

RESTAURANTS AND CAFES DURING THE COVID-19 PANDEMIC: UZBEKISTAN

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Abstarct: *This article is about restaurants and cafes during the covid-19 pandemic in Uzbekistan and given some useful recommendations. Discussed how to develop restourants and cafes in our country.*

Keywords: *restaruants, cafes, covid-19, pandemy, spread, hotels, industry, effect*

Аннотация: *Эта статья посвящена ресторанам и кафе во время пандемии covid-19 в Узбекистане и дает некоторые полезные рекомендации. Обсудили, как развивать рестораны и кафе в нашей стране.*

Ключевые слова: *рестораны, кафе, covid-19, пандемия, распространение, отели, промышленность, эффект*

A year ago (2020), unpleasant threats to human life began to threaten. That is, the COVID-19 virus, a new type of virus, has begun to gather its victims. The virus, which is easily transmitted from one person to another through the air, has reached all parts of the world and caused disruptions in almost all sectors of the world economy. In the era of COVID-19, the restaurant and tourism industry has been ranked among the most affected industries worldwide. On March 15, 2020, Uzbekistan entered into a strict quarantine regime. During this time, several support initiatives were proposed by the government to the restaurant industry The main purpose of this article is to obtain information on how the restaurant industry was treated during the pandemic and to evaluate government initiatives, as well as in which areas the restaurant

industry needs more support and to identify them the most. involves obtaining information about factors of concern. Special surveys were conducted among the representatives of restaurants / cafes in Tashkent. The year 2020 marked a turning point in human history. This year began to be included in the annals of history as the "cold year". That is, unlike certain viruses, the COVID-19 virus, which is considered a new species, has begun to take its victims. The virus, which is easily transmitted from person to person through the air, has spread to all parts of the globe and has broken the chains in almost every sector of the international economy.

Overview of COVID-19 (Overview COVID-19 Background)

The World Health Organization (WHO) officially declared a pandemic on March 11, 2020 (World Health Organization, 2020). Due to the coronavirus epidemic, the borders of the countries were partially or completely closed to international visitors (Pew Research Center, 2020). Central banks have begun to take urgent measures, such as preventing various crises, in response to the COVID-19 pandemic (Cavallino, Fiore, 2020). Government agencies have begun to take large-scale initiatives and measures to support various industries. The main purpose of this work was to save the economy of the public and private sectors and alleviate the crisis. Some countries have moved to full quarantine, with the result that people are required to adhere to strict quarantine or self-isolation to prevent the spread of the virus. The intertwined chains of normal life are broken. Sales of U.S. restaurant industry businesses fell 47% in the first quarter of the year as of March 22, 2020. 44% of the restaurant industry enterprises were closed (National Restaurant Association, 2020). As of March 22, 2020, \$ 25 billion in sales and 3 million jobs had been lost (National Restaurant Association, 2020).

COVID-19 in Uzbekistan. The first patient infected with the COVID-19 virus in Uzbekistan was registered on March 15, 2020, as a result of which strict quarantine restrictions were imposed in the country. The volume of trades on the Uzbek Commodity Exchange decreased by 30%. In the first 10 days of April 2020, sales of some products fell by 80%. Revenues from sales of goods decreased by 31%, and revenues from services decreased by 2.7 times (Tulyakov, 2020). During a pandemic,

the measures taken by the government to stimulate the economy and mitigate the effects of the crisis include: general economic measures; social support measures; initiatives to support businesses and the most affected sectors. Several government interventions; (1) From April to October 2020, there will be a reduction in tax rates and fees, (2) small businesses will be exempt from property and land taxes for April-May 2020, (3) debts will be reduced. payment terms were delayed and extended for 6 months, (4) leasing companies were paid rent (Tulyakov, 2020). During the COVID-19 pandemic, one of the most affected industries in Uzbekistan was tourism. The tourism industry was supported in the form of tax and fee incentives (Tulyakov, 2020). It should be noted that there are about 833 hotels, 214 hostels and 141 other types of residential buildings, 1482 tour operators registered in the country (Development Strategy Center, 2020). As of 2019, tourism export services amounted to approximately \$ 1,313,032, which is 26.1% higher than in 2018 (Development Strategy Center, 2020).

The restaurant industry in Uzbekistan ceased operations on March 22, 2020, almost completely. In total, 13,858 restaurants in the country were closed, of which 2,644 were in Tashkent, 2,081 in Samarkand and 1,187 in Bukhara region (Forbes Uzbekistan, 2020). Some of the listed restaurant industry companies have set up immediate “delivery” services to maintain their services. Certain types of restaurants provided free food to medical staff and launched meal delivery services for call-center operators 3 times a day until April 1, 2020 (Yuksalish Nationwide Movement, 2020). Effective June 15, 2020, all restaurants and cafes (as well as all canteens) will be allowed to resume operations subject to strict quarantine regulations. In July 2020, for the second time in the country, strict quarantine measures were taken. The government has launched a number of initiatives to support the restaurant industry (Lex.uz, 2020):

1. Exemption from turnover tax for public catering;
2. Exemption from payment of fees / duties for the right to engage in the retail sale of alcoholic beverages / beverages;
3. The right to sell alcoholic products / beverages, delivery services;

4. Possibility to increase the number of employees from 25 to 50;
5. The right to engage in commercial activities through a mobile stand, mobile shop, food trucks, as well as the right to engage in trade without contracts / agreements signed with law enforcement agencies;
6. Tax benefits on income received by individuals from the provision of real estate.

From September 5, 2020, quarantine restrictions have been eased. Companies in the restaurant industry were allowed to operate in compliance with sanitary requirements. It should be noted that even today, the distance between the tables in the dining area should not be less than 2 meters, and no more than 4 customers can sit around one table. We are also working to support the necessary measures, such as the use of masks and gloves by all employees, disinfection of all flat surfaces after the end of customer service, installation of ultraviolet lamps (US Embassy in Uzbekistan, 2020). All of these requirements will inevitably lead to additional costs for the restaurant industry.

Methodology. The literature review helped to formulate the following research questions:

Q1: What initiatives has the government taken to support the restaurant industry and the satisfaction of the restaurant industry?

Q2: Which of the government initiatives to support the restaurant business has the least (and most) satisfaction?

1. Exemption from turnover tax for catering companies / food service companies;
2. Exemption from payment of fees / duties for the right to engage in the retail sale of alcoholic beverages / beverages;
3. The right to sell alcoholic products / beverages, delivery services;
4. Possibility to increase the number of employees from 25 to 50;
5. The right to organize summer terraces free of charge;
6. The right to engage in commercial activities through a mobile stand, mobile shop, food trucks, as well as the right to engage in trade without contracts / agreements signed with law enforcement agencies;
7. Tax exemptions on income of individuals from the provision of real estate.

Q3: How has the business model of restaurants / cafes changed in response to the coronavirus pandemic?

Q4: How difficult was the transition for online ordering and delivery services for restaurant businesses?

Q5: What type of delivery service did the restaurant industry use?

Q6: In the current pandemic, what are the predictions / opinions of consumers about changes in behavior and the likelihood that restaurants / cafes will be able to solve their problems?

1. Long-term social alienation;
2. Decreased customer flow;
3. Increased attention to hygiene requirements;
4. Increased demand for delivery services;
5. Less reliance on cash from customers;
6. Great focus on customer loyalty programs.

Q7: What are the biggest concerns for restaurant businesses during a pandemic?

Q8: Which month of the year was the most profitable for the restaurant business?

Q9: In which areas of the restaurant industry did you need expert help (if exist)?

Participation & Data collection. Samples were taken from food trucks, cafes, pizzerias, bars, restaurants, cafes and other similar restaurants located in Tashkent. The sample in the article was taken from 300 out of 2644 restaurants in Tashkent. A link to the survey was sent by the researcher to the Facebook pages of restaurants and cafes. Second, the survey link was sent through the best supplier programs in the city: Express24, Bringo and Stolik. Third, telegram messenger sent inquiry links to restaurant / cafe representatives. Data were collected over 20 days. During this time, the links were sent 4 times. As a result, the response rate was 13%, which was a very low result. Cole (2005) Description for low-scoring online surveys: low response rates were also observed by small business representatives (William, 2003) and declining response rates in recent decades (Tortora, 2004; Curtin et al., 2005). Frequent reporting of hospitality and low response rates in related areas (Cho et al., 2006; Moncarz and Kay, 2005). Some reports argue that the authority of responses is

more important than the level of response (Sax et al, 2003). Thus, given the restaurant industry in Uzbekistan as a whole, a 13% response rate was a good result, even if people did not express any interest in the survey. Representatives of the restaurant industry and those interested in the results of the survey also took part in the survey. The survey included a total of 9 questions, including 1 open-ended question. There was also an anonymous open conversation. The interview was conducted among 5 representatives of the restaurant industry to find out their opinions.

Analysis & Results. First, the survey results were analyzed, followed by an analysis of the interview sessions. The results showed that 7.89% of respondents reported operating at full capacity; 63.16% of respondents stated that they were partially active; 28.95% of respondents did not operate at all during the strict quarantine period in July 2020. 63.16% of respondents are cafes, 34.21% are restaurants, and 2.63% are other types of restaurants. Of these, 63.16% were European cuisine and 39.47% were coffee shops. Also, 28.95% were pizzerias, 21.05% were confectioneries, and 10.53% were Uzbek national cuisine. It should be noted that catering establishments often offer a combination of the cuisine types. 47.37% of respondents have been working in the restaurant industry for 1-3 years; 28.95% of participants have been working in this field for 4-6 years; 7.89% have been participants for 8-10 years, as well as 15.79% They have more than 10 years of work experience. 40% of the respondents had 1, 24% had 2, 16% had 3 and another 16% had 4 as well as 4% had 10 branches. As of September and October 2020, 78.95% of respondents continued their activities and 21.05% temporarily suspended their activities despite the easing of quarantine restrictions. The average score for evaluating the proposed government initiatives was 1.8, with 54.05% of respondents expressing general dissatisfaction and 24.32% of respondents expressing dissatisfaction. This value is 78.37% of the total. During an anonymous interview, several representatives of the restaurant expressed dissatisfaction with the implementation of initiatives, which included longer waiting times than previously reported by the government.

The business models in the restaurant industry have changed as follows: first, 71.05% of the respondents switched to external services only, as a result of which it is known that many respondents switched to the take-away business model; 44.74% used delivery service; only 28.95% of respondents reduced the size of their menus; and 28.95% of respondents used open terraces, which are government initiatives; 23.68% of respondents organized delivery services; 23.68% of respondents developed communication with their clients on social networks; only 5.26% of respondents switched to cashless payment; 2.63% of respondents were engaged in the sale of food and alcohol; no changes were observed in 18.42% of respondents because they were completely closed during the pandemic. While 57.89% of respondents are well aware that switching to online orders is beneficial and does not cause unnecessary hassles, while 7.89% of respondents have not switched to delivery service. 60.53% of respondents set up their own delivery services, 44.74% of respondents delivered orders by taxi, 57.89% of respondents set up delivery via Express24, 26.32% of Bringo programs. Note that there are 344 lists of restaurants and cafes on Express24.uz and 371 on Bringo.uz (Express24, 2020; Bringo.uz, 2020). The call-center still has a high rate of customer orders, at 84.21%; followed by Instagram (47.37%), Telegram-bot (44.74%); Facebook (36.84%), Telegram group / channel (28.95%) and 7.89% of respondents use other tools such as website. More than 20% of China's population uses food delivery services (Maimati et al, 2018); In South Korea, meanwhile, 25 million people use food delivery services (Joins, 2019 cited in Lee, 2019). Representatives of the restaurant industry believe that the changes in consumer behavior will take the form of increased attention to hygiene. The average number of employees in the restaurant industry is 40 (39.61)

BASIC STATISTICS

Minimum	Maximum	Median	Mean	Standard
2.00	500.00	15.00	39.61	Deviation
				85.31

Table1: Average number of employees

It should be noted that 36.84% of the respondents have already reduced the size of their staff, while 15.79% could not agree on the process; 47.37% of respondents indicated that they did not plan to reduce their staff, which was a positive indicator.

The ranking of the months with the lowest income is also described as follows: 1) April (3.9 points) was the month with the lowest income - a period of strict quarantine for which no one was prepared, as well as future changes and rules were uncertain; 2) then May (3.44 points); 3) the second strict quarantine period of July (3.37 points); 4) June (3.33 points) and 5) August (2.22 points) are more profitable months. Among the main areas in need of specialists in the restaurant industry, support and financial issues were 48.57%, human resource 37.14%, sanitary requirements 22.86%, law 20%, supply and logistics 17.14% .

What worries businesses the most?

1. The future vitality and existence of the business (7.55 points)
2. Employee health (6.33 points)
3. Cash receipts (6.24 points)

Factors of concern to the restaurant industry included: retaining the least number of employees (3.94); suspension of purchases (4.06); and errors in delivery (5).

Below, the survey's open-ended questions about how businesses need help include the most common ones:

- 0% and low level of bank credit;
- Ease of quarantine measures;
- Permission to work in the evening / night;
- Clear instructions;
- Financial and legal advice;
- Taxation and complete exemption of employees from income tax.

Interestingly, there were a number of discussions involving business representatives, i.e., allowing them to work both during the day and in the evening, subject to strict quarantine measures. They also commented on:

“People were crowded on buses and subways, not restaurants and cafes. In such cases, it makes no sense to restrict the activities of restaurants and cafes. ”

One interviewee noted:

“It was very difficult for nightclubs and restaurants to switch to delivery service because their business model is explained in terms of entertainment. At night bars and restaurants, customers go to listen to music and dance to the beat. ”

When asked about the future strategy:

"Our strategy is to produce and sell food and make money. That's our strategy. We want the government to allow us to work normally, at least for more hours, and we will do good in return. ”

A review of secondary data revealed that an interview with Themag.uz (2020) was conducted in March. In this interview, you can find out what the restaurant staff did during the pandemic. That is, some restaurants / cafes have been able to assess the situation positively by developing a survival strategy. Note:

“Creating a strong brand has allowed us to retain a certain percentage of loyal customers.... We have developed a number of programs for our survival.... We have introduced contactless hermetic packaging technology ”..” (Themag.uz, 2020).

Also, take a positive view of the situation, optimize the process, implement it through review, develop marketing strategies and action plans to stay in business:

“... .. The pandemic can have a positive impact on food-related businesses, forcing us to optimize processes, change operations and improve.... ”(Themag.uz, 2020).

“.... Businesses in the restaurant industry need to optimize their costs, which involves the development of a special plan, which in turn allows them to survive.... ”(Themag.uz, 2020)

Conclusion & Recommendation. This study aims to answer the following series of research questions. A summary of the findings is provided, followed by descriptions. Results of Question 1:

Q1: What initiatives has the government taken to support the restaurant industry and the satisfaction of the restaurant industry?

The average rating of the proposed government initiatives was 1.8, which was performed by a restaurant company. In other words, 54.05% were very dissatisfied and 24.32% were dissatisfied.

Results of Question 2:

Q2: Which of the government initiatives to support the restaurant business has the least (and most) satisfaction?

Government initiatives with the lowest average rating:

- Exemption from fees / charges for the right to engage in the retail sale of alcoholic beverages / beverages (2.38 out of 5 points).

Government initiatives with the highest average rating:

- The right to engage in commercial activities through a mobile stand, mobile shop, food trucks, as well as the right to engage in trade without contracts / agreements with law enforcement agencies (3 out of 5 points)
- The right to free placement of summer terraces (3.22 out of 5 points).

Results of question 3:

Q3: How has the business model of restaurants / cafes changed in response to the coronavirus pandemic?

71.05% of the respondents who took part in the survey switched to the take-away service, which shows that the majority of respondents switched to the take-away business model; 44.74% of respondents switched to delivery services through third parties; 28.95% were forced to reduce their menu offers; the same 28.95% of respondents built open terraces with the help of government initiatives (open terrace); 23.68% of respondents introduced their own delivery service for the first time; the same percentage (23.68%) of respondents expanded their interactions with their clients on social networks; only 5.26% of respondents received payments in cash; also, 18.42% of respondents reported that they did not change their business models because they did not operate during quarantine (e.g. bar).

Results of Question 4:

Q4: How difficult was the transition for online ordering and delivery services for restaurant businesses?

57.89% of respondents said that the transition to online orders and their delivery was not difficult.

Results of Question 5:

Q5: What type of delivery service did the restaurant industry use?

60.53% of respondents indicated that they had delivery services, and 44.74% made delivery by taxi; 57.89% of respondents identified delivery services through the Express24 program and 26.32% through the Bringgo program; and 10.53% of respondents said they did not organize delivery services.

Results of Question 6:

Q6: In the current pandemic, what are the predictions / opinions of consumers about changes in behavior and the likelihood that restaurants / cafes will be able to solve their problems?

Restaurants / cafes assess changes in consumer behavior as more attention is paid to hygiene and increased demand for delivery services, as well as:

1. Increased attention to hygiene requirements;
2. Increased demand for delivery services;
3. Low flow of customers;
4. Less customer reliance on cash;
5. Great focus on customer loyalty programs.

The above factors were the slogans that most frightened the restaurant / cafe representatives. The following are relatively weak factors:

1. Staff retention (3.94 points);
2. Termination of purchases (4.06 points);
3. Delivery errors (5 points).

Results of Question 8:

Q8: Which month of the year was the most profitable for the restaurant business?

The rating of the months with the lowest income is as follows:

April 1 (3.9 points)

May 2 (3.44 points)

July 3 (3.37 points)

June 4 (3.33 points)

5. August (2.22 points).

Results of Question 9:

Q9: In which areas of the restaurant industry did you need expert help (if any)?

The support and advice of experts and specialists showed the following results:

1. Financial (48.57%)
2. Human resources (37.14%)
3. Sanitary requirements (22.86%)
4. Legal (20%)
5. Procurement and logistics (17.14%).

Recommendation. Based on the results of this study, the following recommendations can be made:

- When customers go to a restaurant, cafe, or other restaurant, an important aspect for them is cleanliness. First of all, the staff of the restaurant must follow the requirements of hygiene, that is, they must wash and clean their hands regularly, because their hands contain millions of dangerous viruses and bacteria (Knight, et al., 2009 and Seamen, Eves, 2006). In fact, improper hand washing / cleaning causes about 20% of food-related illnesses (Todd, Freig, 2007).

Strict food quality, hygiene and sanitation requirements are especially important during the pandemic. Although strict control processes are in place, if these processes are not communicated to people (clients) through the website, Facebook, Instagram, and other social networks and messengers, these actions may be canceled or reduce their scope.

In short, building trust and loyalty between customers and advertising companies can ideally support a purchasing decision.

- The start of state-supported initiatives has been good, but it has caused little satisfaction as it took a long time and effort to implement these initiatives. Therefore, a number of considerations were recommended to the authorities: use of scientific-methodological factors involving restaurant / cafe representatives; organizing online

roundtables; listen to the opinions of restaurant / cafe representatives and make support plans based on them and strictly monitor its implementation.

- Organizing regular online-offline roundtables with representatives of the restaurant industry and involving banking and legal sector experts in these roundtables.

- When it comes to personnel issues, according to the survey, 36.84% of respondents have reduced their staff. Similarly, government support initiatives to ensure that restaurant employees do not lose their jobs could be thwarted. 15.79% of respondents thought about dismissing their employees. Restaurants and bars that operate in the evening are encouraged to consider changing their business model, in line with the goal of implementing loyalty programs in response to their unique customers. Over the next 5 years, it can be used to change your marketing strategy and overall growth strategy, despite all the negative thoughts and negative consequences. Restaurant / cafe representatives are advised to contact specialized institutions. That is, academics or similar advanced professionals can give enough advice to the representatives of restaurants and cafes. Restaurants / cafes can use these tips to create and develop their own marketing, business and corporate strategies.

- It is advisable for restaurants and cafes to reconsider their location.

- Indeed, for a positive change in the process, large financial investments are required, which in turn would be a great light on the light if the burden on restaurants / cafes on the basis of low-interest bank loans is relieved.

- The majority of respondents are concerned about the fact that taxes are not reduced. Therefore, the next recommendation is to consider reducing taxes. That is, rates up to 0% for the coming years, as well as the development and implementation of tax holidays. With this, the food establishments, which are in a difficult situation now, will be able to finance themselves sufficiently. Countries such as China, India, Russia, Ukraine and the UAE have their own tax systems (tax holidays, tax projects) (DLA PIPER, 2020).

- Sanitary control services should change their methods of audit and control:

- a) Issue a final approved version of the Sanitary Regulations;

- b) nationwide training for restaurants / cafes;

- c) Provide information on audit and control schedules and procedures;
 - d) Consistent measures should be taken to support the business, as well as to avoid the “punishment” mechanism and to pay more attention to coaching and training.
- Finally, it is recommended to assess the level of customer satisfaction.

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