being.

Introduction

The volatility of the modern world and the number of events occurring over a short period compel businesses to respond quickly to changes to continue operations with minimal losses. Restaurant businesses primarily cater to consumers, making it essential to focus on changing customer demands while maintaining competitiveness.

Martial law and quarantine have highlighted significant issues in the restaurant business, particularly in developing strategies during unstable times. Many establishments were unable to overcome the crises and ceased operations.

The restaurant industry, like many other sectors, faces immense challenges in times of crisis. The outbreak of war introduces a unique set of difficulties, including disrupted supply chains, loss of staff, and a dramatic shift in consumer behavior. In such an environment, restaurant businesses must develop effective survival strategies to ensure their continuity. The state of war in Ukraine, for example, has forced many businesses to reevaluate their operations, adapt to rapidly changing conditions, and find innovative solutions to remain viable.

During times of conflict, restaurants face not only logistical and financial challenges but also a shift in the demand for food services. Consumers' priorities change, often opting for convenience, affordability, and safety over traditional dining experiences. The threat of instability, along with physical damage to infrastructure, can also make it difficult for businesses to maintain normal operations.

In response to these challenges, restaurant businesses need to implement strategies that prioritize cost-efficiency, streamline operations, and improve flexibility. They must also focus on employee well-being, ensure the safety of both staff and customers, and maintain customer loyalty. Technology and digital transformation have become essential tools, allowing businesses to pivot towards delivery services, online ordering, and digital marketing.

Chapter 1. Analysis of factors influencing the development of restaurant businesses

Ukrainian businesses have faced numerous challenges in recent years. While enterprises adapted relatively quickly during the quarantine, the aggression of the Russian Federation disrupted businesses for nearly an entire year (according to the European Bank for Reconstruction and Development). Currently,

approximately 6% of enterprises have ceased operations, 57% report minimal impact, and 37% have reduced their activities [2].

Martial law significantly affects business operations, reducing profitability, demand, and activity volume. However, these are not the only consequences of the changing circumstances. The resulting crisis exposed certain managerial issues.

It has become increasingly difficult for businesses to forecast long-term operations in modern conditions. Enterprises are forced to reassess their strategies and development methods.

Business strategies now focus on finding new markets, enhancing product uniqueness, obtaining additional funding, and adopting new formats. The continuation of business activities demonstrates their resilience and adaptability to new realities. Nevertheless, there remains significant work to strengthen businesses and develop additional safeguards, such as finding backup suppliers, establishing additional warehouses, or other measures to ensure infrastructure attacks do not disrupt operations [9].

Restaurant businesses are highly dependent on external circumstances, whether minor or significant changes. It is nearly impossible to predict all influencing factors due to their diverse origins and impacts. However, we can examine those that are traceable and analyzable.

One of the most important and evident factors is the socio-economic situation in the country, which directly impacts consumers. Recent years, marked by shocks such as COVID-19 and the full-scale invasion, have clearly demonstrated how demand for restaurant services can decline. This decline results from consumers' inability to satisfy all their needs while maintaining financial stability (e.g., due to inflation, unemployment, etc.), leaving less room for dining out.

Although interest in dining services remains, it often manifests in new forms, requiring businesses to adapt to evolving consumer demands. Enterprises must monitor these changes closely to align with customer expectations. Societal norms and rules also play a role, as restaurants are expected to comply with these, ensuring their familiarity and acceptability to customers. When societal norms shift, businesses must maneuver accordingly [13].

Seasonality is another factor influencing restaurant businesses. During certain seasons, demand for restaurant services increases, providing opportunities to open new positions and generate higher profits due to increased customer traffic. The seasonality impact depends on the restaurant's concept. For instance: confectioneries experience peak demand during autumn and winter; establishments with terraces thrive in summer; hookah lounges are more popular in winter.

The impact is also determined by the business location, climate, and geography. For example, Ukrainians often choose Bukovel for winter vacations, while Odessa is a preferred destination in summer for the sea breeze.

Technological development undoubtedly affects business operations. It optimizes processes, simplifies communication between restaurants and customers, allows for instant changes, and reduces certain expenses (e.g., printing menus). However, technological advancements necessitate a new approach to business operations, retraining personnel, marketing development, and ensuring material and technical resources are up to date. This factor can be considered an intensive development driver, helping restaurants find innovative solutions, occupy their niche, and remain competitive. Technological advancements improve service quality, benefiting both businesses and consumers [6].

Demographic trends also significantly influence restaurant operations. Demographics are crucial when selecting a business location, as they impact profitability and demand for specific restaurant types.

A shrinking working-age population leads to economic challenges, as reduced tax contributions strain the country's financial stability.

Migration due to the war has profoundly affected regions, with some relocating within Ukraine and others leaving the country, often among the most solvent demographics. This migration impacts restaurant businesses by shifting customer bases and changing demand patterns. Additionally, education levels, living standards, and traditions shape demand for certain services while decreasing interest in others [4].

Political factors also have a significant impact on restaurant businesses. These include legal regulations, state fiscal policies, and broader geopolitical situations. During martial law, businesses face additional restrictions, such as curfews, limited access to certain goods and services, and disruptions in supply chains due to territorial occupation or infrastructure damage. These conditions require businesses to operate within a narrower framework, imposing additional challenges.

Government support is a vital factor for many restaurant businesses, especially during crises. Support can come in the form of tax relief, subsidies, or simplified procedures for small and medium-sized enterprises. However, the efficiency and availability of such support vary by region and economic conditions.

Another important factor is competition within the industry. Even under difficult circumstances, new businesses emerge, and existing ones adapt to maintain relevance. Restaurants must not only retain their existing customer base but also attract new ones through creative solutions and innovations. This often involves redefining their concept, expanding their range of services, or improving operational efficiency.

Environmental factors are becoming increasingly critical in restaurant management. Consumers increasingly demand eco-friendly practices, such as using locally sourced products, reducing food waste, and minimizing the use of plastics. Sustainability is no longer a niche trend but a requirement for competitiveness in many markets. Restaurants integrating "green" principles into their operations gain customer loyalty and comply with international environmental standards.

Finally, consumer behavior and preferences are ever evolving, influenced by socio-economic changes, technological advancements, and cultural shifts. Understanding and predicting these preferences allows businesses to remain flexible and innovative. For instance, the popularity of delivery services surged during quarantine, compelling many restaurants to adopt this model, even if it wasn't part of their initial concept.

To conclude, the factors influencing the restaurant business are multifaceted and interconnected. Their impact can vary depending on the geographical location, target audience, market conditions, and political and economic climates. A comprehensive analysis of these factors enables businesses to develop adaptive strategies and maintain stability even in challenging times.

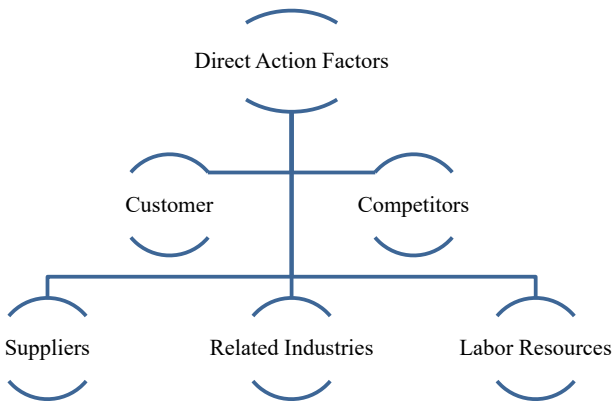


Figure 1. Direct action factors affecting restaurant businesses

Source: Created by the author based on [3]

The consumer is the cornerstone of the restaurant business since without them, the enterprise loses its purpose. A customer's interest in a restaurant depends on how well the business understands its target audience and meets their needs. Various tools such as marketing, service, and concept development can influence consumers. Therefore, restaurant development strategies are based on who the service consumers are. A thorough analysis of the target

audience makes it easier to implement strategies and adapt to changes, ensuring a steady profit flow. It is crucial to remember that the audience itself is dynamic, necessitating constant screening and adjustments.

Competitors play a significant role in driving restaurant businesses to innovate and differentiate themselves. Competition helps regulate pricing for similar products, balancing profitability and consumer demand. However, it also imposes certain constraints on business strategies. Key risks include unpredictability in competitors' actions and rapid market changes. These factors require continuous strategic adjustments to remain competitive [14].

The quality of a restaurant's offerings depends largely on the suppliers of raw materials. These inputs also affect the final cost of products, impacting overall profitability. Challenges arise when a restaurant is part of a network operating in different cities, as supplier conditions can vary by region. This creates additional risks, making supply chains more complex and harder to manage. While businesses can seek the most favorable supply terms, they must always have backup options, as each party operates according to its own interests.

For comprehensive service experience in the hospitality industry, related sectors play a vital role in creating the final product for consumers. Coordination across various fields increases customer interest and generates profit across multiple areas. For example, food courts in shopping and entertainment centers consistently attract visitors because entertainment zones, retail shops, and restaurants complement each other, catering to diverse consumer needs in a single location. This category also includes sectors that support restaurant operations, such as furniture manufacturers and equipment suppliers.

Labor resources are directly linked to the quality-of-service delivery. The staff's qualifications and ability to understand customer needs ensure a high level of service, encouraging repeat visits. Significant results come when businesses focus not only on expanding their workforce but also on their intensive development. This includes quality control, upgrading infrastructure, introducing innovative features and technologies, and enhancing staff skills through training [7].

It is important to note that the psychological and emotional state of the staff is extremely significant, especially for employees whose roles involve direct communication with customers. Sudden changes that create uncertainty about the future greatly affect individuals' well-being, which in turn impacts on the team's morale and ultimately the customer experience.

Stress should not be viewed solely from a negative perspective; it can also foster the development of emotional intelligence and adaptability. In this way, professional stress can serve as a catalyst for emotional self-regulation and productivity.

However, in the workplace, stress often causes harm, affecting numerous businesses. Both in Ukraine and abroad, stress impacts employees' health and well-being, leading to absenteeism or significantly reduced productivity.

For example, 2020 was a turning point for many restaurant workers, as the inability to earn income under pandemic restrictions triggered anxiety, irritability, and fear. The struggle to meet basic needs pushed many to seek alternative employment in entirely different fields. This left business owners in a difficult position, where establishments either broke even or incurred losses, making it impossible to raise wages. Meanwhile, employees could no longer survive under previously acceptable conditions due to changing circumstances.

The full-scale invasion further disrupted the restaurant industry, even more so than pandemic-related restrictions. Constant air raids, explosions, and personal anxieties affected everyone's psychological and emotional state to varying degrees. Naturally, this has had a noticeable impact on work processes. Staff may lash out at customers, become confused while performing duties, and experience more frequent burnout or emotional and physical exhaustion. Consequently, businesses lose revenue and, in some cases, their reputation if conflicts between staff and customers escalate.

Several forms of professional stress can be identified, each with its own characteristics. Perhaps the most dangerous thing for the functioning of a restaurant business is managerial stress. This type of stress, experienced by management, affects all subordinates, triggering a chain reaction. There are numerous reasons for the onset of such stress, but it often stems from pressure exerted by owners on management and the inability to regulate one's own emotional state.

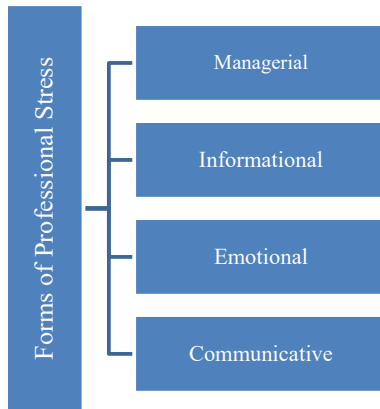


Figure 2. Forms of professional stress

Source: Created by the author based on [9]

Informational stress arises from a lack of knowledge or expertise among industry professionals, while communicative stress occurs when employees struggle to establish connections with unfamiliar or even familiar individuals and face the need to take responsibility for outcomes.

Emotional stress arises because of the management's undervaluation of an employee's actions, undermining their sense of worth and importance within the organization. It may also stem from conflicts, pressure, or manipulation.

It is a misconception to believe that crises necessarily hinder the development of the restaurant industry. Restrictive factors tend to filter out weaker players lacking a solid operational strategy, leaving stronger enterprises that can adapt, innovate, and find new opportunities even in challenging circumstances. If quarantine and martial law were purely threats to business, the current wave of new restaurant openings – each with its unique appeal and target audience – would not have occurred. A crisis is more of an opportunity, provided there is knowledge, an understanding of the consumer, and a strategic approach to adapting to difficult conditions.

Chapter 2. Survival strategies for restaurant businesses during martial law

A significant number of scientific works, both by foreign and domestic authors, are dedicated to issues related to the process of strategic management of enterprises. This topic has been explored by such authors as I. Ansoff, M. Porter, A. Thompson, O. Vikhansky, Z. Shershneva, A. Gradov, P. Sabluk, and M. Trenov.

Enterprise strategies are a key factor in the establishment and operation of restaurant businesses, as they determine the prospects and pace of business development. Survival strategies aim to guide an enterprise out of crisis and explore alternative options for reinvesting working capital to prevent financial losses for the owner. These strategies are tailored to each enterprise, reflecting the core objectives of the business and setting the necessary direction to achieve high operational efficiency.

Cost reduction is inherently a short-term strategy, as prolonged implementation can ultimately lead to the closure of the business. When applying this strategy, it is critical to avoid cutting broad expense categories or essential components vital to the business's operations. Cost reductions should target smaller volumes to avoid compromising functionality. Often, this involves downsizing staff and hiring multi-skilled employees capable of performing multiple roles, implementing near-zero-waste production, and increasing operational efficiency.

This aspect involves narrowing the product or service range to eliminate the least popular items. By reducing expenditure on these "dead stock" items, funds can be reallocated to improve the quality and appeal of the remaining offerings, encouraging customer engagement.

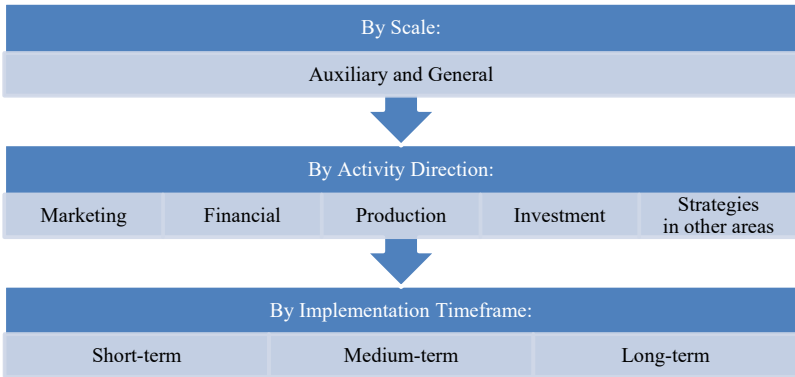


Figure 3. Types of operational strategies for restaurant businesses

Source: Created by the Author [9]

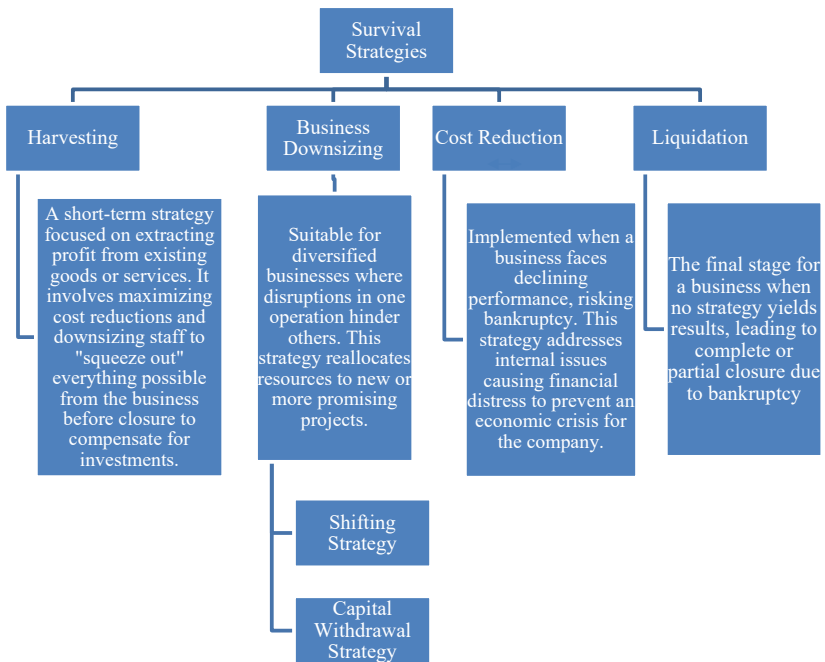


Figure 4. Classification of business survival strategies

Source: summarized by the author based on [2]

Tools like “ABC Analysis” can facilitate this process by categorizing products into three groups based on their popularity, allowing the business to remove the least-performing items.

This approach is used when the business lacks sufficient resources to meet its needs. In such cases, part of the business can be sold while retaining another portion with shared management rights.

It is not necessary to rely on a single strategy to achieve desired outcomes, as strategies are often interconnected. For instance, business reduction and cost reduction strategies can overlap when extensive cost reductions lead to the closure of certain divisions or branches.

When formulating a business strategy, the following factors must be considered:

- the current state of the business,
- limiting factors,
- associated risks,
- capital and production capacity,
- timeframe for implementing the chosen strategy.

In addition to survival strategies, a business must also develop a general strategy that serves as the foundation for creating competitive advantages. Two key indicators for this are differentiation and the "service landscape" (as defined by Mary Jo Bitner). The latter relates to the level of comfort experienced by consumers when visiting a restaurant establishment, shaping their initial overall impression of the business and influencing its competitiveness.

Competition is one of the primary features of a market-based system. It highlights the best businesses and serves as a driving force in business operations, determining the number of consumers and the quality of services provided. The high level of interest in investing in restaurant industry projects encourages the creation of high-quality and appealing products, which makes competition among restaurant establishments quite intense. In general, the concept of competition is broad, encompassing a vast range of factors that remain unstable due to environmental influences, the complex internal processes of businesses, and the chosen development strategies.

The variety of enterprises in the restaurant business allows consumers to choose establishments that meet their specific preferences, whether it be a particular cuisine, location, or concept. However, multiple establishments can meet the same criteria, creating competition as each business strives to attract customers. As a result, businesses are compelled to constantly evolve, improve employee qualifications, provide high-quality and welcoming service, and deliver experiences that encourage customers to return to their establishment.

High competitiveness ensures the stable existence of a business and generates a high level of profit. Building competitiveness is achieved through

a set of competitive advantages that should not only occasionally emerge but also be maintained over time. It is also crucial to identify the target audience for these factors to create a personalized approach that ensures the rational use of resources and helps attract as many customers as possible, as merely achieving maximum performance in all areas is not enough. [9]

To achieve success, it is essential to thoroughly study the market and the niche the business intends to occupy. In Ukraine, for example, the restaurant industry is a popular business sector, making it increasingly difficult to stand out from the competition each year. Therefore, before starting operations, it is crucial to dive deeply into the demands and needs of consumers.

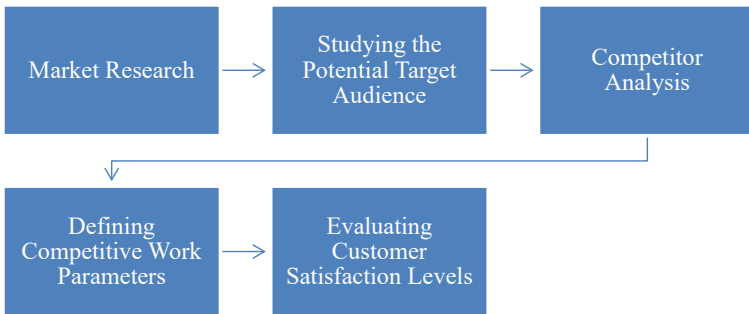


Figure 5. Sequence of actions for determining competitiveness

Source: created by the author based on [15]

Market research is the first step to exploring in order to understand the position a business will occupy in the restaurant industry. The restaurant market includes establishments of various types: bars, cafes, restaurants, patisseries, and more. When developing a business plan, it is essential to analyze which type of enterprise is in demand among consumers, the prevalence of different types of establishments, and their performance metrics.

For example, kiosks are only profitable in high-traffic areas (near offices, metro stations) and under certain conditions, such as offering genuinely tasty coffee and additional promotions like "10th coffee free." Otherwise, coffee shops of this type may fail to break even and could bring additional challenges, such as frequent dismantling of kiosks. This highlights the importance of studying the market to identify what will be in demand and profitable, as it is easier to adjust an idea during the planning stage than to undertake rebranding later.

The target audience for a restaurant business is a crucial factor in its creation. To attract the desired consumers, aligned with the concept, it is necessary to

study their needs, demands, and interests. For instance, modern youth often seek "Instagrammable" spots where they can take aesthetic photos of interiors and food. Taste and service are often secondary considerations for this audience, as the primary goal is to showcase an appealing lifestyle. For such an audience, businesses should focus on creating photo zones, designing visually attractive interiors, and offering interesting food presentations.

In contrast, for older generations, atmosphere, quality, and taste are typically more important, so attention should be directed towards these aspects.

After selecting the type and concept of the establishment, it is vital to analyze competitors in the chosen niche. The following factors should be considered:

- product assortment, taste quality, and presentation;
- primary and additional services offered;
- pricing, discounts, promotions, and average check;
- staff qualifications and the level of service professionalism;
- a recognizable brand identity (e.g., branded uniforms, thematic interior elements);
- implementation of modern technologies;
- customer satisfaction levels [8].

Analyzing competitors' performance allows businesses to identify what appeals to consumers and what aspects require improvement. Of course, simply copying another restaurant's operations is not an option, as consumers cannot be deceived. Instead, it is essential to develop a unique plan and highlight the parameters that the restaurant business will emphasize to stand out against competitors. Introducing something original that people will associate specifically with the establishment – whether it is a signature dish, a unique concept, or "wow-factor" service – is a key task for the business.

The competitiveness of restaurant businesses is shaped by strategic-level advantages that ensure the establishment remains "at the top" over time. These advantages, in turn, depend on both internal and external factors, as these can either positively or negatively influence the restaurant's competitiveness.

External factors are shaped by the surrounding environment, yet the business's contribution to how consumers perceive the restaurant remains significant. This includes elements such as the reputation of the brand or individual establishment, recognizability, and location. A convenient location, available parking spaces, and consumer interest driven by active social media engagement and subscriber activity all create additional advantages over competitors lacking these features. However, if negative publicity regarding service or food quality emerges online and damages the establishment's reputation, external factors can harm the business.

The image of the business plays a crucial role in how consumers perceive the restaurant and what they expect when visiting. A strong business image guarantees the safety and quality of provided services, positioning the

establishment within a particular category of the social environment. This perception ultimately impacts customer trust and the restaurant's long-term success [15].

Internal factors are determined by the management of the enterprise, which makes it more likely to create favorable conditions for enhancing the competitiveness of a restaurant business. These factors typically form part of the development strategy and may include creating a unique menu, designing appealing interiors and exteriors, introducing attractive service features, and more.

The most successful ideas evoke positive emotions in customers and a desire to return, which is closely tied to building a good reputation, generating recommendations for visits, and even influencing the marketing aspect. Customers often voluntarily promote interesting restaurants, thereby increasing the establishment's popularity and contributing to its success.

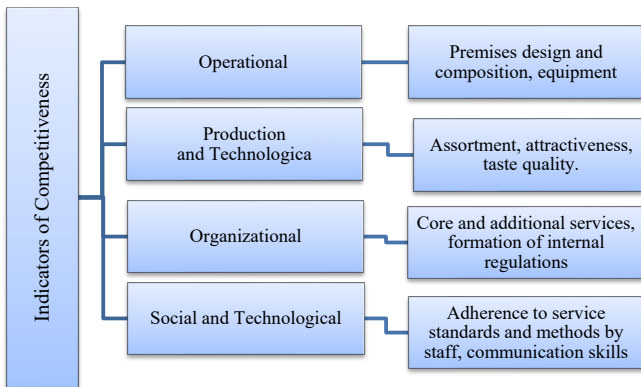


Figure 6. Indicators of competitiveness by formalized features

Source: created by the author based on [1]

The staff is the most visible representation of the establishment in the eyes of customers. Therefore, it is essential to assemble a team that prioritizes the business's interests while fully or largely satisfying visitors' needs. Employees should create a welcoming atmosphere, effectively communicate with guests, properly present dishes and beverages, maintain cleanliness, and deliver high-quality service to leave a positive impression. The number of staff members should be sufficient to ensure smooth operations, avoiding chaos and confusion. For high-end establishments, having positions such as a host or even a sommelier can be a sign of prestige [4].

Management plays a crucial role, as it reflects the values that the establishment promotes. A well-structured management system indicates a high level of organization and responsibility, efficient resource allocation, and proper staff management.

The use of modern technologies allows for the automation of business processes. Features like QR menus enable easy addition of new dishes with accompanying photos, real-time updates on dish availability, QR code payment options, and online ordering for delivery – all of which benefit both the business and its customers [6].

Having enough advanced equipment streamlines workflows and enables customers to receive high-quality products more quickly. Additionally, modern equipment allows for the implementation of innovative cooking techniques, such as molecular gastronomy or sous-vide cooking.

Marketing plays a significant role in creating advantages for business, as digital media is an effective way to attract attention. Restaurants often build their own websites and maintain active social media profiles on platforms like Instagram, TikTok, and Facebook to reach broader audiences. The modern world is highly receptive to visual content, so traditional advertising methods like subway ads, billboards, and magazine spots remain relevant, as does radio advertising. A well-designed marketing strategy can yield excellent results and attract new customers [6].

Effective communication with guests allows the establishment to monitor customer sentiments and evaluate the quality of services provided, whether on-site or through delivery. This approach makes customers feel valued and assures them that their opinions matter. For management, it serves as an opportunity to track guest satisfaction metrics. Additionally, it helps build a base of regular customers who can be informed about new offers or upcoming events.

Restaurants that offer additional services tend to have a higher competitive edge. Examples include a children's room or play area, which attracts families, gaming lounges with consoles, karaoke rooms, outdoor spaces with gazebos or small houses available for rent, workshops, coworking spaces, or music and poetry evenings. Not only are these services engaging, but they also expand the restaurant's operational scope and attract diverse audiences.

Having a dedicated menu and event space for celebrations is a significant advantage, especially during wedding seasons. It remains relevant throughout the year as many customers seek venues for birthdays, gender-revere parties, graduations, and other events. This can ensure steady revenue even during periods of decreased demand.

Chapter 3. Modern solutions and development trends for the survival of restaurant businesses

Considering recent events, the restaurant industry has faced a range of challenges, including workforce shortages, disrupted logistics, widespread panic, power outages, currency devaluation, and more. Assessing the situation and implementing changes required time. Some businesses decided to close permanently, while others embarked on the path of recovery, adjusting their operations to fit the new circumstances. Essentially, a survival phase began for many businesses, as numerous components essential to the functioning of restaurant establishments were significantly impacted.

One of the key factors for the restaurant industry's functioning today is the distance from active combat zones. This has driven the active development of restaurants in Western and Central regions of Ukraine, with gradual recovery underway for businesses in the Southern part of the country.

For example, according to Olga Nasonova, co-founder of the National Restaurant Association of Ukraine, the restaurant market has shrunk by approximately 25% compared to February 2022. At the same time, positive dynamics have been observed in regions far from active conflict. In Lviv Oblast, there has been a 30% increase in new establishments, while Chernivtsi, Ivano-Frankivsk, and Zakarpattia oblasts have seen a 20% increase.

Business owners determined to preserve their ventures are starting anew in safer regions. For instance, in late summer 2022, a restaurant serving Kharkiv-style pizza called "KHA" opened in Kyiv. This sparked an emotional response among people who had been forced to relocate from Kharkiv and its surrounding areas, offering them a piece of something familiar and "home-like" far from their original homes [11].

Ukrainian restaurant enterprises have faced numerous challenges, forcing them to simplify their concepts and adapt to the needs and preferences of consumers.

The first issue that restaurant owners encountered was the irrelevance of traditional formats. Nowadays, consumers often perceive restaurant establishments not as venues for leisurely outings but to save time on cooking at home. While this perspective doesn't apply to everyone, it has caused high-end restaurants to lose patrons, as fast-food options like burger joints, shawarma stands, bakeries, and coffee shops gain increasing popularity. Production of curfews significantly contributed to this shift in perception, as customers often visited restaurants in the evening, staying until closing time. Furthermore, quarantine restrictions favored simpler cuisine that could be delivered or taken to-go, as fine dining dishes often failed to retain their presentation during transportation.

Secondly, restaurants have experienced reduced profits. This decline stems from rising raw material costs and the challenging economic conditions in the

country, which limit people's ability to visit restaurants frequently. To adapt, managers have had to simplify menus, reduce offers, or introduce alternative options. While quarantine measures reduced some operational costs – such as energy expenses due to closed dining rooms – the number of customers also decreased.

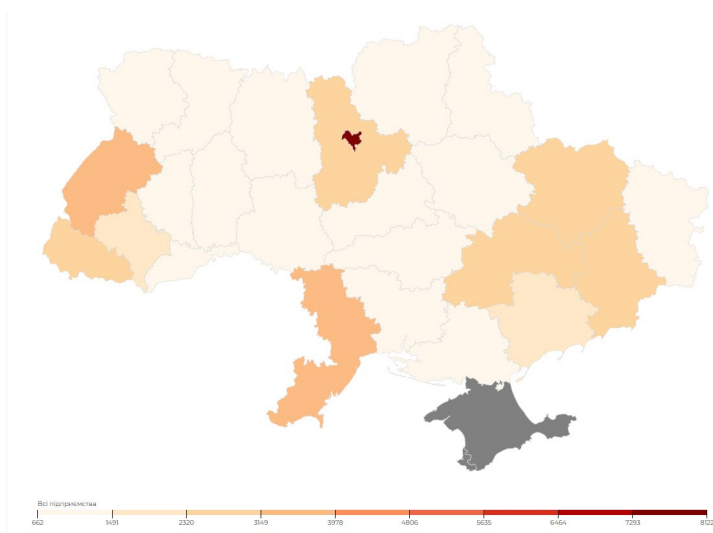


Figure 7. The number of restaurant enterprises by regions in 2024

Source: created by the author based on [10]

During wartime, additional complications arose, such as securing alternative energy sources (e.g., generators) and designing menus that could be prepared without electricity. During blackouts, restaurants with generators and internet access fared better because people sought not only food services but also places where they could study or work online [13].

The migration of the population within the country or abroad, as well as the shift in roles from chefs, directors, and other representatives of the restaurant industry to military service, has caused staffing issues. The number of highly qualified employees has significantly decreased, and they have been replaced by specialists who still require training. The presence of numerous challenges necessitates thorough preparation of new personnel to ensure that the service and product quality remain at a high level.

To address this, restaurant businesses organize training sessions, master classes, tastings, and mastermind events to strengthen their workforce with employees possessing advanced skills. For establishments to continue

operating, managers had to quickly find new paths for business development and devise strategies to keep them afloat [2].

The decline in demand forced businesses to retain fewer employees. As a result, at the beginning of these changes, workers were more inclined to hold onto their positions. However, with the opening of new establishments, this trend shifted to the background, as higher-paying jobs and a broader range of opportunities became available for specialists.

To save costs, businesses began combining multiple roles into one position, such as bartender-cashier, administrator-waiter, or waiter-courier. Such job offers are increasingly appearing on the labor market. However, this approach works only if the establishment has a low workload. In cases of high occupancy, issues with service quality and internal operations may arise. For example, during peak hours, a waiter cannot physically handle the responsibilities of two different roles, especially when a supplier arrives, or a conflict arises that requires administrative attention and resolution. Therefore, before implementing such a strategy, it is crucial to ensure that it will not negatively impact service quality or the establishment's reputation.

Addressing the psycho-emotional state of employees has become an important aspect of restaurant operations. People's heightened sensitivity to everything happening around them can lead to psychological challenges, with high workloads and work-related issues exacerbating negative and anxious emotions. A well-thought-out solution from management would be to implement psycho-emotional monitoring for staff or introduce insurance plans that include access to a psychologist.

This approach helps retain highly qualified employees who have been in their roles for a long time and excel in their duties while maintaining operational quality. It also mitigates the risks associated with emotional vulnerability among certain individuals, ensuring a more stable and effective team [15].

For restaurant businesses, particularly those that opened during wartime, establishing a presence is crucial for survival. Contextual advertising, targeted ads, and collaborations with bloggers have proven to be highly effective tools for this mission. The emergence of niche bloggers who exclusively review food and restaurants helps new businesses showcase their uniqueness and attract customers through short videos on Instagram or TikTok.

To increase the likelihood of a consumer visiting the establishment after watching a video, marketing strategies often include promotions such as free drinks, discounts with promo codes, or complimentary desserts for purchases above a certain amount. Practice shows that these approaches are effective, as modern consumers are heavily influenced by authoritative figures and social media.

Investing in an established business offers guaranteed returns due to brand recognition and an existing customer base. Franchising reduces risks and provides an opportunity to develop a business under safer conditions. In Ukraine, franchising has gained momentum as it allows aspiring entrepreneurs to enter the restaurant industry under the guidance of experienced business owners. The appeal lies in the manageable initial investment – the newcomer’s primary contribution is the upfront payment for the concept, which can generate income over time. However, franchising is not just about acquiring a proven idea; constant development and the introduction of new initiatives are essential to sustain the business and ensure its continued success.

Using domestic products, whether food items or software, not only supports Ukraine’s economy but also resonates strongly with consumers. Import substitution is an excellent strategy for promoting local goods. Many people are mindful of what they consume and how it aligns with their values. For instance, visitors may refuse dishes containing ingredients from companies like Barilla or Nestlé, as these brands continue to operate in the Russian market. Ukrainian consumers often avoid supporting such companies to oppose Russian aggression. This requires business managers to exercise greater oversight of all details to prevent guest dissatisfaction due to oversight or insensitivity.

The outlined solutions are currently helping the restaurant industry survive and develop. Establishments are in a phase of rapid adaptation. After this period, the industry will enter a phase of recovery, operating under normal conditions without excessive restrictions but with significant financial losses due to the economic downturn. Only then will Ukraine’s restaurant industry shift its focus to recently emerging global trends and begin actively incorporating them into daily operations [6].

Conclusions

The operation of a business is more complex than it seems, as it heavily depends on both external and internal factors, which are not always controllable. The stability of a business’s operations is a result of well-formed survival strategies that are constantly adjusted and adapted to new changes. This requires significant experience and an understanding of what impacts business operations, taking into account the changing world and trends.

A classification of survival strategies has been established to help businesses navigate crises, as well as implementation options that will work in specific situations depending on the business’s circumstances. The main types of survival strategies include the "harvesting" strategy, business downsizing (shifting strategy, capital withdrawal strategy), cost reduction strategy, and liquidation strategy. Factors of competitiveness have been studied, which differentiate a business from others and attract consumers. Competitiveness is

one of the main factors determining the success of a restaurant business. For an establishment to thrive, it must control and enhance service quality, implement innovative systems, develop the menu according to the business's concept, use modern equipment and technologies, engage in marketing strategies, and maintain communication with guests. Competent management, which implements effective management and cost rationalization, significantly contributes to the profitability and quality performance of the restaurant business.

Modern solutions and development trends that help restaurant establishments survive in challenging conditions have been explored. The most popular ones include changing the qualification of the establishment, increased attention to the condition and skills of staff, advertising integrations in social networks, expanding online operations, and moving towards local products. These solutions are not stable due to the rapid changes in the environment. The restaurant business is accelerating, finding innovative technologies and approaches to operations. Proprietary development ideas allow businesses to stand out and set the direction of the company's operations.

A trend analysis of business operations has been conducted, identifying consumer preferences and new trends in the global market. Adhering to current trends helps businesses stay afloat, as consumers seek something new in the usual restaurant operations. Applying trends gives businesses a second wind and increases guest interest. Among the latest trends for 2024 are monoproductions, craft, veganism, digital development, food halls, dark kitchens, a boom in confectioneries and bakeries, friendly establishments, and more.

It has been established that there are issues affecting the operation and development of restaurant businesses, which are the key factors influencing the growth of the restaurant industry, including: economic conditions; workforce migration, complicated demographic situation; high competition; rising costs of raw materials, rent, and utilities; political factors; issues with suppliers; and unstable psycho-emotional states of consumers and staff. The functioning of a business depends on external and internal factors, as well as on a well-developed survival strategy in the face of the changing world and trends.

It has been determined what classification of survival strategies exists to help a business emerge from a crisis, as well as implementation options that will work in specific situations depending on the business's circumstances. The main types of survival strategies include the following: the "harvesting" strategy, business downsizing (shifting strategy, capital withdrawal strategy), cost reduction strategy, and liquidation strategy. Factors of competitiveness have been studied, which differentiate a business from others and attract consumers. Competitiveness is one of the key factors in the operation of a restaurant business, determining its success.

For an establishment to thrive, it is essential to control and improve service quality, implement innovative systems, develop the menu according to the company's concept, use modern equipment and technologies, engage in marketing strategies, and establish effective communication with guests. Competent management, which implements effective management and cost rationalization, significantly contributes to the profitability and quality of the restaurant's operation.

Modern solutions and development trends that help restaurant establishments survive in challenging conditions have been identified. The most popular ones include changing the qualifications of the establishment, increasing attention to the condition and skills of the staff, advertising integrations in social networks, expanding online operations, and shifting to "local" products. These solutions are not stable due to rapid changes in the environment. The restaurant business is gaining momentum, finding innovative technologies and approaches to operations. Proprietary development ideas allow businesses to stand out from others and set the direction for their operations.

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