**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Humanities**

# Bachelor Thesis

## Impact of COVID-19 on the restaurant business in Almaty (a case study)

**Aida Yerkin**

# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

# BACHELOR THESIS ASSIGNMENT

Aida Yerkin

Economics and Management

Thesis title

**Impact of COVID-19 on the restaurant business in Almaty (a case study)**

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The main goal of this thesis is to find out how the global pandemic COVID-19 affected the restaurant business in Almaty, Kazakhstan. Based on the information gathered, the work will formulate the suggestions for the restaurant business in Almaty during the post-pandemic stage how to be more resilient facing the challenges like the pandemic.

**Methodology**

The theoretical section will be based on a literary review in the field of tourism and hospitality as it is reflected through the lens of COVID-19 pandemic. The work will conceptualize the issue of risks and the operation of restaurant business in the times of risk. The practical (empirical) section will be divided into two parts – a case study and quantitative questionnaire survey. A case study will focus on a particular restaurant in Almaty to reveal how the global pandemic affected on this particular business. This information will provide needed background and underpinning for questionnaire survey. It will investigate local residents of Almaty (using a snowball method of making the set of respondents) investigating their behaviour during and after COVID-19 pandemic in term of their visits to the restaurants.

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**Declaration**

I declare that I have worked on my bachelor thesis titled “Impact of COVID-19 on the restaurant business in Almaty (a case study)" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on 14.03.2023 ____________________________

**Acknowledgement**

I would like to thank prof. PhDr. Michal Lošťák, Ph.D. for his thoughtful and comprehensive guidance and support throughout the whole process of writing this thesis.

# Impact of COVID-19 on the restaurant business in Almaty (case study)

**Abstract**

The main objective of this thesis is to evaluate how the global pandemic COVID-19 affected the restaurant business in Almaty.

The theoretical part includes the definition of tourism as a general concept and basic terms related to tourism, gastronomy and global pandemic. It describes the recent history of COVID-19 outbreak and its affection on tourism on global level. Also, this part presents the prospects for recovery of tourism sector from COVID-19 crisis. The last chapter presents the state of the tourism in Kazakhstan.

Practical section evaluates the supply and demand dynamics in restaurant industry and then presents the survey questionnaire and introduces the current situation with COVID-19 in Almaty focusing on the how the consumer behaviour changed under affection of the pandemic.  One of the findings of the survey is that many consumers are hesitant to dine out in public due to safety concerns and are instead opting for take-out and delivery options. The outcomes of the research is resoluted in the recommendations for the restaurant businesses on how to be more resilient facing the challenges like the pandemic.

**Keywords:** Almaty, Business, Consumer behaviour, COVID-19, Dining Habits, Kazakhstan, Restaurant, Tourism.

# Dopad COVID-19 na restaurace v Almaty (pripadová studie)

**Abstrakt**

Hlavním cílem této bakalářské práce je zhodnotit, jak globální pandemie COVID-19 ovlivnila restaurační provoz v Amlaty.

Teoretická část zahrnuje definici cestovního ruchu a základní pojmy související s cestovním ruchem, gastronomií a globální pandemií. Popisuje nedávnou historii pandemie COVID-19 a její vliv na cestovní ruch na celosvětové úrovni. Tato část také představuje vyhlídky na zotavení sektoru cestovního ruchu z krize COVID-19. Poslední kapitola představuje stav cestovního ruchu v Kazachstánu.

Praktická část hodnotí dynamiku nabídky a poptávky v restauračním průmyslu a následně představuje dotazník průzkumu a seznamuje s aktuální situací s COVID-19 v Almaty se zaměřením na to, jak se změnilo chování spotřebitelů pod vlivem pandemie. Výsledky výzkumu jsou vyřešeny v doporučeních pro restaurační podniky, jak být odolnější čelit výzvám, jako je pandemie.

**Klíčová slova:** Almaty, Cestovní ruch, COVID-19, Kazachstán, Obchod, Spotřebitelské chování, Stravovací návyky, Restaurace.

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# Introduction

The phenomenon of the twentieth century is modern tourism, and there is a good likelihood that the twenty-first century will be influenced a lot by tourism. Out of the 195 countries in the world, more than 150 are engaged in tourism. Tourism around the world has steadily increased during the past few decades. The World Tourism Organization (UNWTO) projects that 1.36 billion people would travel around the world for leisure by 2030 (UNWTO, 2011). In other words, one out of five people on the planet will take vacations. Around 10% of the global GDP and more than 6% of exports are related to tourism (WTTC, 2021).

In many nations and regions of the world, tourism with its sector of hospitality (including restaurants) is a key driver of socioeconomic development and is historically seen as a highly profitable sector of the economy, for example, in Spain, France, Italy and many other countries. When creating models and forecasts for the development of diverse territories, the tourism industry has a few characteristics that must be considered. Tourism, for instance, has a multiplier effect on a variety of other economic sectors, including transportation, building, agriculture, trade, public catering, etc. (Matias, 2011).

It is interesting to note that while tourism can contribute significantly to replenishing the state's foreign exchange reserves; it can also act as a "black hole" for exporting foreign cash. Additionally, tourism might be categorized as a high-risk industry. Instability in a region's economy, politics, and society are traditionally seen to be the biggest risk factors (Modica, 2016).

However, tourism is also extremely prone to a wide range of changes, including economic crises, pandemics, natural disasters, terrorist attacks etc. Each of our lives has been somewhat impacted by the worldwide COVID-19 pandemic, not only from a health standpoint but also primarily because of anti-pandemic efforts or restrictions during the state of emergency. The first wave of the restrictions in the spring of 2020, in particular, required the suspension of all services and transportation, which had a substantial negative impact on tourism. This thesis examines the consequences of the COVID-19 pandemic on the tourism and restaurant industries in Kazakhstan, Almaty, which were severely harmed by the pandemic.

# 1 Objectives and Methodology

## 1.1 Objectives

The main objective of the thesis is to assess how the Covid-19 pandemic has affected the restaurant business in Almaty and the consumer behaviour. Based on the findings, the thesis also aims to offer several recommendations for the restaurants how to foster their businesses by taking into account the new realities.

## 1.2 Methodology

The theoretical section of this bachelor thesis is be based on a literary research (literature review) in the field of tourism and hospitality in relation to the pandemic spread. The research focuses on exploring existing literature on the impact of pandemics on the tourism and hospitality industry, as well as on the safety measures and regulations implemented by various countries and institutions. This part of the research provides a comprehensive analysis and synthesis of primary and secondary sources, which includes books, academic articles, scientific publications, legal documents, national statistics, and electronic sources.

The purpose of the theoretical section is to provide an overview of the current state of the tourism and hospitality industry in relation to the pandemic, as well as to identify the key challenges and opportunities faced by businesses in this industry. The findings from the theoretical section is used to form the questionnaire and the recommendations for the practical part of the research.

The practical section of the research is based mainly on the questionnaire survey, which is designed and disseminated among the local residents of Almaty. Before designing the survey questionnaire, the author clearly defined the research question and the objective of the survey. The purpose of the survey is to gather information about the changing consumer behaviour and preferences in the restaurant industry during the pandemic, as well as to identify the key challenges faced by restaurant businesses in Almaty. This helped to decide what information is needed to be gathered and what questions should be asked in the survey.

The questionnaire is designed to capture both quantitative data, i.e. numerical data that is collected through closed-ended questions, mainly using multiple-choice questions and rating scales; and qualitative data, i.e. the answers for open-ended questions, where respondents are asked to provide their opinions, feelings, and experiences related to the topic. The quantitative research collects the numbers on how many respondents are male and female, the statistics on the age and occupation, how many respondents think that COVID-19 affected the restaurant business, the statistics of frequency of visits to the restaurants before and during pandemic. It also includes questions about the consumers' dining preferences and their concerns and priorities when dining out during the pandemic. The qualitative data in this survey research explores the diversity of opinions of respondents on the newly attained dining habits. Both qualitative and quantitative data are important in a survey, as they provide different types of insights and perspectives.

To disseminate the survey, the snowball and chain techniques were used. This involves asking participants to forward the survey link to their friends and family, who can then forward it to their own contacts, thus creating a chain of participants. This technique is effective in reaching a wide audience and can help to ensure a diverse sample of participants. Also, the author used the social networks platforms to disseminate the link for the survey, mainly Facebook and Instagram. Clear instructions were provided to the respondents on how to fill in the survey. The sample size of the survey is large enough to be statistically significant, but not excessively large so it would be still manageable to process.

Once the survey data are collected, the author analyses the results of the survey and draws meaningful conclusions based on the findings. This involves using the MS Excel formulas as well as Charts in MS Word.

The recommendations for the restaurant businesses, as discussed in the conclusion, will be based on the analysis of the survey data and the literature review. The purpose of the practical section is to provide practical insights and recommendations to help restaurant businesses adapt to the changing market conditions and consumer behaviour in the post-pandemic times.

# 2 Theoretical section (literature review)

## 2.1 Tourism as a general concept

As the text in this chapter will demonstrate, authors define tourism and travel in different way, which is not surprising..

The word "*tourism*" comes from the Greek "*tornos*" and the Latin "*tornare*", meaning "*a lathe*" or "*circle*", "*movement around a central point or axis*" (Theobald, 1994).

Neil Leiper singled out the “traditional, direct, narrow” meaning of tourism (recreation spent on a trip) and “modern, scientific, collective” (all types of population movement that are not associated with a change of residence and work, associated with a variety of goals) (Leiper, 2004).

Melanie Smith, Nicola MacLeod, and Margaret Hart Robertson's position is relatively close to one of Leiper. They see tourism as one of the types of population migration and define it as voluntary travel for leisure, treatment, and participation at scientific, business, and cultural gatherings. Tourism is characterized by its temporary movement from one region of the country to another, or from one country to another, if it is not connected to a change of residence or employment. (Smith, MacLeod, Robertson, 2010).

Guilherme Lohmann and Alexandre Panosso Netto defined tourism as a set of relationships and phenomena that arise in the process of travel and stay of people outside their permanent place of residence, if the stay does not turn into a long-term residence or temporary employment for the sake of earning. (Lohmann, Panosso Netto, 2016)

UNWTO offered their definition as follows: “Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes.” (UNWTO Glossary).

Yet, despite the fact that the term "*tourism*" is frequently used, it still lacks a recognized definition that encompasses all of its unique characteristics. This is a result of the concept's complexity, including the concept's multifaceted nature (representing intercultural interactions, migrations, economic sphere, form of territorial development, etc.), the complexity of its composition (it contains many tourist activities, often polar in nature), and its structure (it includes people, infrastructure, natural resources and conditions, legal and regulatory framework, financial flows, cultural and historical objects, among other things) and attempts to define it by various groups(economists, sociologists, geographers, NGOs, etc.). (Cooper, 2008). If looking at the definition of "tourism" provided in this thesis, they have a common aspect that includes travelling of a person or group of persons from the place where they permanently live to another destination for leisure.

In an attempt to classify approaches to the definition of tourism, N. Leiper distinguished the following types of definitions: 1) economic type - tourism as a business and as an industry; 2) technical type - primarily oriented towards identifying the tourist in order to ensure the maintenance of tourism statistics; 3) holistic type - definitions should express the essence of the "*tourism*" industry. (Leiper, 1979).

Scientists at the University of Bern (Switzerland), W. Hunziker and K. Krapf, are considered to have provided one of the earliest and most precise conceptual definitions of tourism, which was further developed by the International Association of Scientific Experts in Tourism. It is based on a systemic approach, includes an understanding of tourism as a collection of relations and phenomena that develop during people's travel, and stays in locations other than their places of employment and primary residence. Swiss scholars W. Hunziker and K. Krapf provided a thorough analysis of tourism, emphasizing its socioeconomic dominance. (Hunziker, Krapf, 1942).

In academic literature, the term "recreation" emerged in the United States as a result of the introduction of a normalized working day, two days off and summer holidays. Therefore, recreation meant restoration, recreation and the space where these activities were carried out. Specialists of the National Centre for Tourism Policy Studies in the USA approach the definition of recreation from the perspective of activities. By recreation, they mean the activities of people engaged in the creation and personal use of free time, thus emphasizing the importance of its availability and use. In English-language scientific literature, recreation is often understood as an activity carried out during leisure time. Moreover, the notion of "leisure" in this approach is seen as a chronological term. (Medlik, 2003).

### 2.1.1 Global gastronomy

French cuisine serves as the foundation for the so-called "global gastronomy" because of the variety and richness of their cuisine, as well as their dishes' subtle yet distinctive flavour qualities. However, the influence of French food on global gastronomy cannot be overestimated. According to mythology, Guillaume Tirel, the royal chef of Charles V of

France, composed the first cookbook ever published in the world in the 14th century (Adamson, 2004).

Many different types of cooking utensils, such as skimmers, meat grinders, colanders, and saucepans, are credited to the invention of the French. Roll, broth, cutlet, meatball, entrecote, stew, omelette, croquette, and many other well-known foods have names that clearly show their French heritage. Almost all of the terms used in restaurants—menu, maître d'hôtel (waiter), sommelier—also originated in France (Byrd, Dunn, 2020)

Nowadays, the global gastronomy is divided into the following main branches. Each of those cuisines has its own unique characteristics that cannot be duplicated in other regions (Grew, 2018):

- *Western European (French, Spanish, Italian, Belgian);*
- *Central European (Czech, Slovak, German, Polish, Hungarian etc.)*
- *Scandinavian (Norwegian, Swedish, Danish, Finnish);*
- *Mediterranean (Turkish, Albanian, Greek, Israeli, Cypriot, Syrian);*
- *English (British, American, Canadian, and Australian);*
- *Eastern European (Belarusian, Ukrainian, Russian);*
- *Central Asian (Uzbek, Kazakh, Kyrgyz, Tajik, Mongolian)*
- *Oriental (Japanese, Korean, Chinese, Thai, Indonesian, Indian)*
- *Latin American (majority of Latin American countries)*

### 2.1.2 Gastronomy in tourism

It goes without saying that visitors as well as other consumers of the food industry, visit canteens, cafés, bars, restaurants, and snack bars. The places where people work and study are frequently far from their homes, and everyone have a strong need to socialize, even in what may seem like insignificant things like eating out.

Moreover, a human being finds it attractive to learn about various cultures, traditions, and national cuisines of other peoples, to taste new foods, and to adopt something intriguing for himself/herself. This contributed to the growth of gastronomic tourism. These journeys allowed countries to actively trade and exchange different items. Sailors travelling across seas connecting Europe and Asia opened the window for the import of delicacies unavailable in their own countries. For example, Europeans first became familiar with various spices and herbs brought from India and Africa; spices were added to the dishes for a more pleasant aroma and preservation of the product. Over time, trade in goods developed between the nations; olive oil, nuts, and spices from the Moluccan islands were shipped by European nations to India and Africa. Today, products like tea, coffee, sugar, fruits, and different vegetables were sent from Spain to numerous nations. The essence of cuisine in some ways embodies intangible cultural value and is intimately connected to both the tourism industry and the economics of impressions (Balatska, 2019).

Nowadays the culinary needs often depend not only on customer's wallet, but also on their heuristic urges to "*experience the world through the stomach*" (Grew, 2018).

One of the key services in tourism industry is catering. The tourist's demand for food is met by the tourism catering business, which consists of eateries, cafes, bars, canteens, canteen factories, bakery factories, buffets, kebab houses and many others. Many of them are integrated into tourism sector.

Public catering embarked on the rails of transformation, having taken the burden of the most acute problems of the transition period onto market relations. Many public catering enterprises are purely commercial, but along with this, social catering is also developing, such as canteens at industrial enterprises, student and school canteens.

Catering enterprises perform three interrelated functions (Szende, Dalton, 2021):

- production of culinary products;
- sale of culinary products;
- organization of its consumption

The type of public catering enterprise is determined by the characteristic features of the service, the range of culinary products sold and the range of services provided to consumers. When determining the type of enterprise, the following factors are taken into account:

- assortment of selling products, their diversity and complexity of manufacturing;
- technical equipment (material base, engineering and technical equipment, composition of premises, architectural and planning solution);
- service methods;

- personnel qualification;
- quality of service;
- range of services provided to consumers

The ranking of a public catering enterprise is determined by a set of distinctive features of an enterprise of a certain type, characterizing the quality, level and conditions of the services provided. Services should be of a quality that satisfies customers' actual or perceived needs. Catering services must be offered to customers under conditions that comply with the standards of current regulatory guidelines in terms of safety, environmental friendliness, and intended use. The breadth of services offered should be consistent with the type of business being served when providing customer care. The ergonomics requirement, which demands that service circumstances be in line with the sanitary, anthropometric, and physiological needs of customers, must be taken into consideration when providing services. The comfort of service is guaranteed when ergonomic criteria are followed (Wood, 2003).

One of the primary factors used to assess the performance of public catering employees is their culture of service. The availability of a modern material and technical base, the types and nature of the services offered, the variety and quality of the products, the introduction of progressive forms of service, the extent of advertising and information work, and the professional abilities of catering staff are the main factors that determine the culture of service. A high-level service culture makes a business more competitive, which is crucial in engaging with the market (Wood, 2003).

## 2.2 COVID-19 pandemic

At the beginning of 2020, a pandemic of a new type of coronavirus, COVID-19 declared by the World Health Organization, swept all countries. The virus, the first outbreak of which was recorded in Wuhan in China at the end of 2019, has spread to all countries and continents. As of end of February 2023, approximately 757 mln. people have been infected worldwide, and over 6.8 mln people have died (WHO, 2022).

The borders of countries were closed, air and railway communications were stopped, and a general self-isolation regime was introduced in many cities. It is worth noting that this is not the first time humanity has faced a pandemic. As a political scientist Ivan Krastev says, the fundamental difference between the current pandemic is the simultaneous emergence of the so-called "non-infectious pandemic" ("pandemic of fear") associated with the rapid development of information technology and the instantaneous dissemination of information in the modern world (Krastev, 2021)

### 2.2.1 COVID-19 influence on tourism

One of the industries most affected by the COVID-19 outbreak is tourism. When compared to 2019, the number of international tourist arrivals fell by 56% in the first few months of 2020 and by 97% in May. This resulted in a loss of $1.3 trillion in global inbound tourism spending, 11 times more than the losses brought on by the 2008 global economic crisis. The number of tourists arriving has dropped by 80–90% in several developing nations. The region that was most impacted during this time was the Asia-Pacific, where arrivals from other countries fell by 85%, followed by the Middle East and Africa, where arrivals fell by 74%. (The CSSA, 2021)

The worst period for the majority of destinations came out to be early 2021, with the tourism sector declining by an average of 89% from pre-coronavirus levels. Due to the underutilization of labour and capital in addition to the damaging effects of low demand for intermediate goods and services on the growth of other economic sectors, the indirect consequences of this downturn are even more severe. The United Nations Conference on Trade and Development (UNCTAD) presented three scenarios in July 2020 regarding the potential financial impact of the coronavirus pandemic on the tourism industry, with the most pessimistic scenario assuming a $3.3 trillion loss from a 12-month suspension of international travel, including indirect costs. Even the worst-case scenario, though, ended up being optimistic. According to UNCTAD estimates, the recovery of the tourism industry to pre-pandemic levels is possible no earlier than 2024 or later. Due to the significant proportion of tourism in the economy of smaller countries in the Pacific and Caribbean, these states are anticipated to be the hardest damaged. (UNCTAD, 2021)

Economic hardship for small and medium-sized businesses (SMEs) in the tourism sector as well as for large service providers like airlines could have an impact on the financial sector, slowing the process of economic recovery. Liquidity issues could turn into solvency issues as the coronavirus pandemic continues, making it more difficult for the tourism industry to pay its obligations and undermining the chances of an economic recovery.

Prior demand shocks, including those brought on by lengthy recessions, have not typically resulted in a sharp decline in travel demand. Restrictive laws and travel bans have severely reduced this industry's economic activity. The COVID-19 crisis is unique in that economic activity is declining simultaneously across all market segments. (Kugler et al. 2021)

Pent-up demand, or the scenario where people who can and want to travel but are unable to do so because of current constraints, resulted from the imposition of travel restrictions, which pushed consumers to reduce spending on tourism and other "luxury" goods. (Gursoy, 2021)

Measures to contain the spread of the coronavirus have led to the closure of tourism-serving businesses such as hotels, restaurants, museums, ski resorts, public beaches, etc. For example, Marriott, one of the world's largest hotel chains with 1.4 million rooms worldwide, reported quarterly revenue losses greater than during the 2008-2009 global economic crisis and the terrorist attacks of September 11, 2001 combined. Hotel quarterly revenues are down 75% in most markets, compared to 25%, the biggest quarterly drop in previous crises. (Sanders, 2021)

Other types of tourism businesses were also subject to restrictions that shape their new business model. For instance, some restaurants were compelled to solely offer takeout, even if food delivery may only partially make up for losses brought on by hygienic precautions. (Pinto Borges, 2022)

Sustainable economic growth is threatened by the tourist industry's close ties to other economic sectors in both developed and developing countries. The COVID-19 pandemic might have an economic impact that is up to three times greater than the loss of tourism earnings because of supply chain connections. In other nations, the unemployment rate might increase by more than 20%. Since SMEs make up 80% of the sector, they will be the ones most impacted by the coronavirus pandemic, along with smaller businesses operating in more fragile emerging economies where long-haul foreign travel represents a significant market segment. (Korstanje, 2022)

### 2.2.2 COVID-19 influence on economies of developing countries

Both developed and developing countries have suffered significantly in terms of tourism because of the pandemic. Overall, 6% of global exports are related to tourism. G20 countries lost 60% of foreign visitor arrivals in the first five months of 2020. The economies of the least developed nations and small island-states with sparse domestic markets, little export diversification, and remoteness were much more severely affected by the crisis. These economies are among the most severely affected by the COVID-19 pandemic because they are vulnerable to outside shocks. In economies without other foreign exchange earnings streams than tourism to pay for imports and repay external debt, the pandemic is predicted to cause record economic losses. (Asian Development Bank, 2022)

The job market of nations that hosts visitors has been significantly impacted by the COVID-19 crisis. In 2019, the sector accounted (directly or indirectly) over 330 million jobs globally, or 10% of all employment worldwide and one in ten jobs worldwide. This is crucial because for every job produced in the tourism sector 1.5 jobs are formed in related fields. Thus, 144 million people around the world are employed in the hospitality and catering industries. About 80% of travel businesses are small and medium-sized businesses with less than 50 employees. In businesses with two to ten employees, about 30% of the whole workforce is employed. (ILO, 2020)

Small and medium-sized businesses are more exposed to the economic effects of the crisis in developing and emerging countries, where the economies are more unstable and there are insufficient support systems and safety nets. Many businesses have been forced to temporarily reduce their operating costs. Due to the limited resources and challenging access to funding, small enterprises may experience substantially higher costs because of the crisis. The COVID-19 pandemic outbreak has had a disastrous effect on jobs and the world economy. According to ILO projections, the pandemic may lead to the loss of 305 million jobs, many of which are in the travel and tourist industry. (ILO, 2020)

In nations that rely heavily on tourism, the epidemic has a huge impact on the industry. On the Portuguese island of Madeira, almost half of the active population became unemployed by the summer of 2020. Between March and April 2020, more than 40 thousand jobs—or nearly 25% of all jobs—were lost in Hungary's commercial housing and catering sector. About 350000 people have lost their jobs in Jamaica, where there are strong connections between the tourism and other industries. (WTTC, 2020; Sun Y et al., 2020)

Tourism, tightly connected with nature and oceans, is an important travel motivation and source of income. According to UNWTO study, fourteen African nations get around 142 million USD each year for entrance to protected areas. (The World Bank Group, 2018) Numerous protected areas and the surrounding communities, many of which are largely dependent on tourism and lack access to social safety nets, have lost income as a result of the suspension of tourism operations. The biodiversity of tourist places may be under jeopardy if tourism profits are lost. Communities may overuse natural resources if they have no other options, either for their own use or to generate money (Bhammar e al., 2021)

The tourism industry has a significant negative influence on the climate and the environment since it uses a lot of fuel and energy and puts a pressure on the energy infrastructure. The Paris Climate Agreement's objectives are under risk due to the recent increase in tourism. Estimated to account for 5% of all human-caused emissions of greenhouse gases related to transportation, the tourism industry's emissions could increase significantly if its recovery does not follow the Paris Agreement's goals. (UNWTO, 2019)

The impact of the COVID-19 pandemic on tourism is putting additional pressure on heritage preservation in the cultural sector, as well as on the cultural and social fabric of local communities, especially indigenous peoples and ethnic groups. The cultural sector produced around more than 2 billion USD in yearly global revenue prior to the COVID-19 crisis. The COVID-19 pandemic has drastically reduced the revenue of cultural organizations. During the crisis, 90% of countries completely or partially closed cultural sites, and more than 85 thousand museums became temporarily inaccessible. (Ottone, 2020)

### 2.2.3 Prospects for recovery of tourism sector from COVID-19 crisis

The challenge of restoring the tourism sector following the coronavirus pandemic prompts discussion of recovery possibilities and forecasts. The majority of experts believe it is hard to make medium- and long-term predictions because it is impossible to evaluate the effects of the coronavirus pandemic in isolation from the fundamental cyclical processes occurring in the global economy. International travel will reach pre-pandemic levels in three years, predicts the IMF's October 2020 World Economic Outlook. (International Monetary Fund, 2020)

Strong support was required at the national and international levels due to the COVID-19 pandemic's extensive and profound effects on the tourism industry as well as the sector's importance to the economy and labour market. Countries have implemented a wide range of economic and social measures to address the situation, in addition to health precautions and travel restrictions. The first response of governments was to enact fiscal and monetary policies to mitigate the effects of the crisis on the economy, with an emphasis on protecting the liquidity of small and medium-sized businesses and preserving employment in the most severely affected economic sectors (IMF, 2020).

When it comes to monetary policy, it typically calls for the establishment of special credit lines with interest rates that are lowered, subsidized, or zero, a suspension of loan repayments, the introduction of measures to make it easier for people to access credit resources, and, less frequently, the introduction of measures to ensure the stability of the local currency and consumer prices. Adoption of laws aimed at protecting at-risk jobs is a complement to the steps made in fiscal and monetary policy. There are many different actions were made to preserve jobs and encourage worker skill development. For instance, workers in Greece who have their employment contracts temporarily halted are compensated while the state pays for their social insurance and health care obligations (Karamessini, 2020).

## 2.3 Tourism in Kazakhstan

Kazakhstan (officially the Republic of Kazakhstan) is a state located in Central Asia and Eastern Europe. The country ranks ninth among the world's countries in terms of territory (2,699,700 km²). It is stretched from the eastern edge of the Volga Delta in the west to the Altai Mountains in the east, from the West Siberian Plain in the north to the Tien Shan mountain system in the south. It borders the Russian Federation to the north and west, China to the east and Kyrgyzstan, Uzbekistan and Turkmenistan to the south. Kazakhstan is washed by the inland waters of the Caspian and Aral Seas. It is a country without access to the oceans (The World Bank data; Nations Online, 2016).

Economically and geographically, it is divided into Central, Western, Eastern, Northern and Southern regions. The Republic of Kazakhstan is a unitary state with a presidential form of government. The President is the Head of State and Supreme Commander-in-Chief.

Kazakhstan has 14 regions, 86 cities, including four cities under Central Government Jurisdiction - Astana, Almaty, Shymkent and Baikonur.

The climate of the country is sharply continental and exceptionally diverse. The average winter temperature rises from -20° C to -50° C in the north and east of the country to -3° C to -30° C in the southernmost part of Kazakhstan. The average July temperature rises from +19° C to 30° C in the north to +28° C, +40° C in the south. (Nations Online, 2016).

The Republic of Kazakhstan provides almost all existing types of tourism - cognitive, entertainment, ethnic, ecological, recreational, children's, sports, hunting, equestrian and adventure tourism. More than 700 travel itineraries are offered for tourists all over Kazakhstan (Brummel, Oleynik, 2018)

Geographically speaking, Kazakhstan is a distinctive part of the Commonwealth of Independent States (CIS). Due to its central location on the Eurasian continent, it stands for a unique natural complex that has absorbed the most vibrant examples of the continent's two geographical regions. In Kazakhstan, there is now a drive for the growth of eco-tourism in addition to mountain tourism. Belukha, Marble pass, Ulytau, Kok-Kol waterfall, Kazygurt, and Burkhat pass are just a few of the mountainous regions of Kazakhstan's tourist attractions that draw hordes of adventure-seeking tourists each year from nearby and far-off nations. However, it goes without saying that the northern part of the Tien-Shan mountain range, also known as Zhetysu (Semirechye), is properly regarded as one of the key natural symbols of the country (Brummel, Oleynik, 2018)

Since Kazakhstan has a unique culture and a lengthy history, it is not surprising that ethno tourism is one of the popular travel options in this area. The Berkara Gorge, which is a part of the Berkara State Reserve, is one of the most recognizable views in Zhambyl oblast. The gorge contains 504 burial mounds, 4 of which historians claim date back to the prehistoric Sakha period. Additionally, it is thought that Genghis Khan and his large army formerly resided on the territories of the current Berkara reserve (Robbins, 2012).

In addition to specific historical monuments, numerous cities in Kazakhstan offer what are known as ethnographic parks, the greatest of which being the Atameken ethno-memorial complex and distinctive outdoor museum, which is located in Astana.

Water tourism is another area of the republic's tourism industry that has received a significant impetus for development in recent years. The largest number of water bodies is concentrated in the southeast of the country, in the region with the symbolic name of Zhetysu - Semirechye. Almost all rivers of Zhetysu belong to the basin of Lake Balkhash.

A targeted program to promote Kazakhstan's tourism potential has been devised in order to provide Kazakhstan a favourable reputation on the international tourism market, including the participation in international tourism forums, exhibitions, and fairs. It also enables to host conferences for foreign media representatives and to create the promotional and educational products.

Rational and careful use of natural resources promotes the development of almost all kinds of tourism in Kazakhstan. The current focus areas in Kazakhstan appear to be skiing, resort and recreational travel, health-improving and medical travel, and ecotourism. Due to the fact that people frequently push the ecological environment to a critical state, there are practically no ecologically safe sites in the country for both enjoyment and daily living (Iskakova et al., 2021).

# 3 Practical Section

## 3.1 Supply and demand dynamics in restaurant industry

Within the past 2-3 years, the world has observed a colossal change in the world economic system caused by the coronavirus pandemic. Many small and medium-sized businesses closed, the purchasing power of the population has changed, the most important political and social-economic measures were taken to prevent the spread of the coronavirus infection and to support the most unprotected groups of population, entire industries were closed (tourism, hospitality, public catering, etc.) At the same time, the pandemic was a catalyst for the manifestation of new trends, such as an active development of online shopping, food delivery, remote work and the use of online applications. It is worth noting that the coronavirus pandemic affected all sectors of the economy, and the consumer market (as well as the public food industry) is not an exception here. Consumer behaviour has also changed significantly recently, which now has two reference points: before and during the coronavirus pandemic and the post-coronavirus period.

This chapter will analyse the dynamics of demand and supply in restaurant sector in Kazakhstan. The analysis of demand change will show how the customers' preferences changed over the last two years and in accordance with restrictive measures derived from pandemic. The analysis of supply will demonstrate how the restaurants and cafes reacted to introduce restrictive measures and change of customers' volumes.

When summarizing the findings of market reviews from the biggest consulting firms, the following important consumer behaviour trends might be highlighted:

*Table 1. Change of consumer behaviour during the pandemic. Source: own processing*

| Consumer behaviour before and during pandemic period | Consumer behaviour in post-pandemic | Source |
|---|---|---|
| - sudden and deep drop in consumption;<br><br>- more consumers shopped online in 2020;<br><br>- would not make any travel plans until the situation was back to normal in their country;<br><br>- shopped closer to home and supported local businesses; | - consumption demand increased;<br><br>- consumers are mindful of the environmental impact of their purchases;<br><br>- the level of consumer trust in retailers remained high;<br><br>- extensive knowledge of consumer rights remained low | EC Key Consumer Data 2020-2021[1] |
| - unprecedented growth of online shopping;<br><br>- shifts in brand loyalty;<br><br>- spend money on home improvement;<br><br>- spend more money online. | - quite willing to abandon their once-preferred brands in favour of new ones that offer value or novelty;<br><br>- continue spending money online, but also returned to physical stores;<br><br>- environmental, social and governance factors still matter | McKinsey[2] |
| - purchases are cantered on the most basic needs;<br><br>- Consumers are using digital to connect, learn and play to manage isolation. | - people are shopping more consciously, buying local and are embracing digital commerce<br><br>- They will continue to use digital even more. | Accenture[3] |

[1] European Comission. Key Consumer Data 2020. Available at: https://ec.europa.eu/commission/presscorner/detail/cs/ip_21_1104

[2] McKinsey & Company. How US consumers are feeling: Shopping and spending and what it means for companies. 2020, Available at https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/how-us-consumers-are-feeling-shopping-and-spending-and-what-it-means-for-companies

[3] Accenture. Coronavirus consumer behavior research. 2020. Available at: https://www.accenture.com/us-en/insights/consumer-goods-services/coronavirus-consumer-behavior-research

| | | |
|---|---|---|
| - Less visits to bars and restaurants, less purchases of clothes and shoes, cosmetics, electronics and household appliances in physical stores; | - Purchasing more fast food and instant food, using more delivery services | Deloitte[4] |

Table 1 shows that during the pre-pandemic and pandemic eras, consumers paid special attention to the purchases of necessary goods. In addition, with the population's real purchasing power declining, people started to save money on purchases, hunting for lucrative promotional offers, and switch between stores more frequently, which shows a fall in customer loyalty. Finally, during the self-isolation era, people were compelled to order food from restaurants and make purchases from stores only online.

Time will tell which tendencies will last despite the coronavirus pandemic, but there are already a few significant shifts in consumer behaviour that are likely to be long-lasting, according to various reports from McKinsey[5] and Deloitte[6]:

1) The trend towards digitization and automation of the purchasing process for goods and services (further development of Omni channel consumer experience, accelerated growth of online purchases, orders from public catering facilities, active development of online aggregators, contactless formats and self-service checkouts, food delivery services, and courier services);

2) The tendency for the population's daily lives to become more digital (educational resources, sports applications and platforms, services for delivering prepared foods, video communication services);

3) Rethinking of the population's value orientations (in addition to traditional convenience and accessibility, consumers start to pay attention to the price and value ratio of goods or services, their customization and personalization);

4) The emergence of a sustainable food format at home, a change in eating habits, and choosing the ingredients needed to prepare meals at home (public catering companies have to compete in this case not with each other, but with food consumption at home).

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[4] Deloitte. Impact of the COVID-19 crisis on consumer behavior. 2020, Available at: https://www2.deloitte.com/content/dam/Deloitte/sk/Documents/consumer-business/Impact_of_the_COVID-19_crisis_on_consumer_behavior.pdf

[5] McKinsey & Company. How US consumers are feeling: Shopping and spending and what it means for companies. 2020, Available at https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/how-us-consumers-are-feeling-shopping-and-spending-and-what-it-means-for-companies

[6] Deloitte. Impact of the COVID-19 crisis on consumer behavior. 2020, Available at: https://www2.deloitte.com/content/dam/Deloitte/sk/Documents/consumer-business/Impact_of_the_COVID-19_crisis_on_consumer_behavior.pdf

The company's consumer market policy cannot reflect the changes that are currently occurring and that are just beginning to reveal. The 4P (Price, Product, Place, Promotion) marketing mix-based traditional approach might not achieve the desired results in the changing economic environment, requiring a reassessment of the conventional marketing instruments and the search for alternative marketing strategies. The development of information technologies has had a significant impact on marketing over the past 50 years, causing it to change significantly from simply filling needs through one-time sales to retaining, training, and ensuring the independent production of specialized goods and services as well as co-creating values with customers.

## 3.2 Analysis of the survey

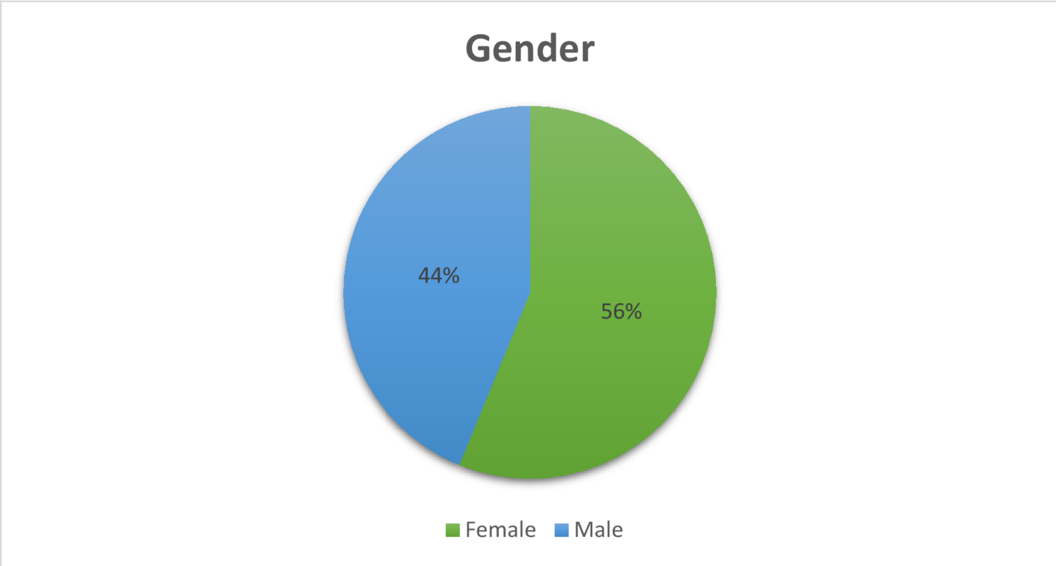
The distribution and data collection in the frame of questionnaire-survey used in this thesis was carried out between September 2022 and January 2023. The survey's goal is to examine how COVID-19 has affected Almaty's restaurant industry as well as consumer behaviour. The primary research question is if and how COVID-19 affected consumer behaviour.
In order to accomplish the task, the questionnaire was answered by 153 Almaty residents. There were several age groupings among the respondents. The method of self-sampling (self-selection) was used to select survey participants. It is also known as the snowball technique. The snowball method is a variation on sampling that is predicated on the idea that nearly every target group member can name one more respondent who would be eligible to pass the survey and they are willing to participate.

### 3.2.1 Gender and Age

The survey had a good representation of both male and female respondents. As seen on the Graph 1, out of 153 respondents, 86 identified as female and 67 identified as male. This means that roughly, 56% of the respondents were female and 44% were male. Since the general proportion of female and male in Almaty over 18 years of age is, according to the latest available statistics in 2017 of the Bureau of National statistics of Kazakhstan, 49% male 51 % female[7], the group of respondents is more of female type.

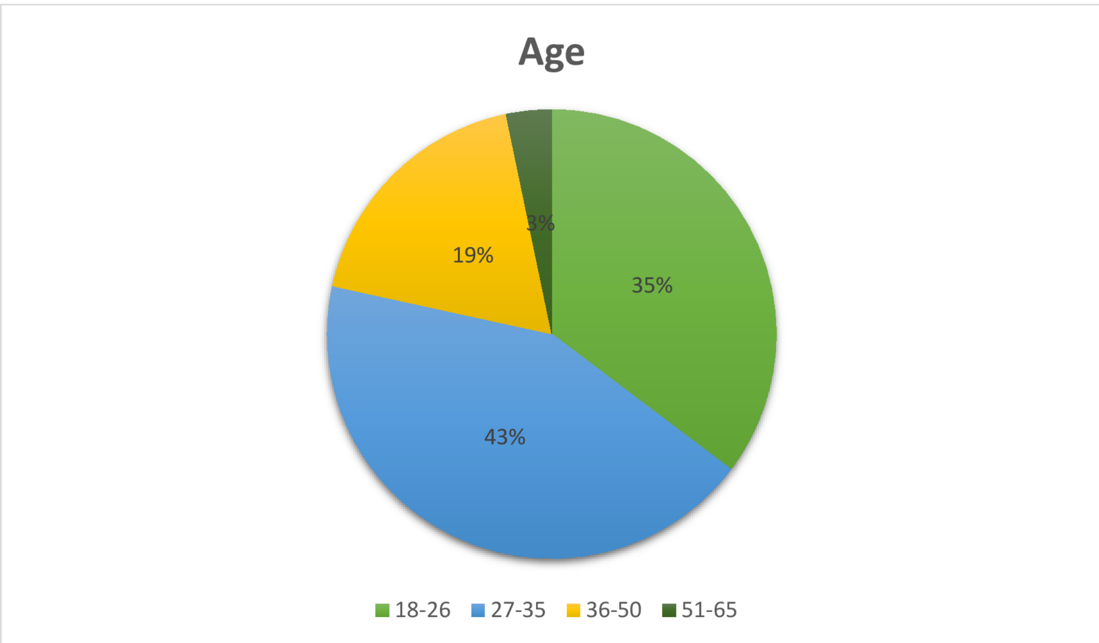
[7] https://gender.stat.gov.kz/ru

*Graph 1 - Gender. Source: own processing*




Respondents were asked to select their age range from a list of options. As the Graph 2 shows, the most common age range was 27-35 years old, with 66 respondents falling into this category. The next most common age range was 18-26 years old, with 54 respondents falling into this category. 28 respondents were between the ages of 36-50, and only 5 were between the ages of 51-65. No respondents were over 65 years old. It is worth noting that the age ranges are not evenly distributed, with the majority of respondents falling into the 18-35 age range. It is also worth considering that the age distribution of the respondents may not be representative of the overall population.

*Graph 2 - Age. Source: own processing*



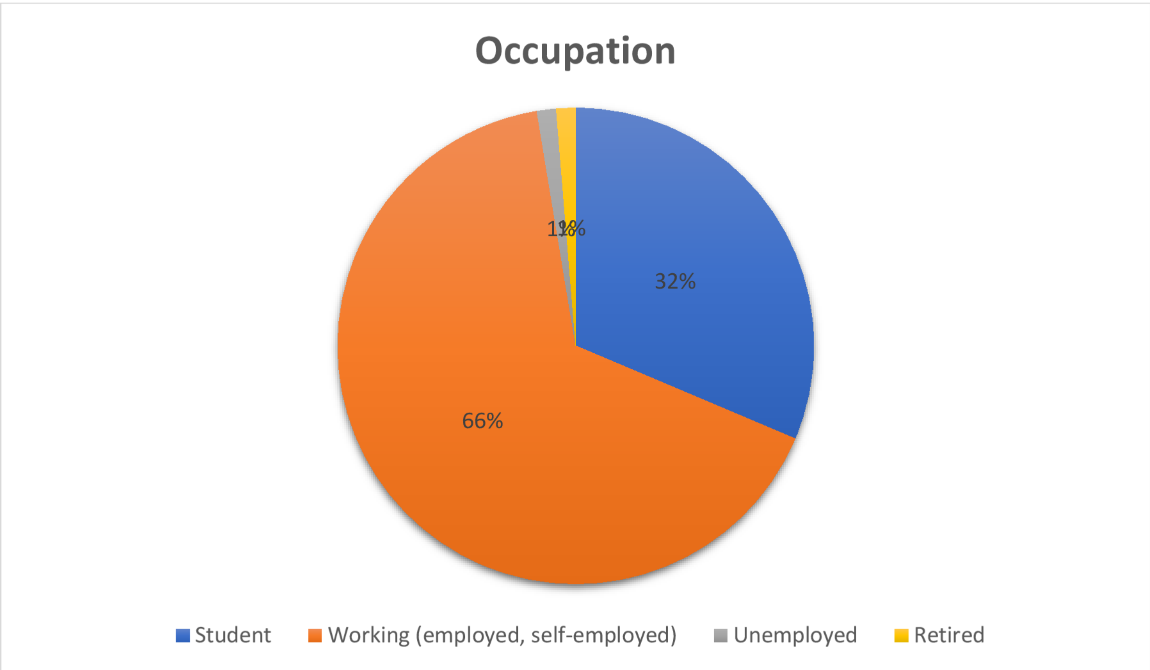
### 3.2.2 Occupation

According to Graph 3, out of 153 respondents, 48 identified as students, 101 identified as working (employed or self-employed), 2 identified as unemployed, and 2 identified as retired. This means that roughly 31% of the respondents were students, 66% were employed (including self-employed), and only 1% were unemployed and 1% retired.

The majority of respondents being employed or self-employed may reflect the fact that individuals with more stable sources of income are more likely to dine out and therefore have a stronger opinion on the restaurant industry.

The relatively small number of retired respondents may reflect the fact that older individuals may be more cautious about dining out during the pandemic due to their higher risk of severe illness. The number of unemployed respondents is small, which may limit the conclusions that can be drawn about this group in terms of their dining habits or opinions on the restaurant industry.

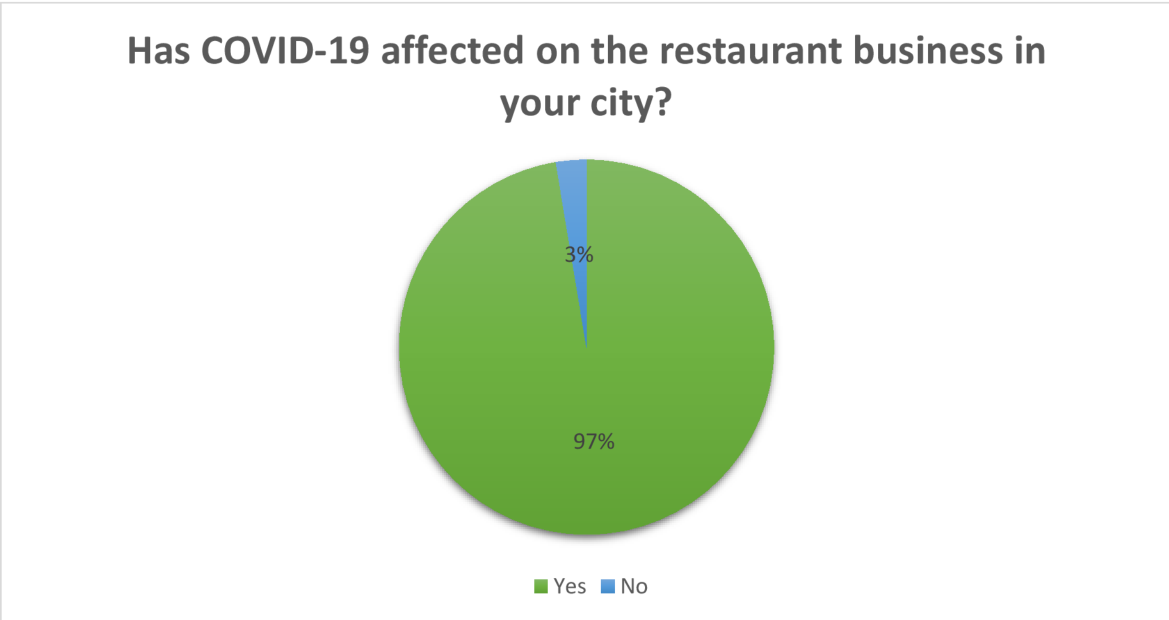
*Graph 3 - Occupation. Source: own processing*



### 3.2.3 Impact of covid-19 on the restaurant business

The survey revealed that out of 153 respondents, 149 said that COVID-19 had affected the restaurant business in their city, while only 4 said that it had not. This means that roughly 97% of the respondents have a perception of an existing impact of COVID-19 on the restaurant business in their city, as shown on the Graph 4. The respondents were not asked to specify the nature of the impact (e.g. decreased traffic, increased take-out orders, and closures) because they might not be aware of it, but rather the restaurant owners and managers would know it the most. However, the high proportion of respondents reporting an impact suggests that the COVID-19 pandemic had a significant effect on the restaurant industry in the surveyed area. This finding may be consistent with broader trends of restaurant closures, decreased business, and reduced sales as a result of the pandemic and related restrictions on indoor dining.

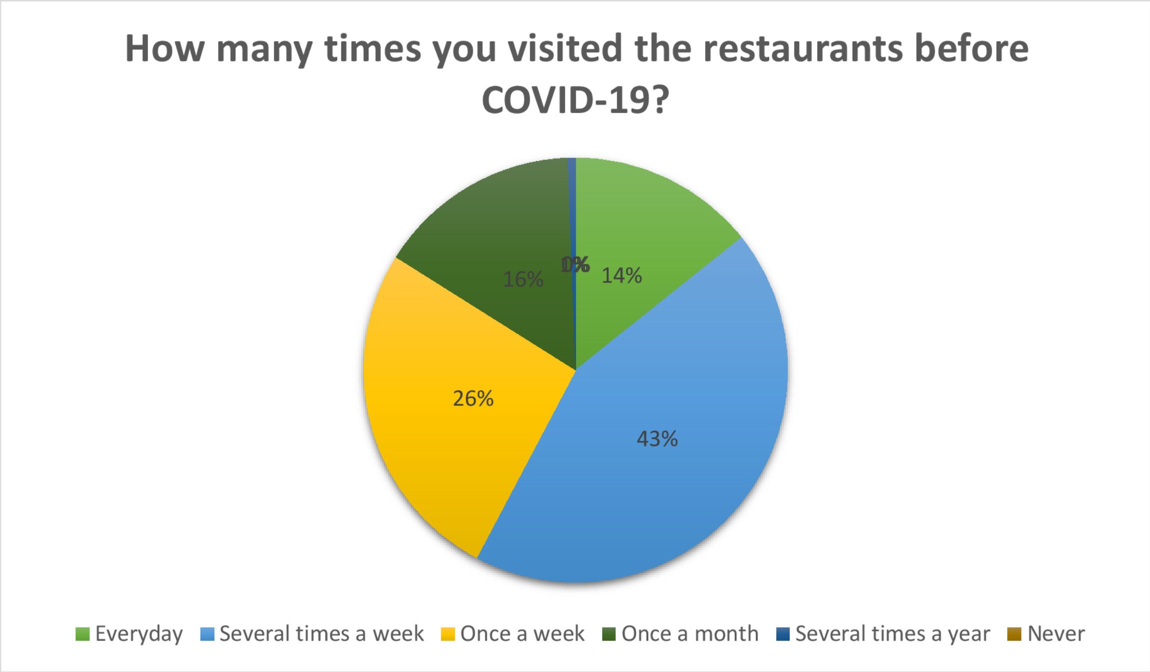
*Graph 4. - Impact of covid-19 on the restaurant business. Source: own processing*




### 3.2.4 Changes in Dining Habits

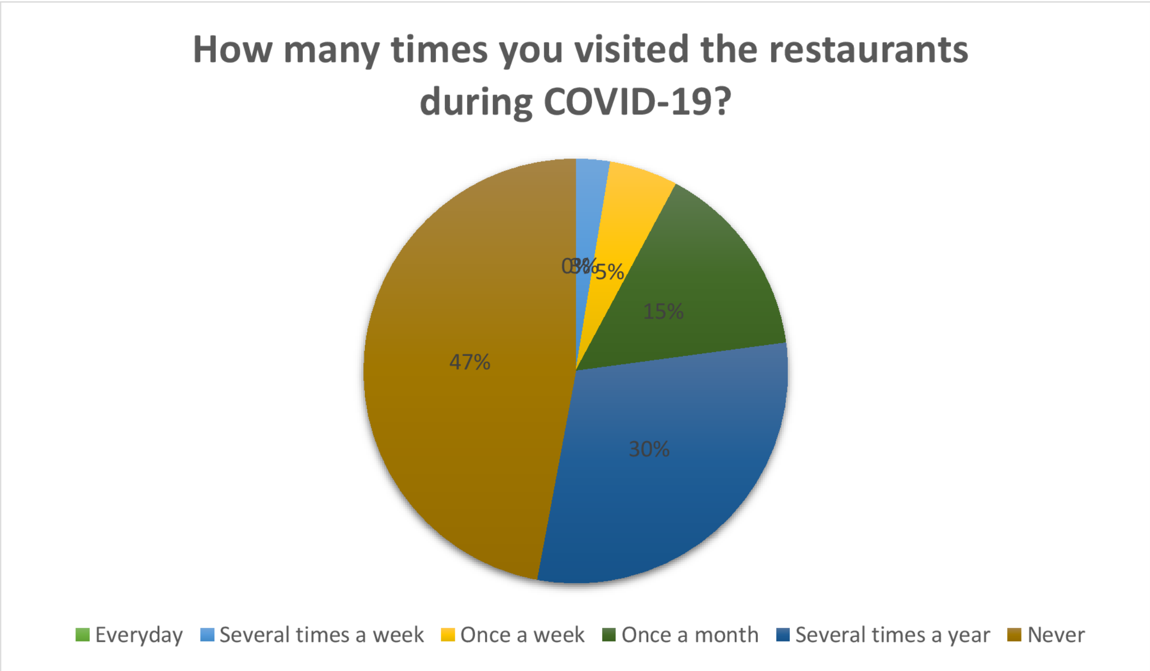
The survey showed that respondents' dining habits had shifted significantly during the pandemic. Out of 153 respondents, all but one reported having visited restaurants prior to the COVID-19 pandemic. Specifically, 24 respondents reported visiting restaurants every day, 73 several times a week, 44 once a week, and 26 once a month. The high frequency of restaurant visits reported by many respondents suggests that dining out was a common and important part of their pre-pandemic lifestyle.

*Graph 5 - Visits of restaurants before COVID-19. Source: own processing*




During the pandemic, the majority of respondents (72) reported never visiting restaurants, with only 46 visiting several times a year or less frequently.

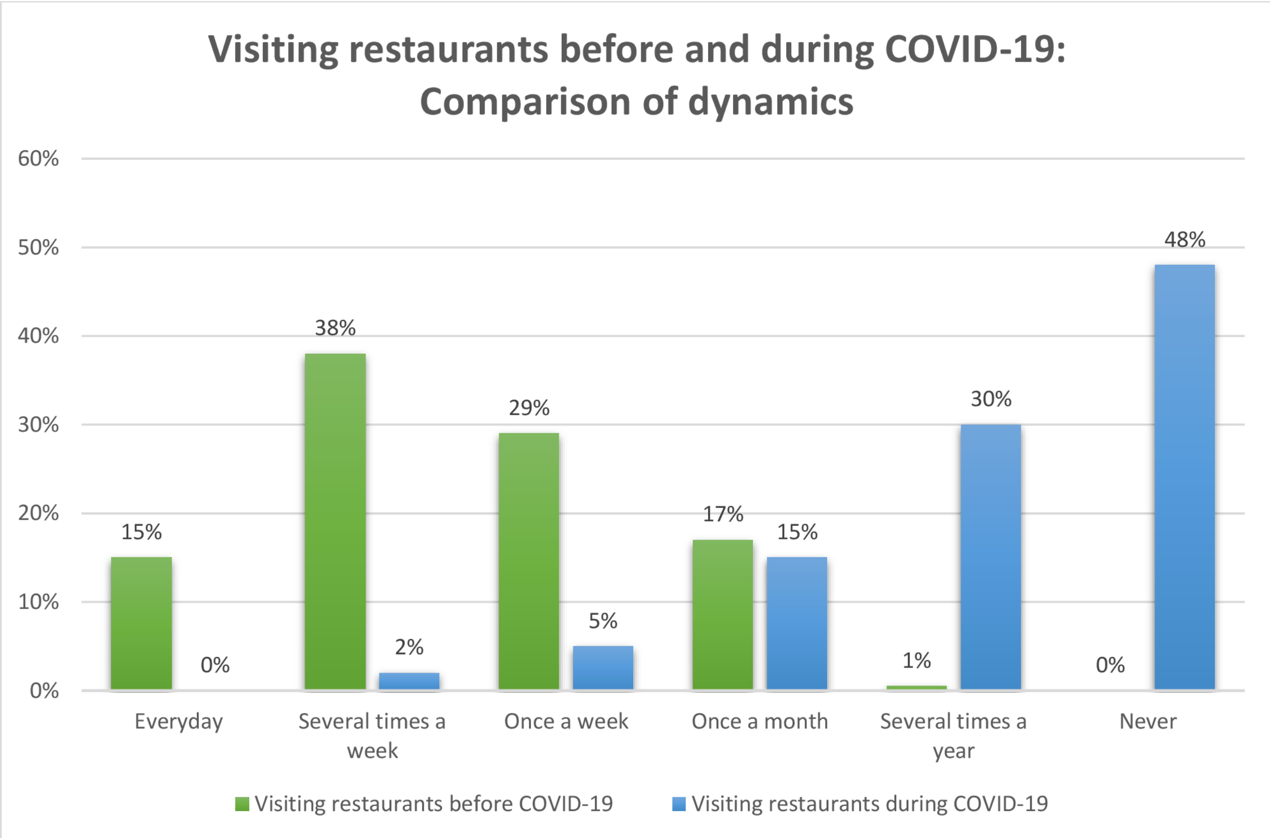
*Graph 6 - Visits of restaurants during COVID-19. Source: own processing*



The Graph 7 below with the comparison of visits before and during COVID-19 suggests that the pandemic had a significant impact on respondents' dining habits, with many either being unable or unwilling to dine out as frequently as they had prior to the pandemic. It is worth noting that some respondents may have shifted their restaurant habits to take-out or delivery options during the pandemic, which would not be reflected in these results.

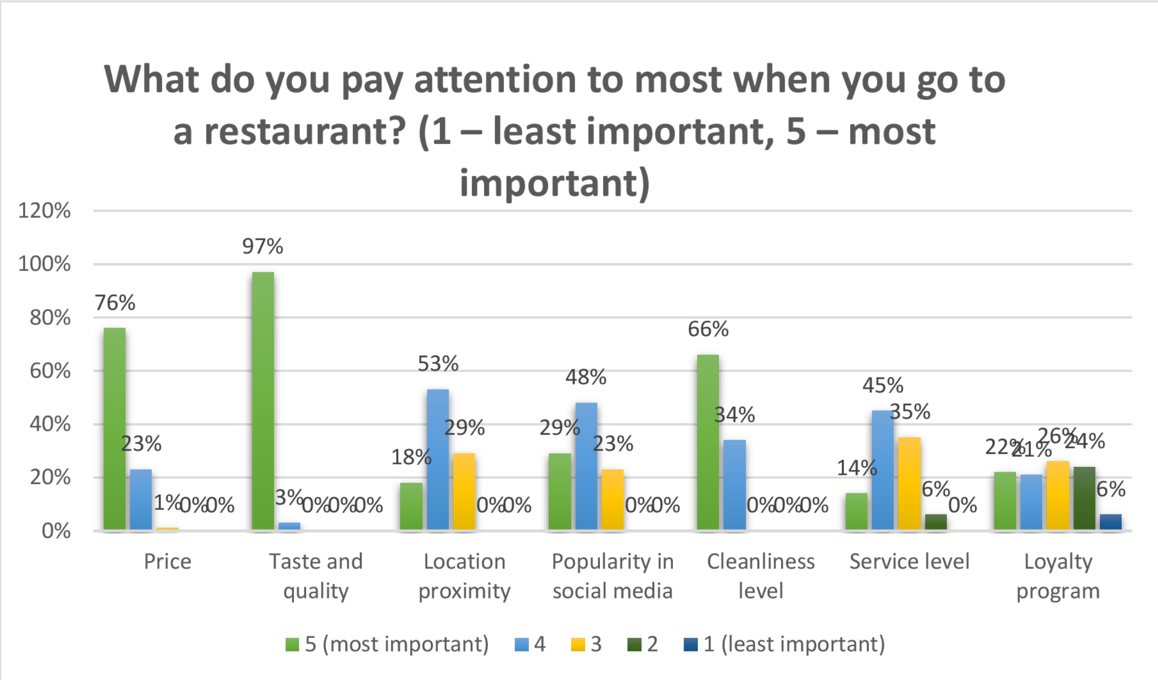
Overall, the results suggest that the COVID-19 pandemic has had a significant impact on how often people dine out, with many respondents reporting a significant decrease in the frequency of their restaurant visits.

*Graph 7 - Changes in Dining Habits before and during COVID-19. Source: own processing*



### 3.2.5 The most important aspect while visiting a restaurant

*Graph 8 - The most important aspect while visiting a restaurant. Source: own processing*




*Price of food and drinks*: This factor refers to the cost of the food and drinks served in the restaurant. A rating of 5 suggests that the cost is a primary consideration for the respondent when choosing a restaurant, while a rating of 1 suggests that cost is not a significant factor in their decision-making. A majority of respondents rated this aspect as the most important, with 117 giving it a rating of 5. This suggests that many people are conscious of the cost of dining out and prefer to go to restaurants where they feel they are getting good value for their money.

*Taste and quality of food and drinks:* This factor refers to the overall quality of the food and drinks served in the restaurant. It was the second most important to respondents, with 148 giving it a rating of 5. This indicates that people value the quality of the food they eat and are willing to pay more for high-quality dishes.

*Location proximity:* This refers to how close the restaurant is to the respondent's home or workplace. While not as important as the price or quality of food, location proximity was still rated relatively high, with 28 respondents giving it a rating of 5. Another 81 respondents (or 41% of the total) gave a rating of 4, suggesting that location proximity is still a relatively important. This suggests that people value convenience and are more likely to visit restaurants that are close to their home or workplace. 44 respondents (or 22% of the total) gave a rating of 3, considering it as somewhat important factor, but not as significant as other considerations.

*Population in social networks*. This factor indicates how well known or popular the restaurant is on social media platforms like Instagram, Twitter, or Facebook.

According to the survey results, 44 respondents (or 22% of the total) gave a rating of 5 to this factor and 74 respondents (or 38% of the total) gave a rating of 4, indicating that they consider social media popularity to be quite significant consideration when choosing a restaurant. Almost 18% or 35 respondents gave a rating of 3, considering it as a minor factor in their decision-making process. Overall, these results suggest that while social media popularity is not the most important factor for most respondents, it is still a consideration for a significant portion of them.

*Cleanliness level:* This factor specifies to how clean and hygienic the restaurant appears to be. This can include factors such as the cleanliness of the tables, floors, and restrooms, as well as the overall presentation and tidiness of the restaurant. A majority of respondents also rated cleanliness as an important factor, with 101 giving it a rating of 5. This suggests that people want to feel comfortable and safe when they dine out and are more likely to visit restaurants that maintain a high standard of cleanliness. Another 52 respondents (or 27% of the total) gave a rating of 4, indicating that cleanliness is still a relatively important factor for them. Interestingly, no respondents gave a rating of 3 or lower to this factor. These results suggest that a majority of respondents place a high level of importance on cleanliness when choosing where to eat out. This is especially notable in light of the COVID-19 pandemic, which has made hygiene and cleanliness a top priority for many people.

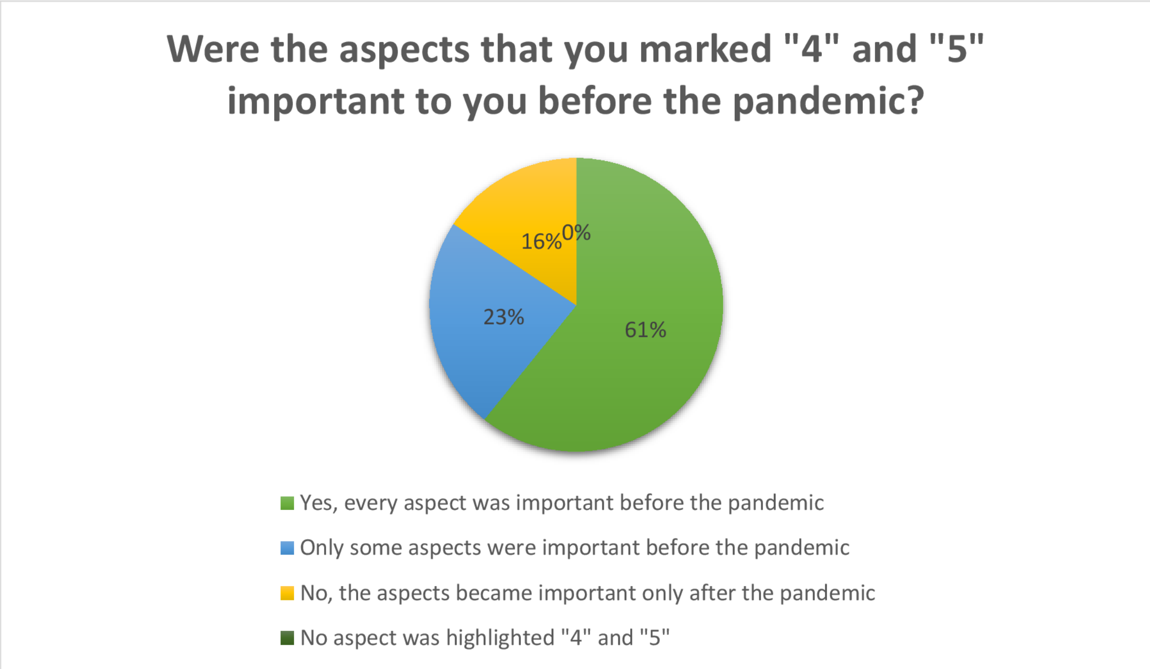
*Service level*: This factor indicates to the quality of service provided by the restaurant staff, such as attentiveness and friendliness of waiters. Service level was rated lower than the other factors, with only 21 respondents giving it a rating of 5. However, it is still an important factor for many people, with 69 giving it a rating of 4. 53 respondents (or 27% of the total) gave a rating of 3, and 10 respondents (or 5% of the total) gave a rating of 2, suggesting that service level is not a particularly important factor for them.

*Loyalty program for customers*: This factor specifies whether the restaurant offers loyalty programs or other incentives for frequent guests. Loyalty programs were rated lower than the other factors, with only 34 respondents giving it a rating of 5. This suggests that while loyalty programs may be appreciated, they are not the main factor that people consider when choosing a restaurant.

**Importance of Aspects**

This question aimed to understand whether the factors that respondents considered highly important (rated 4 or 5) were already important to them before the pandemic, or if they only became important after the pandemic.

*Graph 9 - Importance of Aspects. Source: own processing*



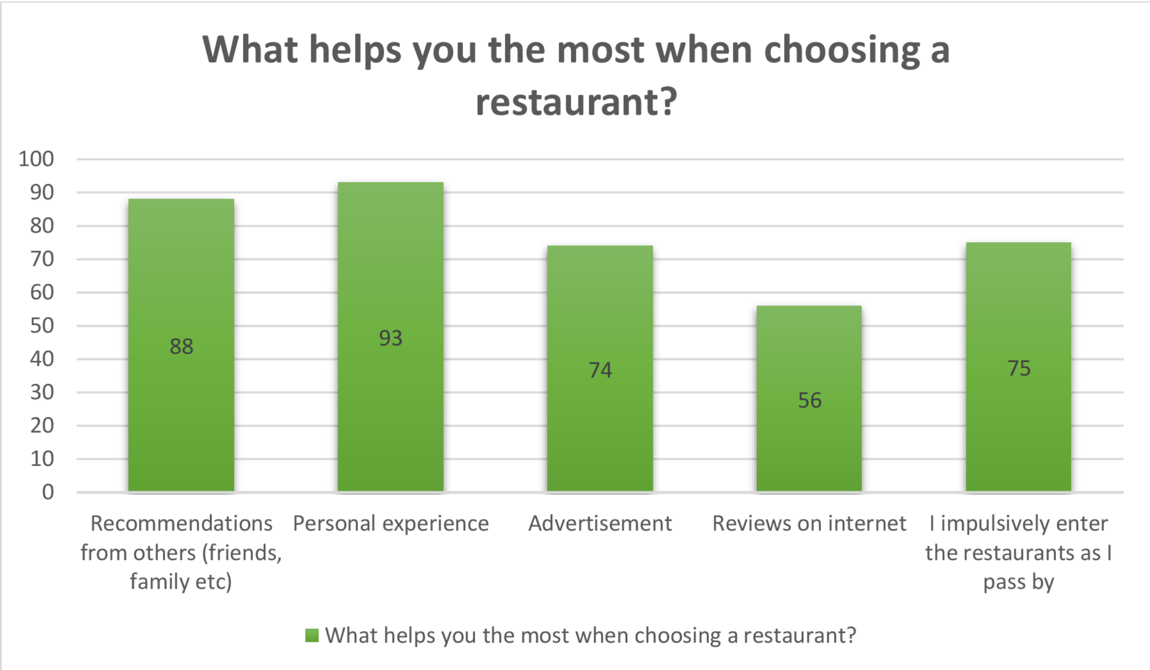

According to the survey results, almost half of respondents (93 respondents or 47% of the total) stated that every aspect that they rated as a 4 or 5 was already important to them before the pandemic. On the other hand, 36 respondents (or 18.4% of the total) indicated that only some of the aspects they rated as 4 or 5 were important to them before the pandemic. A smaller proportion of respondents (24 respondents or 12% of the total) indicated that the aspects they rated as 4 or 5 only became important to them after the pandemic. Finally, no respondents indicated that none of the factors they rated as 4 or 5 was important to them, which suggests that at least all respondents, regardless of when they started to become more significant, considered some of the factors important.

Overall, these results suggest that while some factors were already important to respondents before the pandemic, such as price, taste and quality, the COVID-19 may have influenced the importance of other factors, such as location proximity and cleanliness level.

#### 3.2.6 Factors Affecting Restaurant Choice

This question aimed to understand what factors were most influential for respondents when choosing a restaurant. The survey presented several possible options, and respondents were asked to select all that apply.

*Graph 10 - Factors Affecting Restaurant Choice. Source: own processing*




According to the results, the most commonly selected factor was personal experience, with 93 respondents indicating that it was the most helpful factor when choosing a restaurant. This suggests that previous visits to a restaurant can be a significant influence on a customer's decision to return.

Recommendations from other people were also commonly selected, with 88 respondents indicating that they found it helpful when choosing a restaurant. This suggests that word-of-mouth recommendations from friends and acquaintances can be a powerful marketing tool for restaurants.

Also, 74 respondents selected advertisements as the helpful aspect. This suggests that traditional marketing channels such as print ads, flyers, and billboards still have an impact on customers' restaurant choices.

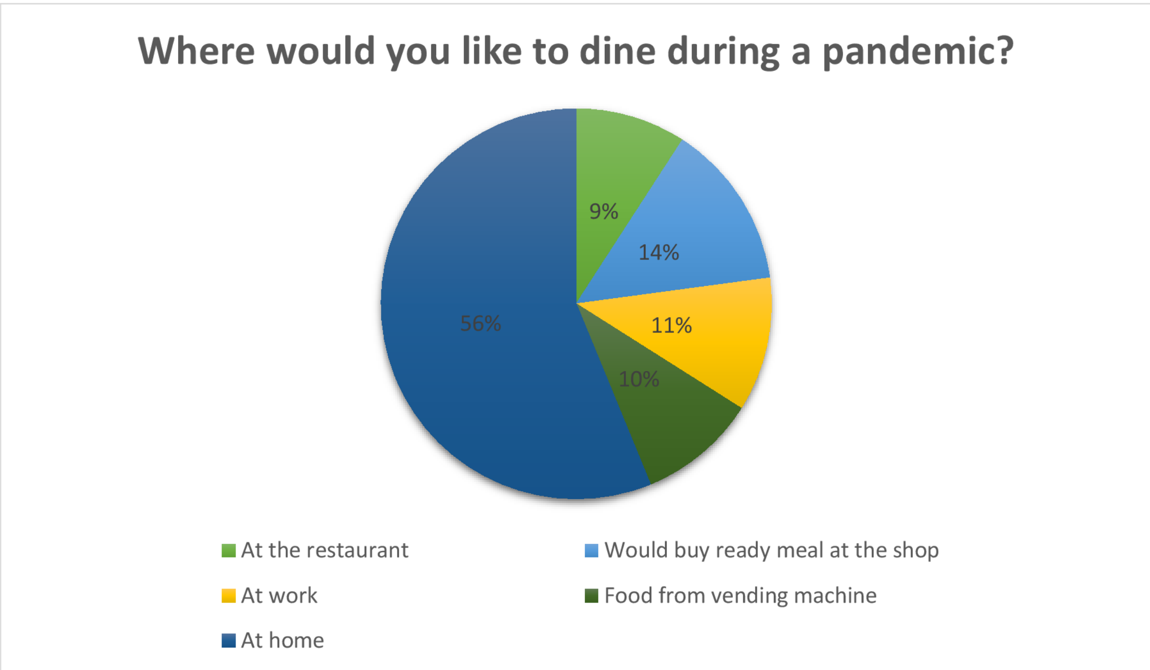
Reviews on the internet were the least commonly selected factor, with only 56 respondents finding them to be helpful when choosing a restaurant. This may indicate that reviews on the internet are not as influential for customers as personal experience or recommendations from other people.

Finally, 75 respondents indicated that they impulsively enter restaurants as they pass by. This suggests that the appearance and curb appeal of a restaurant can be important in attracting customers, particularly those who may not have a specific restaurant in mind when they set out to eat.

Overall, these results suggest that personal experience and recommendations from other people are the most influential factors when it comes to customers' decisions about where to eat. While traditional advertising channels are still important, internet reviews are not as significant for customers. Additionally, the appearance of a restaurant can be an important factor as well in attracting customers who may not have a specific restaurant in mind.

### 3.2.7 Preferred Dining Locations

*Graph 11 - Preferred Dining Locations. Source: own processing*




Based on the survey results, it appears that the majority of respondents (86 out of 154) would prefer to dine at home during a pandemic. This may be because many people have been encouraged to stay home and avoid crowded places to reduce the risk of contracting or spreading the virus.

Of the remaining respondents, the next most popular option was buying a ready meal at the shop, with 21 respondents choosing this option. This could be due to the convenience of ready-to-eat meals, as well as the perceived safety of purchasing pre-packaged meals from a store rather than dining out.

A total of 17 respondents indicated that they would like to dine at work during a pandemic. This may be because they are still working in-person and do not have the option to work from home, or they may feel more comfortable eating in a controlled environment where they are familiar with the cleanliness protocols.

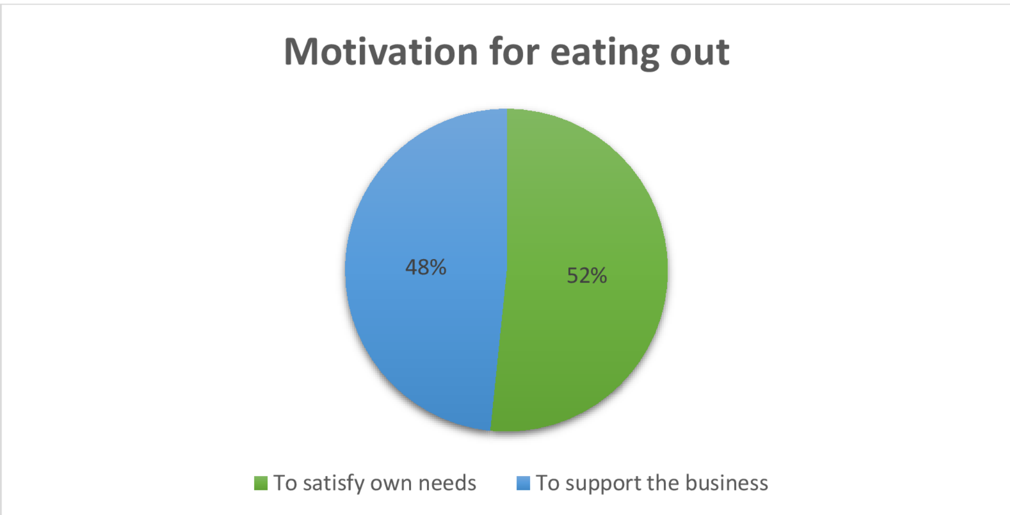
Fifteen respondents indicated that they would be willing to obtain food from a vending machine. This may be due to the convenience and perceived safety of using a vending machine, as there is minimal contact with others during the transaction.

Finally, 14 respondents indicated that they would like to dine at a restaurant during a pandemic. This is the least popular option, likely due to the potential risks associated with dining in a public space with other people. However, some individuals may feel that restaurants are taking appropriate safety measures and that dining out was worth the risk.

### 3.2.8 Motivation for eating out

The survey asked respondents to indicate their motivation for dining out during the pandemic. The majority of respondents (79 out of 153) reported that their motivation was to satisfy their need for food, while 74 out of 153 respondents reported that they were motivated by a desire to support the restaurant industry.

*Graph 12 - Motivation for eating out. Source: own processing*



The first motivation, to satisfy the need, suggests that the respondents were primarily focused on their own needs and desires when choosing to buy food at a restaurant or cafe during the pandemic. This is egoistic motivation and could be due to a variety of factors, such as a desire for a particular type of cuisine, a lack of cooking skills or supplies, or a need for social interaction outside of the home.

The second motivation, to help the restaurant business, is altruistic motivation and suggests that the respondents were motivated by a desire to support local businesses during a challenging time. The pandemic has had a significant impact on the restaurant industry, with many businesses struggling to stay afloat due to reduced capacity, increased cleaning and safety protocols, and a decrease in traffic. By choosing to buy food at a restaurant or cafe, respondents may be attempting to do their part to support the local economy and keep small businesses afloat.

It is worth noting that the motivations behind purchasing food at a restaurant or cafe may vary depending on a variety of factors, such as individual circumstances, personal beliefs, and cultural norms. However, these survey results suggest that the need to satisfy personal desires and the desire to support local businesses were two equal motivators for buying food at a restaurant or cafe during the pandemic.

### 3.2.9 New habits

The survey asked respondents what new shopping habits they had acquired as a result of the pandemic. It was on open-answer question. The responses indicate that the pandemic has had a significant impact on people's shopping behaviours and priorities. One of the response was that people had *started cooking more at home*. With lockdowns and restrictions on dining out, many people have turned to home cooking as a way to enjoy their favourite meals and save money. This may have also led to an increased focus on healthy eating and meal planning.

Another response was that people were *shopping more online*. This is likely due to concerns about exposure to the virus in public places, as well as the convenience and safety of shopping from home. This shift to online shopping has also resulted in increased demand for delivery and contactless payment options.

Respondents also mentioned that they had *started using virtual services*, such as online workouts or telemedicine, as a way to avoid in-person contact. This has also extended to virtual shopping experiences, with some retailers offering virtual try-on features or personal shopping consultations.

Further, people had started to think more about *mindful purchases* and *making smarter decisions about spending*. With many people facing financial uncertainty and job loss during the pandemic, there has been a greater focus on budgeting, saving money, and avoiding unnecessary purchases. This may have also led to a greater interest in sustainable and ethical consumer practices.

Overall, the survey results suggest that the pandemic has had a significant impact on people's shopping habits, with a greater emphasis on home cooking, online shopping, virtual services, mindful purchases, and smarter spending decisions. These changes may have long-lasting effects on the way people shop and consume goods and services in the future.

Another shopping habit that has been acquired because of the pandemic is the *careful choice of delivery service*. With an increased reliance on online shopping and home delivery, many people have become more discerning when it comes to choosing delivery services.

## 3.3 Recommendations

Based on the survey, there are few recommendations that could be given to restaurant businesses to help them adapt to the changing market during the post-pandemic times.

***Offer take-out and delivery options***

With many consumers hesitant to eat out in public, offering take-out and delivery options can help restaurants reach a wider customer base. Providing contactless delivery and curbside pickup options can help attract customers who are concerned about exposure to the contagious diseases. Restaurants can also collaborate with delivery services. In comparison with the Czech Republic, where there are well-known international delivery services such as Wolt (Finnish), Uber Eats (American) and Bolt Food (Estonian) as well as the local DameJidlo, in Kazakhstan, Almaty, there are not so many international players. The only one is Glovo (Spanish) and Yandex (Russian).

***Focus on quality and value***

With many customers facing financial uncertainty during and after the pandemic, it is important for restaurants to offer quality food at a reasonable price. Special deals and promotions can also help attract customers. Restaurants can offer combo meals, discounts for online ordering, and loyalty programs to keep customers coming back.

***Embrace digital marketing and ordering***

With more people shopping and ordering food online, restaurants should have a strong digital presence. This includes a user-friendly website, social media channels, and online ordering options. Restaurants should consider investing in a mobile app that customers can use to order and pay online. This will not only streamline the ordering process but also allow for contactless payment.

***Support local communities***

Consumers are more aware of the importance of supporting local businesses during the pandemic, so restaurants should look for ways to collaborate with and support other local businesses in their community. Restaurants can source ingredients from local farmers and suppliers, and offer special deals and promotions in partnership with other local businesses. This will not only help the community but also help the restaurant establish a strong local presence.

# 4 Conclusion

The COVID-19 pandemic has significantly influenced the world in many ways, including the way we shop and dine out. This bachelor thesis has explored the changing consumer behaviour in the restaurant industry in Kazakh city of Almaty during the pandemic, focusing on the shift towards take-out and delivery options, safety measures, and acquainting new habits.

Based on our survey results, one of the findings is that many consumers are hesitant to dine out in public due to safety concerns, and are instead opting for take-out and delivery options. Additionally, consumers are more mindful of their spending habits and are prioritizing safety when deciding where to purchase their food. This has led to a significant shift in the restaurant industry, with many businesses adapting to the new market conditions by focusing on take-out and delivery options, implementing strict safety protocols, and offering promotions to attract customers.

One of the key recommendations for restaurant businesses is to offer take-out and delivery options, as this allows them to reach a wider customer base while also ensuring safety for their customers. Offering convenient and reliable delivery options, with contactless delivery and curbside pickup, can also help customers feel more at ease during the pandemic. Furthermore, restaurants can collaborate with delivery services like Uber Eats, Grubhub, and DoorDash to expand their reach and improve their visibility online.

Another recommendation for restaurants is to emphasize safety measures, as this can help reassure customers that their establishment is a safe place to dine. By implementing and communicating strict safety protocols, such as frequent cleaning and sanitization of high-touch surfaces, social distancing measures, and the use of masks and gloves by staff, restaurants can make their customers feel more comfortable dining out. Additionally, posting information about their safety protocols on their website, social media channels, and in-store can also help reassure customers.

It is also important for restaurant businesses to focus on quality and value, as many customers are facing financial uncertainty during the pandemic. Offering quality food at a reasonable price, as well as special deals and promotions, can help attract customers and keep them coming back. Restaurants can offer combo meals, discounts for online ordering, and loyalty programs to improve their visibility and attract repeat customers.

With more people shopping and ordering food online, it is crucial for restaurants to have a strong digital presence. This includes a user-friendly website, social media channels, and online ordering options. Restaurants can consider investing in a mobile app that customers can use to order and pay online, which will streamline the ordering process and allow for contactless payment.

Finally, it is important for restaurant businesses to support local communities, as consumers are more aware of the importance of supporting local businesses during the pandemic. Restaurants can source ingredients from local farmers and suppliers, and offer special deals and promotions in partnership with other local businesses. This can help establish a strong local presence and show customers that the restaurant is committed to supporting the community.

In conclusion, the COVID-19 pandemic has significantly affected the restaurant industry and has led to a shift in consumer behaviour. However, by adapting to these changes and implementing the recommendations outlined in this thesis, restaurant businesses can continue to succeed in the post-pandemic world. The pandemic has brought about changes in customer behaviour, and businesses that can adapt to these changes will be better positioned to succeed. By embracing the new market conditions, focusing on safety, and offering value to their customers, restaurant businesses can continue to thrive in the ever-changing market.

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# 6 List of pictures, tables, graphs and abbreviations

## 6.1 List of tables



## 6.2 List of graphs



## 6.3 List of abbreviations

UNWTO - The United Nations World Tourism Organization

WTTC - World Travel & Tourism Council

GDP - Gross domestic product

WHO - The World Health Organization

CSSA - Committee for the Coordination of Statistical Activities

UNCTAD - The United Nations Conference on Trade and Development

SME - Small and medium-sized enterprises

ILO - International Labour Organization

IMF - International Monetary Fund

# Appendix

Annex 1 – Survey questionnaire

## Влияние коронавируса на ресторанный бизнес

Описание

Ваш пол

- ◯ Мужской
- ◯ Женский

Ваш возраст

- ◯ 18-26
- ◯ 27-35
- ◯ 36-50
- ◯ 51-65
- ◯ 65+

Занятость

- ◯ Студент
- ◯ Работаю
- ◯ Безработный
- ◯ Пенсионер
- ◯ Другое...

Повлиял ли COVID-19 на ресторанный бизнес в вашем городе?

- ◯ Да
- ◯ Нет

Сколько раз в неделю вы посещали рестораны/кафе ДО пандемии? *

- ◯ Каждый день
- ◯ Несколько раз в неделю
- ◯ Один раз в неделю
- ◯ Один раз в месяц
- ◯ Несколько раз в год
- ◯ Никогда

Сколько раз в неделю вы посещали рестораны/кафе во время пандемии?

- ◯ Каждый день
- ◯ Несколько раз в неделю
- ◯ Один раз в неделю
- ◯ Один раз в месяц
- ◯ Несколько раз в год
- ◯ Никогда

На что вы больше всего обращаете внимание при походе в ресторан? (1 - меньше всего, 5 - больше всего)

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Цена блюд и напитков | ○ | ○ | ○ | ○ | ○ |
| Вкус и качество блюд и напитков | ○ | ○ | ○ | ○ | ○ |
| Близкость местоположения | ○ | ○ | ○ | ○ | ○ |
| Доставка (быстрая и/или бесплатная) | ○ | ○ | ○ | ○ | ○ |
| Популярность в соц.сетях | ○ | ○ | ○ | ○ | ○ |
| Уровень чистоты | ○ | ○ | ○ | ○ | ○ |
| Обслуживание | ○ | ○ | ○ | ○ | ○ |
| Программа лояльности для клиентов | ○ | ○ | ○ | ○ | ○ |

Были ли аспекты, которые вы отметили "4" и "5", для вас важны и перед пандемией?

○ Да, все были важны до пандемии

○ Только некоторые аспекты были важны до пандемии

○ Нет, все стали важны только после пандемии

○ Никакой аспект не был выделен "4" и "5"

Что вам больше всего помогает при выборе ресторана?

- [ ] Рекомендация от других людей (друзей, знакомых итд)
- [ ] Личный опыт
- [ ] Реклама
- [ ] Отзывы в интернете
- [ ] Я захожу импульсивно в большинство заведений при прохождении мимо

Где бы вы поужинали во время пандемии?

- ○ В ресторане
- ○ Купил/а бы в магазине готовую еду
- ○ На работе
- ○ Едой из автомата
- ○ Дома
- ○ Другое: ____________

Какая была ваша мотивация, если вы во время пандемии покупали еду в ресторане/кафе?

- ○ Утолить свою потребность
- ○ Помочь ресторанному бизнесу
- ○ Другое: ____________

Какие новые покупательские привычки вы приобрели из-за пандемии?

Мой ответ ____________