

## CHARACTERISTICS OF THE OUTSIDE CATERING MARKET IN BURGAS, BULGARIA

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### Abstract

The dynamic social and economic development of Bulgaria has an effect on the contemporary social relations and communications, which reflects on the development of the operations in the services sector as well. The fact that catering services are offered in various market segments on many different occasions comes as yet another natural outcome.

The article provides with an insight into the sphere of activity of catering and analyzes the results of exploring the local consumers of the service in the region of Burgas, Bulgaria. Based on the research carried out in the biggest catering firms in the region, the paper outlines the outside catering market allocation scheme in Burgas, the trends in the number of menu items at popular foodservice establishments in the region as well as specific preferences. The article also presents the main problem areas of outside catering in the region, formulated as a result of the focus group discussion and expert evaluation by specialists, and gives recommendations for the improvement of the operations.

**Keywords:** outside catering, Burgas region, customer survey and preferences, operations.

### Introduction

Catering is diverse and complex social and economic activity in the services sector aimed at satisfying people's needs for food, beverages and ancillary services at any time and in different locations.

Catering is part of the sphere of services and is involved in the processes of demand, supply and meeting consumers' requests and needs. As a result of the efforts made, catering is constantly expanding and improving worldwide.

Primarily peculiar to the hotel industry in the past, catering in Bulgaria is mostly associated with functions and receptions. Today it is the business activity area of foodservice and entertainment establishments, of specialized catering firms and big retail chains.

The expanding market in Bulgaria is gradually turning catering into a significant business activity. The town of Burgas is an important administrative, business, commercial, cultural and tourism centre in

Southeastern Bulgaria. It is situated on a picturesque bay on the Black Sea coast. The region includes 13 municipalities with a population of 420840 people<sup>1</sup> as of 31/12/2009, and the average population density is 54.2 inhabitants per square kilometer<sup>2</sup>. Burgas Region produces 5.22% of the gross domestic product of the country<sup>2</sup>. Burgas Municipality occupies an area of 512.2 km<sup>2</sup> and comprises 15 towns and villages, with the average population density being 54.0 inhabitants per square kilometre<sup>3</sup>.

Research problem, novelty and relevance

It is the first time the market of catering services in Burgas has been researched in Bulgaria. The problem is that there is still no data neither on the market allocation scheme of outside catering not only for the region but also for the whole country, nor on the peculiarities of the guests' choices in foodservice and entertainment establishments regarding the number of menu items, visits to ethnic restaurants and main problem areas of the product on offer.

The research data are of primary importance to the operators because the customer feedback is the basis for the improvement of the product.

### Research object

The research object of the present paper is Burgas-based firms providing catering services, which have the necessary capacity to cater for the region.

### Research aim

The aim of the research is to explore the state of the outside catering market in Burgas and the customer preferences.

### Research objectives

The main objective of the paper is to identify the market segments, the specific peculiarities of the

<sup>1</sup> NSI, Burgas Territorial Bureau of Statistics. Burgas Region in numbers, 2008, p. 1.

<sup>2</sup> [www.bsregion.org/Bul/About/Economic.htm](http://www.bsregion.org/Bul/About/Economic.htm)

<sup>3</sup> Burgas Municipality, Tourism development programme for Burgas Municipality for the period 2004-2007, p. 3-7.

consumers of the services and the expert evaluation of the structure of the services offered.

### **Research methods and methodology**

The components of the research process are:

1. Sources of secondary information, the so-called desk research (Anastasova, 1989) for the period between 2008 and 2010, which includes:
  - Inside sources for identification and analysis of the product on offer, problems and available resources.

The research into outside catering in Burgas is based on the following aspects of the operations management:

- investigation of the market and the consumer groups,
- adopted concept of service and organization of the operations,
- localization,
- material conditions,
- staff,
- price lists,
- customer files,
- systems of quality and human resources management,
- capacity planning activities,
- major competitors.
- Outside sources of information for analyzing the business environment: statistics reports of the National Statistical Institute (NSI) and Burgas Territorial Bureau of Statistics; analyses of specialized marketing agencies; library investigation, data and results from studying the press – local and national daily papers, specialized editions, journals; results from marketing and consumer research; data of Burgas Chamber of Commerce; advertising materials of catering businesses; business meetings and seminars; data of Burgas Region and Burgas Municipality, Burgas Directorate of Economics and Business Activities; Internet resources.

2. Methods of collecting primary information that include:

- Conducting in-depth interviews with the managers of regionally significant catering companies in Burgas. The interviews are composed on the basis of the four elements of the marketing mix.

The aim is to find out the current state of the operations, the new dimensions of the problems and to analyze exact and comprehensive explanations based on personal experience.

- The research process also includes a survey of 320 customers of catering services in Burgas who have different socio-demographic profiles.
- The third stage is a discussion with a focus group, selected from highly qualified specialists, consumers of the outside catering product in Burgas.

The focus group includes seven people engaged in entrepreneurship, including tourism business.

The discussion is aimed at identifying their opinions and their attitudes to the adopted service concept, the products and services on offer, common problems and recommendations important to the evaluation of the feedback and at gathering information and ideas for future corrective actions.

### **Research Results:**

#### **Results of the research into businesses and consumers of catering services in Burgas**

The regionally significant firms operating in the market of outside catering in Burgas are: BAT Catering, North Star EOOD, Cool Place, Chris Party Service, Krigea Party Agency, Elite Wedding Agency.

Outside catering as an ancillary service is also provided by high-class hotel complexes and restaurants in Burgas: Primorets Restaurant, Bulgaria Restaurant, Mirage Restaurant, Burgas Restaurant, Aqua Restaurant, Atagen Restaurant, Zlaten Riton (Gold Rhyton) Restaurant as well as companies engaged in airline catering: BMK AD and Panji 2000 OOD.

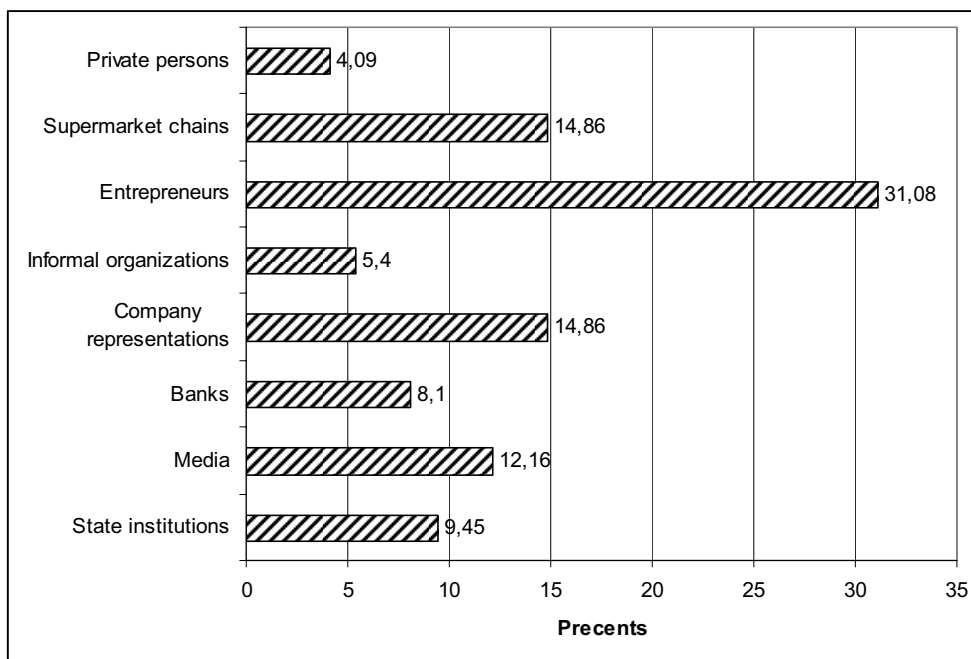
Of the above operators **BAT Catering, North Star EOOD and the chain of Cool Place provide classic outside catering.**

The rest of the companies work with subcontractors as regards food preparation and deliveries, beverages, service, entertainment, interior solutions, etc.

All the companies operating in the field of outside catering in the region **have the necessary capacity core** – facilities and permanent staff to carry out and cater for events of various scales.

The research into firms providing outside catering in the region of Burgas shows that the **market is divided** as follows (Fig. 1):

- The largest share belongs to representatives of entrepreneurs (31.08%), followed by:
- Company representations and supermarket chains (each with 14.86%);
- Local media (12.16%);
- State institutions (9.45%);
- Banks (8.1%);
- Informal organizations (5.4%);
- Private persons (4.09%).



**Fig. 1.** Division of outside catering market in Burgas

The data show that the operations market is rather limited, but local investigations prove that the demand for catering services by private homes is growing.

To the question of “Would you order catering services at home?” in a survey<sup>4</sup> carried out online 62% of the surveyed persons answered positively, 26% – ‘maybe’, 6% – ‘rather not’ and 38% gave a negative answer.

The high percentage of negative answers proves that there is ignorance and/or continuing distrust of this service. This requires that a positive image of the organizations providing outside catering should be developed by means of active promotional campaigns and provision of a complete and quality product.

According to the data of a customer survey the following trends in the customer preferences emerge.

1. According to the summarized results from the customer survey carried out in Burgas one trend in the foodservice establishments in Burgas Region is the provision of the so-called ‘international cuisine’. The menu is composed on the basis of a service concept that has been developed and a target market segment – local visitors, tourists, and guests to the town.

A feature of menu at foodservice and entertainment places in Burgas is the influence of both western and eastern cuisines.

#### **The influence of other national cuisines manifests in:**

- Using specific foodstuffs;
- Applying ethno-technologies typical of the particular cuisine;
- Using technological equipment typical of the particular cuisine;
- Using exotic spices and combinations of seasonings in the culinary products;
- Ethnic and trendy style of food presentation;
- Composing menus for special events.

A positive element is the fact that both Bulgarian and local culinary traditions have been preserved in a great number of foodservice establishments in Burgas, but the technology and food presentation are influenced by the latest trends.

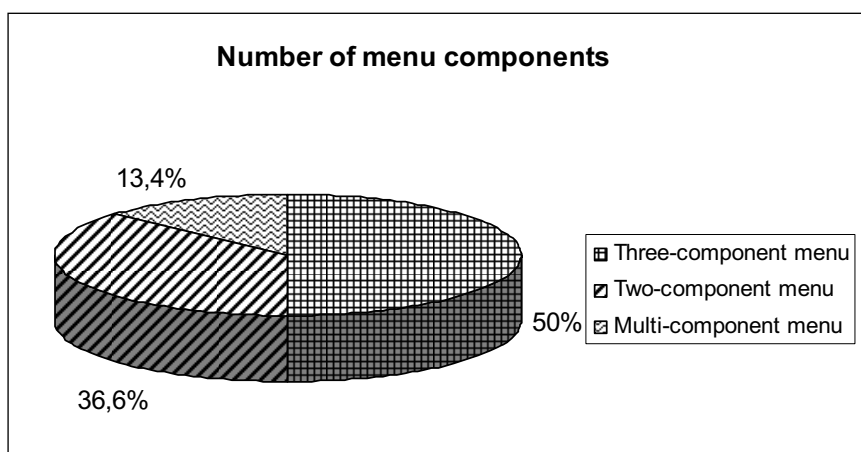
According to the data of the survey 50% of the surveyed persons point out menu diversity in the foodservice establishment as strength of the restaurant business in Burgas.

According to 80% of them the level of service **is the main weakness** and the low qualification of dining room staff is indicated as a reason for that.

2. As regards **the number of menu items at popular foodservice establishments** in Burgas, the results are as follows:

- In 50% of the cases the menu consists of 3 items;
- In 36.6% of them the menu has two items;
- Only in 13.33% of the respondents, the menu consists of more than 3 items (Fig. 2).

<sup>4</sup> The survey has been conducted on the webpage of Chris Party service, a catering firm in Burgas ([www.party-service-kris.com](http://www.party-service-kris.com)) in February 2007.



**Fig. 2.** The trend in the number of menu items at popular foodservice establishments

The data prove that due to financial and other reasons there are limited possibilities that a customer can actually choose from the menu.

3. The research results show an interesting **trend towards an increase in popularity of ethnic**

**restaurants among consumers**, which testifies the interest shown in a different and more exotic cuisine, non-traditional product and taste combinations (Table 1).

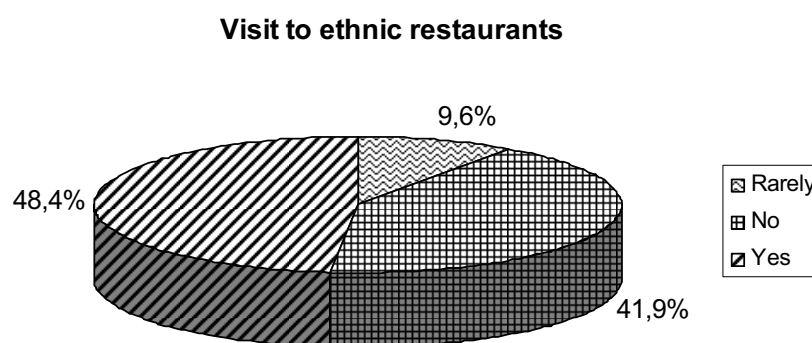
Table 1

**Trends in popular ethnic restaurants**

Variants	Preferences, number	Relative share
People who visit ethnic restaurants	155	48.4%
People who rarely visit them	31	9.6%
People who do not visit them	134	41.9%

According to the data presented in the table, 48.4% of the surveyed persons visit foodservice establishments of this type, 41.9% do not visit them at all and 9.6% visit them very rarely.

According to 81.25% of the surveyed persons, the most common visiting frequency is once a month, and the percentage of persons visiting them more than once is relatively low: 18.75% of the respondents (Fig. 3).



**Fig. 3.** Trends in the preferences for ethnic restaurants

4. As a logical result there is an increase in the preferences for **dishes of foreign cuisines**,

which have massively entered Bulgarian cuisine (Table 2):

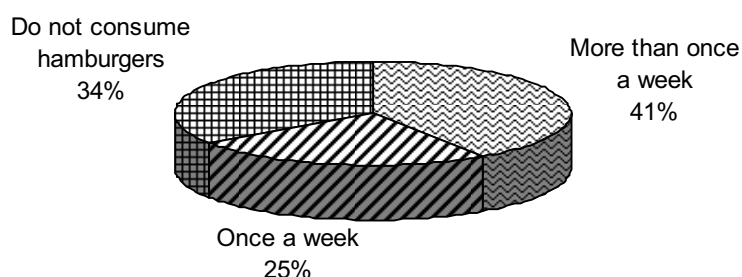
**Weekly consumption of hamburgers and pizzas**

Frequency rate of consumption	Hamburgers, (doner kebab)		Pizza	
	Preferences, number	Relative share	Preferences, number	Relative share
Once a week	80	25%	140	43.80%
More than once a week	130	40.62%	122	38.20%
Do not consume	110	34.37%	58	18%

a) **hamburgers (doner kebabs)** – a great part of the respondents (40.62%) consume hamburgers more than once a week; 25% consume once a week,

and 34.37% of the respondents do not include this product in their menus (Fig. 4);

**Consumption of hamburgers**

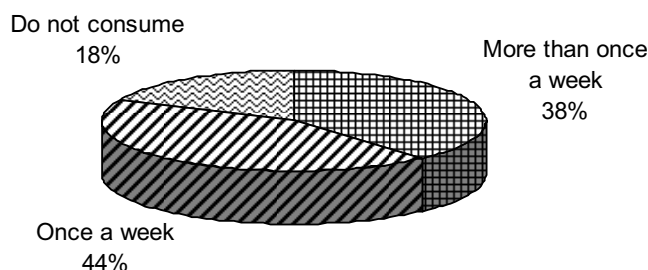


**Fig. 4.** Trends in the consumption of hamburgers

b) **pizza** – 43.80% of the respondents take pizza once a week, 38.20% consume it more than once a week, and 18% do not include this type of food in their menu (Fig. 5).

The relative share of the persons who consume pizza once or more times a week is considerably larger than that of those who consume hamburgers – 82% versus 65.6%.

**Consumption of pizza**



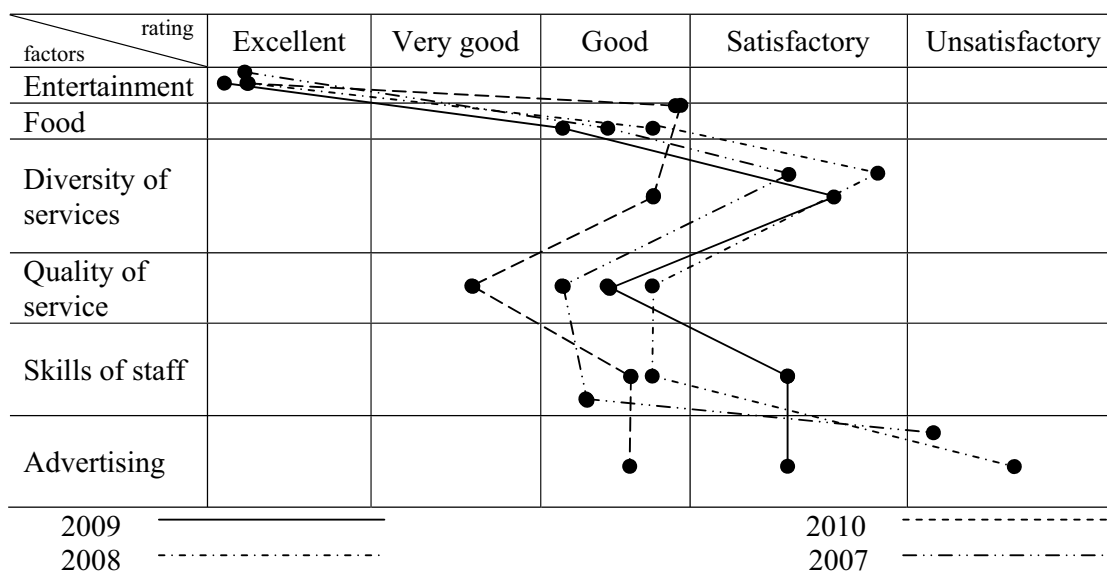
**Fig. 5.** Trends in the weekly consumption of pizza

5. According to the results from the focus group discussion that has been carried out, in most of the cases the product provided by outside catering is the same, traditional, there is a lack of new ideas in composing the menu, in breaking the cliché patterns as regards forms of service and variety of services. Most importantly, there is no customer feedback.

The participants point out that there is progress in the activity, but overall the organization of the operations needs to be improved. By using the Likert scale (Easterby-Smith et. al., 1999), the main problem areas in catering and its development can be identified (Table 3):

Table 3

### Evaluation of elements of the product of outside catering in Burgas



### Conclusions

The research into firms and consumers carried out shows the following peculiarities of the market of catering services in Burgas:

- There is a growth in eating out resulting from a more dynamic life and busy schedules;
- The preferences of the consumers seeking a different kind of food, not typical of the Bulgarian table, are developing;
- The economic circumstances and the living standard determine some limitations of choice when eating out:
  - On visits to foodservice establishments in 50% of the cases the menu consists of three items.
  - The percentage of those who allow themselves a richer menu is comparatively low (13.4%), which proves that prices are of crucial importance to the choice.
- The place of dishes of foreign cuisines in the menu of Bulgarian people is interesting:
  - In comparison with hamburgers pizza is the preferred culinary product – the number of respondents who consume pizza once a week is nearly twice bigger.
  - The number of persons who do not consume hamburgers is a lot bigger than that of people who do not consume pizza;
  - Ethnic restaurants are preferred by over 50% of the respondents, which indicates a growth in the demand for dishes which present different combinations of tastes;

In summary, the research carried out and the Likert-scale analysis point to the following outside

catering problem areas in Burgas which need to be improved:

- Quality of food and service;
- Variety of ancillary services;
- Development of staff and advertising.

On the basis of personal experience and observations the participants in the discussion point out the following **most common mistakes** in organizing catering events:

- the lack of a contingency plan for emergency situations;
- the lack of research into the customers' eating habits;
- planning and coordinating of details.

The participants in the discussion name the following **operations in outside catering, which need to be improved:**

- Skills of serving food and beverages;
- Initial and heat treatment of products;
- Communications between staff and customers;
- Staff selection;
- Staff training;
- Maintenance of standards of hygiene;
- Enhancement of staff qualifications;
- Addition of healthy foods and technologies to food preparation;
- Expanding of channels of product realization.

### Recommendations

The conclusion to be drawn from the above presentation is that outside catering in the region of Burgas has potential for development and improvement determined by:

- The dynamic socio-economic development of the region;

- The increase in the number of accommodation facilities, the network of eateries and places of entertainment and the growing competition in the operations;
- The growing demand for quality and innovative restaurant products;
- The influence of the consumers, which determines a change in the adopted concepts of service, relevant to competitive power;
- Development of communications and modern trends in catering;
- The management's aspiration to provide a quality, trendy and unique product to consumers;
- The growing need for a healthy balanced diet;
- Improvement of the level of education of the staff in key positions.

The research carried out proves that the requirements of a modern consumer impose a change on the organization of the operations in the following directions:

- expanding the portfolio of the products and services offered;
- introducing modern technologies into culinary production;
- providing a relaxing and attractive environment at eateries and places of entertainment;
- active staff training;
- receiving regular customer feedback.

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### Marktspezifische kennzeichen des outside caterings in Burgas, Bulgarien

#### Zusammenfassung

Die dynamische sozial-ökonomische Entwicklung Bulgariens widerspiegelt die gegenwärtigen gesellschaftlichen Zusammenhänge und Kommunikationen, was auch die Entwicklung der Aktivitäten im Dienstleistungsbereich beeinflusst. Daraus ergibt sich ganz natürlich auch das Angebot von Cateringdienstleistungen an diverse Marktsegmente und zu verschiedenen Anlässen.

Der Artikel stellt eine Einführung in den Tätigkeitsbereich des Caterings dar und setzt sich mit Forschungsergebnissen von Dienstleistungsverbrauchern in der Region von Burgas, Bulgarien auseinander. Auf Grund der Erforschung der größten regionalen

Cateringsunternehmen legt der Beitrag die Verteilung der Marktanteile des Outside Caterings in Burgas, die Trends in der Anzahl der Menügänge bei den Gaststättenbesuchen und die spezifischen Vorlieben fest. Neben den Diskussionsergebnissen in der Fokusgruppe und der fachkundigen Evaluierung stellt der Artikel auch die Hauptproblemzonen des Outside Caterings in der Region von Burgas und Empfehlungen zur Verbesserung der Tätigkeit vor.

**Schlüsselwörter:** Outside Catering, Region Burgas, Verbraucherumfrage und -vorlieben, Bedienung

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