

# The Business Concept of a Healthy Food Restaurant in Moscow

Stetciuk Kristina

Bachelor's thesis

May 2015

Degree Programme in Facility Management  
School of Business and Service Management



## Description

Author Stetciuk Kristina	Type of publication Bachelor's thesis	Date 22.05.2015.
		Language of publication: English
	Number of pages : 71	Permission for web publication: Yes
Title of publication <b>The Business Concept of a Healthy Food Restaurant in Moscow</b>		
Degree programme Facility Management		
Tutor Viitanen Tarja		
Assigned by		
<p>Abstract</p> <p>The purpose of the thesis was to investigate the healthy food restaurant concept in Moscow. Nowadays, the trend towards healthy eating and its popularity, profitability and attractiveness as a business have been acknowledged worldwide.</p> <p>The topic is unique as the concept of healthy food in Russia is just entering the Food &amp; Beverage market and is not well developed yet. As a part of the analysis, the author included the information about customers' interest in healthy food restaurants. The research task included the comparison of healthy food restaurant concepts in the Moscow market.</p> <p>The main restaurants discovered were «Healthy Food», «Fresh», «Fresh&amp;Ko», «Jagannath» and «LavkaLavka». The applicable methods for writing the thesis were literature review, online surveys, managers' and customers' interviews and the author's findings. The findings showed that people perceive healthy food restaurants as vegetarian and Asian, which does not correspond to its initial concept. Furthermore, the majority of the potential customers are not aware about healthy food concept at all. The vision of the guests also showed the absence of the healthy food restaurants in Moscow. Instead, there are many more vegetarian options representing the healthy food concept.</p> <p>Based on the findings and literature review, the author developed a business concept for a healthy food restaurant, taking into consideration the feedback and suggestions collected from the interviewees. In conclusion, there is a big potential for healthy restaurants in terms of growth and development. The concept needs to be studied carefully and implemented into the business. Marketing tools could be used in order to present a new concept of eating experience to the guests. The improvements, findings and developments of the thesis might be very useful for the healthy food restaurants and entrepreneurs.</p>		
Keywords/tags healthy food estaurant, Russian consumer, business concept, organic industry		
Miscellaneous		

# Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Literature Review .....</b>	<b>4</b>
2.1. <i>Healthy Food .....</i>	4
2.2. <i>Healthy Food Standards in Russia .....</i>	8
2.3. <i>The Current Situation in Russia.....</i>	11
2.4. <i>Organic Food.....</i>	16
2.5. <i>Restaurant Business.....</i>	20
2.6. <i>Business Concept.....</i>	22
<b>3. Research Objectives and Methods .....</b>	<b>24</b>
<b>4. Restaurant surveys and interviews .....</b>	<b>27</b>
4.1. <i>Healthy Food .....</i>	27
4.2. <i>Jagannath .....</i>	31
4.3. <i>Fresh&amp;Ko.....</i>	36
4.4. <i>Fresh.....</i>	40
4.5. <i>LavkaLavka.....</i>	43
<b>5. Guests survey .....</b>	<b>48</b>
<b>6. Online Survey .....</b>	<b>52</b>
<b>7. Results .....</b>	<b>57</b>
<b>8. Discussion .....</b>	<b>60</b>
<b>References.....</b>	<b>63</b>
<b>Appendices.....</b>	<b>67</b>
Appendix A. ....	67
Appendix B. ....	68
Appendix C. ....	70

## List of Figures

FIGURE 1. Food Guide Pyramid. A guide to daily food choices. ....	5
FIGURE 2. Russia: Organic Products Sales, 2004-2013 U.S. Millions Dollars.....	18
FIGURE 4. How much money are people willing to pay per lunch/ dinner? (one person). ....	50
FIGURE 5. Why did you choose this restaurant? .....	51
FIGURE 6. The age of defendants. ....	53
FIGURE 7. Definition of healthy food.....	54
FIGURE 8. How healthy food restaurant could attract you?.....	55

## List of Tables

TABLE 1. The recommendations of rational norms of food consumption .....	9
TABLE 2. Percentage of restaurant guests according to age .....	12
TABLE 3. Profit Dynamic of Moscow restaurant industry in 2008 -2014 year.....	13
TABLE 4. Statistic food is growing.....	17
TABLE 5. Price differences between selected organic and conventional products. ....	19
TABLE 6. Two business concepts in one table. ....	59

# 1. Introduction

This thesis introduces the concept of healthy food, its basics and facts, which are applicable for the restaurant business. During the research process, four Healthy Food Restaurants in Moscow were studied, such as «Healthy Food», «Fresh», «Fresh&Ko», «Jagannath» and «LavkaLavka». After presenting the main ideas of the business concept and healthy food trend, a case study compares two business models: the current situation of healthy restaurants in the Moscow market, which is not developed and well-known, and second, the one that shows a potential business concept based on research findings.

The main research question is the following:

- Does the City of Moscow have healthy food restaurant business?

Healthy Food Restaurants are restaurants providing balanced food avoiding a double amount of proteins and carbohydrates on the plate. Moreover, the issues observed include sub questions such as:

- Does such healthy food industry exist in Moscow food market?
- How can it be improved to make the business more profitable?

The findings of the case study support the introduction of several restaurants in Moscow. The main goals of the research are the following: to discover whether the healthy food concept is attractive to entrepreneurs and its profitability for the business. Moreover, to analyze its sustainability and potential future; to find if the healthy food concept is acknowledged and wanted among the Moscow citizens. After that, the research will be based on the interviews carried out with employees of the restaurants, as well as the interviews with guests. The purpose of the interview is to collect the opinion of the guests the impression they get when dining in the restaurant. To finalize the research, a personal view of the level of the service, design and layout of the restaurant will be included. As a result, a developed business concept will be created. This business idea will support the needs and expectations of

Moscow consumers. In conclusion, the value and future opportunity of the healthy food concept will be discussed. The choice of the topic is based on the personal interest of the author having a certain Food & Beverage background. The findings of the thesis may help to better understand guests' wishes and future perspectives concerning the healthy food business. According to Russian Social Media, there is a small amount of information and marketing available for the healthy restaurants concept. Whereas in Nordic countries the healthy food market is very popular. Thus, there is a question arising whether Moscow citizens are aware of healthy and organic food or not.

## 2. Literature Review

### 2.1. Healthy Food

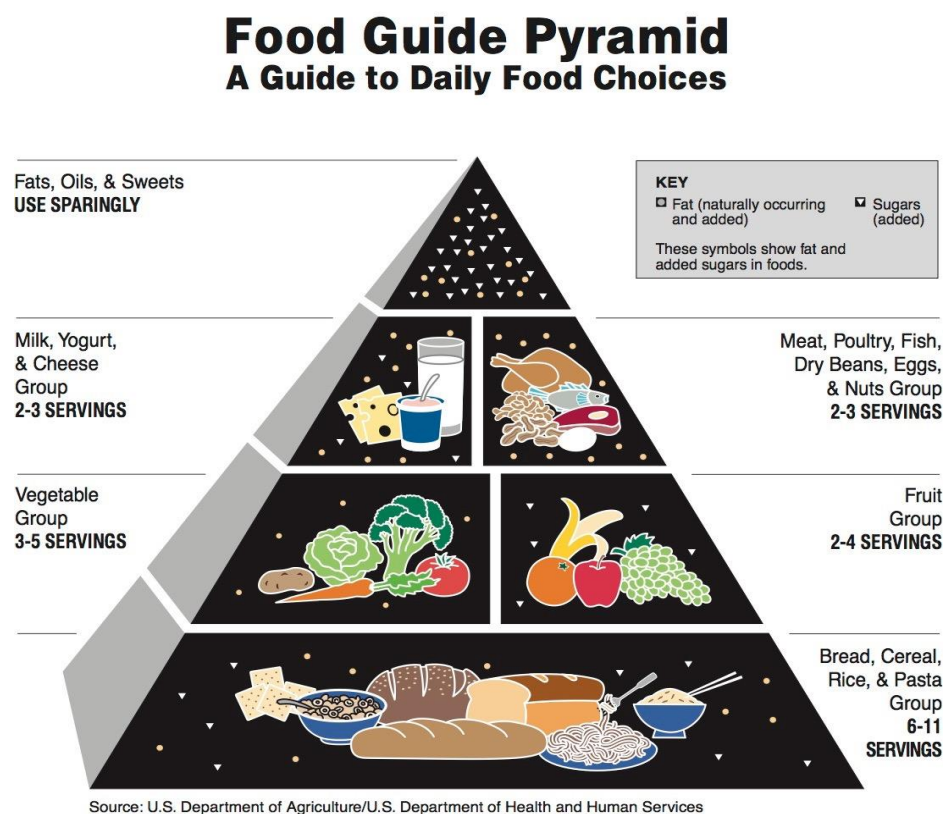
There is a physical need in consumption of food every day, however, on the other side, it is not all the time guided by hunger. Food has become a social occasion. For example, eating because of the sadness, celebration, meeting with friends, boringness or feeling lonely. In other words, people do not consume food as much for physical demand as for satisfaction. The issue is to change unhealthy nutrition habits, avoid fatty, high-calorie foods and lack of vegetables and fruits.

“Less healthy habits have a direct effect on our overall health turning today’s youth into overweight, sedentary couch potatoes”. (Bijlefeld, Zoumbaris 2001, 13). Different people discern healthy food in their own perception, however, healthy food is a normal diet required for human nutrition. Moderation is the key in a healthy diet, feeding the body a balance of fats, carbs, proteins, and other essential nourishments in order to function correctly. “A sensible diet is primarily about feeling good, having more energy, and maintaining a healthy

body, all of which can be accomplished by learning some basic fundamentals of nutrition, improving eating habits, learning how to create and sustain a hearty diet". (Lucht 2013.)

According to The United States Department of Agriculture (USDA) there are five groups of food, which should be combined for balanced diet -whole grains, fruit and vegetables, meat and beans, dairy, and healthy fat & oils. In 1992 the food guide pyramid was designed for healthy nutrition. Whole grain is the basic of pyramid, bread, cereal, rice, pasta should be consumed 6-11 servings. Servings are different according to the food groups.

FIGURE 1. Food Guide Pyramid. A guide to daily food choices.



Source: U.S Department of Agriculture of Health and Human Services.

The carbohydrate is needed for energy. The best grains variety for digestion are oatmeal, whole wheat bread, and brown rice. The digestion of these products will take time, it lead to keep blood sugar and insulin levels from rising. Next groups are fruits 2-4 serving and vegetables 3-5 serving per day. According to USDA the Healthy Eating Pyramid does not include potato in the vegetable group, as full of starch effects on blood sugar as refined grains and sweets. As a result, this product cannot be defined as healthy. Dairy products should be consumed 2-3 servings per day. Unfortunately, cheese and milk can contain a lot of saturated fat even though these products are the source of vitamin D and calcium. The same amount of serving during the day have protein full products such as poultry, meat, fish, dry beans, eggs and nuts. However, it is better to consume red meat, processed meat and butter sparingly. The main reason is high contamination of saturated fat and sodium. The last group is oil and fat. Good sources of healthy unsaturated fats are olive oil, sunflower oil, peanut and other vegetables. Butter is better to use sparingly due to the main base of butter saturated fat. (Food pyramids and plates: What should you really eat?).

In 2005 USDA created a new program MyPyramid to personalize a healthy nutrition. According to personal data, program creates an ideal nutrition that includes smart choices from every food group, balance between food and physical activity, daily calories and nutrition out of person's calories. The main differences between the Food Guide Pyramid and MyPyramid are personalized data and activity as a part of nutrition. (ibid.)

What is more, the cooking method is very significant. Some of restaurants do not pay attention to control whether the food is well cooked and balanced. The gentle types of products treatments that are acceptable for nutrition and healthy eating are technologies which allow most properly handle products in accordance to its properties. Cooking temperature should be 120-140 degree, then at 180-200. It's a bit longer than usual, but there is no destruction of the protein, retains the properties of meat. Steamer also allows to work in normal



mode (boiling point 100 degree), and in the mode of 70-80 degrees. This gives an opportunity to prepare a delicate product and practically avoid changes at its beneficial properties. This is especially applicable for potatoes, carrots, beets, as well as any poultry, fish and meat. Minimal use of fats, subjected by heat treatment - one of the foundations of the concept of healthy eating that also provides the use of modern high-tech equipment samples. The respectful delicate cooking methods were inherent in the kitchen pre-Petrine era in Russia. "Simmering— is a cooking method which is more gentle than boiling, simmering refers to cooking food in liquid (or cooking just in the liquid itself) at a temperature slightly below the boiling point". (Peterson 2015)

Food should be enjoyable and not an exercise in sacrifice. It is the main reason why people prefer junky food: it seems to be more tasty compare to insipid healthy food. That is why healthy food restaurants should attract guests not only by advantages for body and health, however, by delicious varieties of dishes, which might be a pleasant surprise for guests. Fresh products used instead of frozen fish and meat will be full of flavor, texture and bright colors, that might be extremely delicious compare to the cheap frozen, old semi-prepared products. On the other side, unfortunately, the nutritional degradation of food has been one of the worst result of developed technology. According to Anthony Winson (2013) "socio-economic, technological, and ultimately political- that have reshaped food into edible commodities that too often subvert our well-being and promote disease instead of nourishing us". Sadly, natural products have become expensive and difficult to find, and lower class people can afford only bad quality or fast-food. (Bijlefeld, Zoumaris 2001, 13).

Every year new trends are appearing on the Food and Beverage market. According to nutritionist Toby Amidor, "the 2015 healthy trends are not only healthy, but are also delicious". The Dietary Guidelines Committee Report were discussing the possible benefit of consuming moderate amounts of cold coffee products regularly. The other popular trends are the increased usage of

coconut as delicious flavor component, condiments and dips for modern dishes and whole-grain products. Recently the gluten-free trend is at its peak: it is not only «must» for people with allergy, but also for the people who keep fit. There are also trends published by Time Magazine, which is highlighting a local food movement in 2015, especially in Russia. Now local producers have more abilities produce and deliver organic food to the restaurant industry and markets.

As it was mentioned before the main research question was to discover whether Moscow has healthy food restaurant business or not.

So what is exactly the healthy food Restaurant? A Healthy Food Restaurant is a restaurant that serves primarily, or exclusively, health foods, which may include vegetarian, vegan, raw, macrobiotic, organic, and low-fat menu options. As healthy trends are just entering the market in Russia, unfortunately, there is no clear definition or legislation on healthy food restaurant. Even sometimes guests might find restaurant positioned as healthy food restaurant, meanwhile it turns out that the menu includes many deep-fried dishes. As it was mentioned before, cooking method is very significant along with the quality of products. It seems to the author that the healthy food restaurants' primary aim should be a care about the health of the guests, and then the profitability. In this case study the author will investigate how restaurants define their concept of healthy food, if there are any legislations, recommendations were taken as a base in the kitchen.

## 2.2. Healthy Food Standards in Russia

Healthy food standards in Russia do not exist in the same way as in Nordic countries. For example, there is a food-based dietary guidelines published on Food and Agriculture Organization of the United Nations, based on the Nordic

Nutrition Recommendations 5 (2012), another example, Finnish Nutrition Recommendations 2014 developed by the National Nutrition Council. The author has made a research about laws and regulations linked to healthy or balance food in Russia. Interestingly, there are many regulations for food nutrition in schools, for example - State Standards of Nutrition for pupils in educational institutions or program in the organization and development of school meals in specific city, for example,- Schelkovo. There are many independent web-sites, which suggests readers a healthy way of life, based on other foreign nutritionists' findings. However, there are norms for physiological needs for energy and nutrients for different groups of population in Russian Federation published by G.G.Onischenko (2008). This document includes more intelligible information for professionals such as nutritionists and doctors. Norms of balanced food include numbers of different vitamins, proteins, fat and carbohydrates: that knowledge is very hard to estimate for ordinary people. More accessible information for observers is in «On approval of recommendations of rational norms of food consumption, which meets the latest requirements of the healthy diet.

TABLE 1. The recommendations of rational norms of food consumption, which meets the latest requirements of the healthy diet.

<b>Group of products</b>	<b>Recommendation kg/year/person</b>
<b>Bakery and pasta products and cereals and legumes</b>	95-105
<b>Potato</b>	95-100
<b>Vegetables</b>	120-140
<b>Fruits and berries</b>	90-100
<b>Meat:</b>	70-75
<b>beef</b>	25
<b>pork</b>	14
<b>lamb</b>	1
<b>poultry</b>	30

Group of products	Recommendation kg/year/person
<b>Dairy Products:</b>	320-340
<b>Milk, kefir, yogurt with fat 1,5-3,2%</b>	70-100
<b>Milk, kefir, yogurt with fat 3,2-9%</b>	60
<b>Butter</b>	50
<b>Cottage Cheese with fat &gt;9%</b>	4
<b>Cottage Cheese</b>	9
<b>Sour cream</b>	9
<b>Cheese</b>	4
	6
<b>Eggs</b>	260 eggs
<b>Fish and seafood</b>	18-22
<b>Oil</b>	10-12
<b>Sugar</b>	24-28
<b>Salt</b>	2,5-3,5

Source: Order of the Health Ministry of the Russian Federation of 02.08.2010 N 593 «On approval of recommendations of rational norms of food consumption, which meets the latest requirements of the healthy diet» by Minister T.A. Golikova

It is important to keep in mind that there is a government agency - Russian Federal Consumer Rights Protection and Human Health Control Service, which experts the quality of food, hygiene and condition of the premises. Each organization and individual entrepreneur, regardless of the types of activities and ownership, have to own Sanitary Documentation. It includes program (plan) of production control, journal of accounting disinfecting agents, the guideline of medical waste management, list of contingent workers subject to medical examinations, the work program of the production quality control of drinking water, the set of «journals health records», set of standards «sanitary documentation and federal laws». Russian Federal Consumer Rights Protection and Human Health Control Service has the right to close the establishments, who are not following the rules. Verification is very strict and includes many norms and principles. Every company should follow it for successfully passing the inspection. (List of documents for SES).

### 2.3. The Current Situation in Russia

The restaurant business has been growing through ages. The first restaurant in Russia appeared only in the nineteenth century and served French cuisine. Gradually, restaurants were transformed into attractive premises with nice service for wealthy people. During the 20th century, the restaurants became very popular, and the differentiation of classes appeared. After the Soviet Union collapsed, restaurants became private businesses with different cuisines and classifications as fast-food, cafeteria, in-dining. Tentatively, 2010 became a pick of healthy life trend. Russian citizens started to care about their food consumption and, as a result, restaurants with a healthy logo started to appear and gained popularity. (TeleFom 2013).

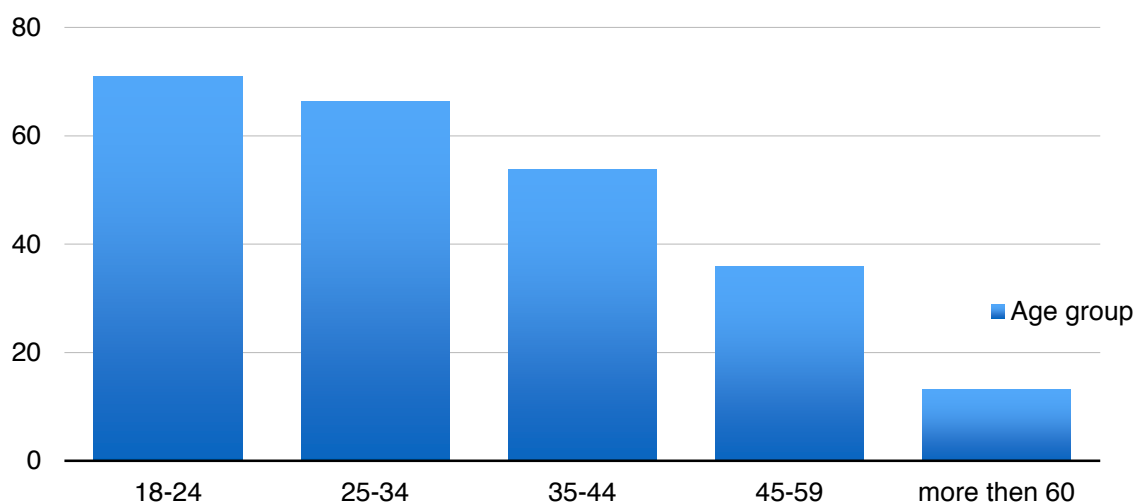
Europe has influenced the social habit of spending time in restaurants. Only 22% of the Moscow citizens have never visited restaurants or cafeterias. Most of these people are more than sixty years old. During The Soviet Union of Socialist Republics, grandparents were overmodest, people preferred to spend time at home, walk in the parks and invite guests to their homes rather than pay for a dinner in a restaurant. Moreover, there is not only a difference in habits of old generation, however, the pension of retired people is very miserable. Unfortunately, the financial support after retirement is very low, which has affected the pensioners' way of life so their children help the old generation financially. (TeleFom 2013).

According to the statistics, only a limited number of people could afford enjoying a fancy atmosphere by going out for a dinner. 31% of the citizens visit restaurants or cafes on special occasions, due to holidays or festive seasons; 45% are having lunch or dinner in the restaurant without any special reasons. Gradually, more people became middle classed and started spending money for leisure purposes. Among the young generation, almost

every fifth person eats about two or three times a month outside. Table 2 shows that the younger generation is more interested in spending time and money in restaurants, bars and clubs than walking outside and enjoying the weather. The main consumer group is younger people - from 18 to 35 years old so most of restaurants focus on them to make them their customers. (TeleFom 2013).

Numbers in %

TABLE 2. Percentage of restaurant guests according to age.



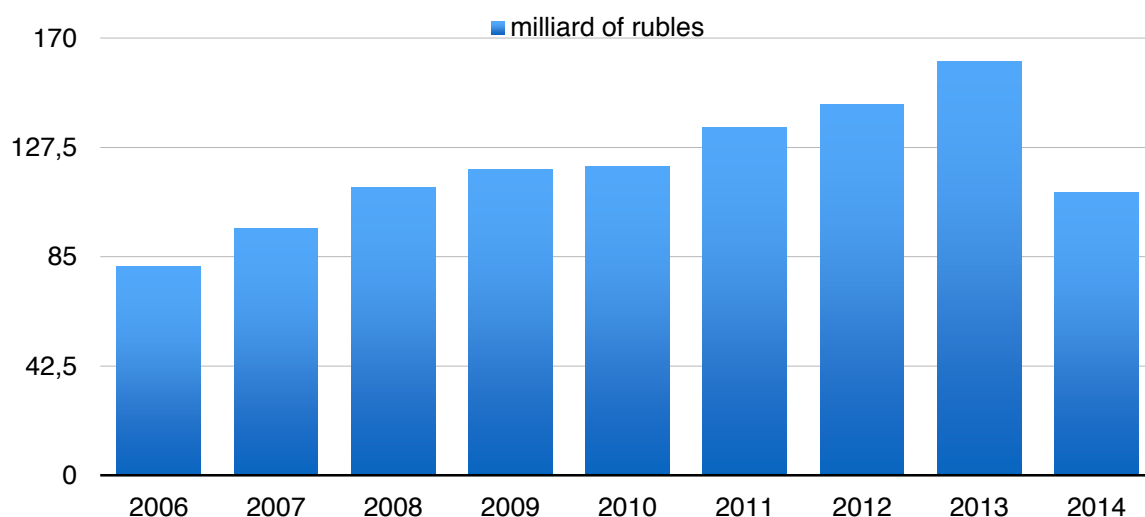
Source : Customer preferences in restaurant industry: 17.07.2011 by Alina Shefina

Generation X and Y constitute the main target market. Which type of restaurants are more attractive and affordable for them? Not so well-off people visit food-courts, street food and fast food outlets, which is very cheap and convenient for them. Unfortunately, sometimes products and time for cooking might be even more expensive than buying prepared food in a fast-food restaurant. Cafeterias are very popular nowadays, especially those providing the concept of business lunch. Business lunch appears as a profitable concept, which lots of restaurants have successfully implemented into their business. Afterwards, Japanese and Italian cuisines have become beloved by Russian consumers. Sometimes restaurants combine these cuisines in order to offer a wider variety. Bars and pubs are successfully established as

Russians are not the last lovers of drinking with friends, recently many small shops have opened providing draft beers and salted dry fish. The majority of Moscow citizens prefer Russian or European cuisine, for 18% of defendant nationality of kitchen is not a significant factor.

However, the recent situation is not so bright. Unfortunately, the economic situation has decreased citizens' wallet value, people have reduced spending money on activities and partly stopped visiting restaurants. According to the RBC Daily in November 2014, in Moscow there were 2824 restaurants. However, already in January 2015 the number of restaurants decreased to 2778, are poorly managed restaurants were bankrupted. Besides, the interest in spending money got changed. The Institute of Public Opinion «Anketolog» declared that the most visited food establishments are public dining rooms, cafeterias, restaurants and bistros. The majority of the respondents (66%) visit a restaurant due to hunger, (42%) have meetings with friends or a business meeting, and only (7%) to experience fine dining restaurant. (Koroleva 2015).

TABLE 3. Profit Dynamic of Moscow restaurant industry in 2008 -2014 year.



Source: Intesco Research Group: Moscow Restaurant Market, 2014: page 8

Everything sounds well - careful verification of food suppliers and restaurants, on the other side, to find healthy, without chemicals food is quite complicated. For successful selling suppliers and factories might declare the superior performance of their products to make desire for purchasing. Unfortunately, the main challenge in the public catering is sanitization due to careless or laziness of the serving staff. The import and transportation distance are next problems in quality of food. Russia is not a warm country which can provide fresh products all over the year: thus the products, especially fruits and vegetables are purchased from abroad. Storage technology does not allow the vegetables to be kept for a long period, or expose them to a shortened shelf life due to non-compliance technologies. (Smirnov 2009).

According to geography, Russia does not have free access to the sea with its possibility to fishing. Other places where any perchance to purchase fresh fish is very expensive and not in enough value for population. As a result, Argentine and Chilean fish species are cheaper than local. Thus, the cost of the decent fish is in the segment of delicious dishes groups, which might afford only premium part of our society, and fish is an expensive dish in the diet menu.

Do you know that for the manufacture of 1 kg of butter needs 20 liters of milk? If it would be natural, the price will be very high, that kind of product is founded in collective farm market. It seems only fashionable and expensive restaurants can afford the usage of natural products in their dishes. Fresh meat and diet meat - perhaps one of the most suitable types of products, because there is more or less an appropriate choice in Russia or alternative suppliers. However, in recent years allergists and dermatologists have a problem of an allergic reaction to milk and chicken protein among children. Development and cultivation of meat as elk, venison, meat arctic hare, partridge might be the solution of substitution of general meat. Unfortunately, very few serious specialists and nutritionists are looking into this direction. But most of the



products, no matter how dainty and environmentally friendly they are, require proper preparation or almost service in natural appearance. (ibid., 2009).

The healthy diet should still go back to the traditions. History shows that Russians almost did not consume beef- only during the holidays. Meat and fish were almost always prey for hunters and fishermen. A cow was seen mainly as cattle producing dairy products. A huge number of dishes has been borrowed from other countries and cultures. Since Western standards were taken into cuisine, Russian traditional kitchen had lost many recipes and dishes. Originally method of preparation, as frying, virtually did not exist in the traditional Russian cuisine. Nowadays good restaurant is a place where the technology of preparation allows completely to use the gifts of nature and give the inimitable product without extra afford, which will seduce the customer. (ibid., 2009).

Food is also part of politics. Current situation in Russia is not so attractive, as due to relationship with Ukraine there is retaliation for the West's sanctions on Russia. "Russia has banned imports of those basic foods as meat, fish, dairies and many other products exported from Western countries, Australia and Japan". (Vendik 2014) "But in an ironically, the restrictions have made Russia's domestic food producers to boost local business". (Schearf 2014) It seems to the author, it is a big opportunity for the local farms to develop and spread their products. The best part is that the quality will be far better and the consumer will not worry about chemical existence in the products.

Why did the author mention politic situation in Russia? The answer is very simple: the sanctions on the products has effected on local organic farms and on the prices in the market. The question is: Is it an opportunity or a weakness for healthy food businesses?

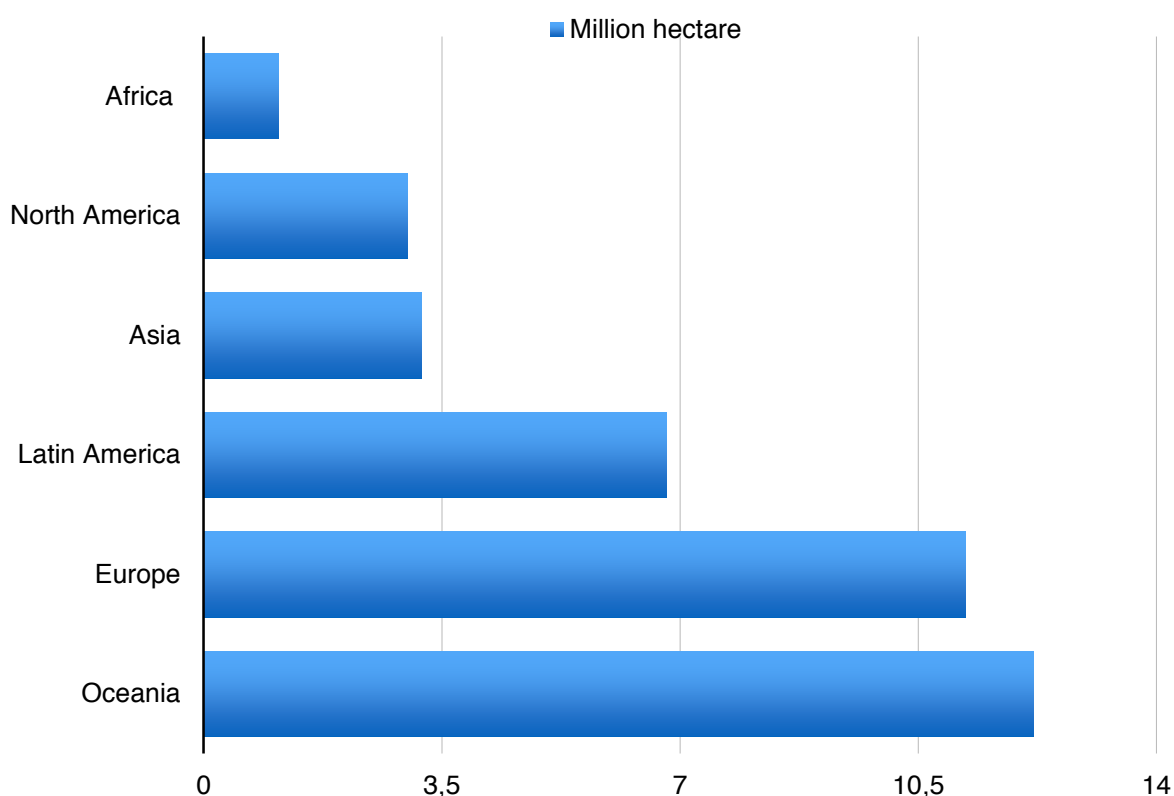
## 2.4. Organic Food

People who turned their life to «green» believes eating more fruits, vegetables, whole grains, and good fats is the clue to success. It is already a good start, however, it is important to take into consideration food safety, nutrition, and sustainability of these products as well. Organic crops must be grown in safe soil, have no modifications, and must remain separate from conventional products. “Farmers are not allowed to use synthetic pesticides, bioengineered genes (GMOs), petroleum-based fertilizers, and sewage sludge-based fertilizers”. (Robinson, Segal, Paul, Kemp 2015) There is significant distinction between healthy food and organic one. Organic production contains fewer pesticides and no chemicals are added during growing process. (Browning 2013)

Moreover, the products are more fresh and tasty, as it does not contain preservatives that make it's shelf-life longer. Organic production is environmentally friendly. Organic farming practices reduce pollution (air, water, soil), conserve water, reduce soil erosion, increase soil fertility, and use less energy. “Farming without pesticides is also better for nearby birds and small animals as well as people who live close to or work on farms”. (Robinson and co-workers 2015). What is more, if there are antibiotics in production, which support in creating antibiotic-resistance strains of bacteria, the effect of antibiotic while illness is decreasing. Finally, Organic food is GMO-free (Genetically Modified Organisms). The American Academy of Environmental Medicine (AAEM) warn the danger of the GMO production, as a result the rise of the allergy, infertility, immune problems, accelerated aging, insulin regulation and negative affect in the gastrointestinal problems are appeared.

There were 37.5 million hectares of organic agriculture lands in the world in 2012, and the interest in organic food is growing each year. However North America and Europe are still remaining as the main locators of organic markets. Organic rules and regulations are supposed to be created by each country. “In Russia, the discussion on an organic legislation has been revived but has not yet been finalized”. (FIBL and IFOAM 2014).

TABLE 4. Statistic food is growing.

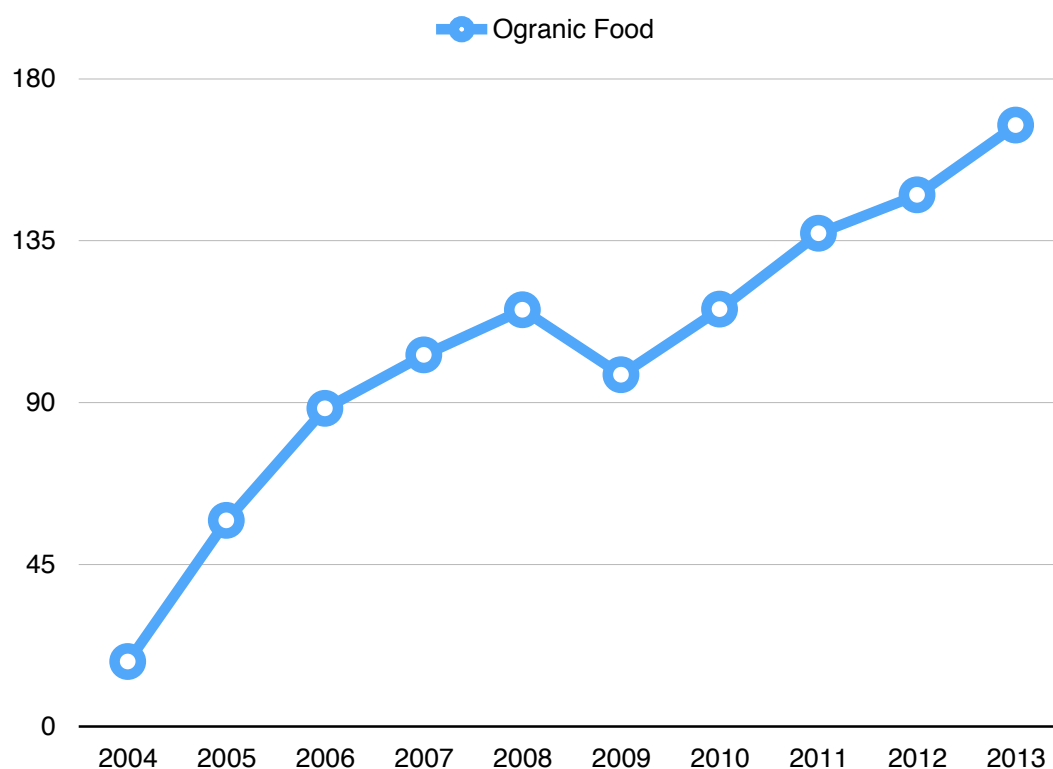


Source: The world of Organic Agriculture: Statistic & Emerging trends 2014 by FIBL and IFOAM (International Federation of Organic Agriculture Movements)

In order to land and sell organic food countries need to establish special organic standards and legislation. 88 Countries has already created organic standards and 12 countries are in the process of drafting legislations- Russian Federation is one of them. The country is still working on the documentation that is why the consumption of organic food is not popular and seldom might this term be found. (FIBL and IFOAM 2014).

Russian cuisine mainly consists of natural products such as cabbage, beans, potato, salted pickles made of cucumber, tomato and mushrooms. According to Maxim Syrnikov, (2013) “Russia is a multi-ethnic country, and Russian national cookery has set happily alongside the cuisines of other ethnic groups for centuries”. The Russian traditional food can be called as Healthy food by itself, however, the effect of fast food has changed a habit among the people. According to the author’s research the organic market is growing and gaining popularity, as a result healthy food industry might also have a positive influence on the industry.

FIGURE 2. Russia: Organic Products Sales, 2004-2013 U.S. Millions Dollars



Source: Euromonitor International from trade sources/national statistics.

There are shops, which cooperate with the farms and organize comprehensive examination of the product’s quality. For example, there are two qualified groceries like «ilzbenka», what means old house, «TasteVilla».

Tolgski Saint-Vvedenski convent to provide bread production for pregnant ladies, using only water and flour in recipes or leaven - alive substance, the replacement of the yeast. (Flour and water is secret of unique product 2015). The halva factory in Tver is using Turkish equipment and kneading by hand. (Halva strife halva 2015). Another qualified aviculture La-Ferme grants low-fat poultry - guinea fowl. These companies are examples of the healthy food production, which supply to the «Izbenka» and «TasteVilla». From another side, laws of certificate organic agricultural products does not exist in Russia. Any manufacturer can establish their products as "organic", "ecological", "bio" regardless of the pesticides, GMOs in crop production or growth hormones for fattening livestock used. Marketers successfully use the ignorance of people by placing attractive words on the package. Only Bio-shops and eco-market might provide qualified productions from Europe, where certification of organic agricultural products are well established. Unfortunately, as it was already mentioned in the Thesis, organic and healthy food is affordable just for high-income level population. According to the research made by Kate Pukach around 78% of «rich» people are buying organic food, and only 37% of low-income can afford. For better understanding of the prices, the table below presents the prices. (Irina 2015).

TABLE 5. Price differences between selected organic and conventional products.

Product	Average Organic Price (\$)	Average Conventional Price (\$)	Unit	Average price difference (%)
Milk	10.84	1.98	per liter	447 %
Apple	3.07	0.78	per apple	294 %
Potato	1.44	0.27	per potato	433 %
Tomato	2.48	1.28	per tomato	94 %
Green tea	0.57	0.06	per gram	850 %

Source: Presentation. Organic Food Market in Russia by Kate Pukach.

For Russia the target group would be the people between 25-45 years, as they are more educated and understand the value of natural food and current trends of production in the shops. It is important to keep in mind, there are only two main locations with organic food market - Moscow and Saint Petersburg. The main export of organic food is organized from Germany, France, UK, USA, Belgium; and to Saint Petersburg the products are coming from Finland and Sweden. The first organic food market was established in Russia in the early 2000s. However, locally grown organic producers are difficult to find in Moscow. There is very limited range of supermarkets providing a good quality organic or "bio" products, which usually imported from abroad.

## 2.5. Restaurant Business

“The restaurant industry is the industry of the professional restaurants, bars, and other food service providers that allow customers to enter, order food, and eat on the premises. The restaurant industry is typically considered as part of the hospitality industry and employs a number of different types of employees, from chefs and waiters to managers and bartenders”. (What is the Restaurant Industry 2014).

A restaurant is an intricate system, where possibilities and possibilities should be proper analyzed. An entrepreneur creates a business plan - the Mission Statement, Keys to Success, Market Analysis, and Break-Even Analysis are essential parts of in advance preparation, concept development, financial administration, accounting, purchasing needed equipment. Decoration and design are crucial as they provide a special atmosphere and increase the attractiveness of food and beverages. Without any doubt, strong marketing

campaigns and promotional tools are required in order to support the business.

The main category in the food-service industry is the restaurant. Nowadays, the restaurant business is a huge industry which is known all over the world. Restaurant is not only a way to avoid cooking and to save your time, it is a part of the experience: a pleasant atmosphere, a delicious dinner, perfect service, new emotions. The new interesting concept attracting customers' attention is fusion cuisine, which is only possible through the right ingredients and culinary abilities. Any premise that serves food can be considered as part of the food service industry. That is why there is some distinction between the food service industry and the restaurant. Food service industry is usually implied food delivery as a part of intricate system. A notable example is catering, which has become very popular among hotels and restaurants.

The hospitality industry includes hotels, motels, restaurants, resorts, casinos and other premises where customers tend to go to spend the time. All hospitality locations rely on food and beverage services, which are linked to the restaurant business. Consequently, the importance of the hospitality industry has been increasing day by day as the customers become more demanding and the industry is getting more competitive.

The system of the restaurant business has been changing through years. Before opening a new restaurant, the owner should go through several studies in order to understand how to design a restaurant in a more attractive way compared to the other competitors, to gain more profit and to achieve a successful results. In the case study healthy food restaurants were taken to explore relatively a new trend. Repeating the business concept is guaranteed for success, as shown by experience. On the other hand, there is a possibility of huge competition.

## 2.6. Business Concept

The purpose of the research is the development of business concept of existing healthy food market. An idea for a business includes basic information such as the service or product, the target demographic, and a unique selling proposition that gives a company an advantage over competitors. "A business concept may involve a new product or simply a new approach to marketing or delivering an existing product". (Business concept 2015) The business concept can be assumed as the tool to successfully achieve any kind of objectives.

"The purpose of a business concept is to ensure the success of a project by providing support for organizational, contractual and payment framework". (Gralla, Brant, Rommen, Meckmann, Schmolke, Kolzer, Outters, Benning, Schade, Olofsson 2010, 4) There is no certain correct model of a business concept, it may consists various contents and can be adopted for different businesses.

Business concept is the next step after creating the idea to a business plan. In the thesis the business idea is healthy food restaurant, which already exists in Russian market, but not popular yet. According to Gralla and co-workers (2010, 10) There are several levels of business concept:

Level 0 - Goals

Level 1 - Conceptual design

Level 2 - Functional design

Level 3 - System design

Start of the project is the business case definition and development. In this level the overall goals, timeframe, budget and location of the building project are formulated. Next is design, atmosphere, cozy furniture which fulfill



conceptual structure of the project. The main point is the functionality, otherwise there is no any reason to be attracted by useless offer. Whole operation of the concept is supposed to be systematic and properly organized, what might link to the product development afterwards.

Another example of the business concept is proposed by Kim, Gord, Faye, Friedhelm, Carolyn, Jan, Lisa and Debra (2012,1) “The idea of concept includes a mission statement - objective of the business, information about the unique product and service, target group and the way to attract them, financial aspect as cash flow and profit margin, etc”. There is no purpose in a business, if there is no profit. And the expenses for launching business idea and potential unexpected circumstances are emphasized.

In the case study the business concept will include the analysis of the products, service, target groups, which restaurants will focus on. It is important to keep in mind that competently selected products and the presentation of the service is extremely substantial. The differentiation from similar business ideas, methods of delivery are the ways to gain benefit. From presentation of the concept the potential challenges and pitfalls can be easily estimated. (ibid., 1).

For better understanding of business concept Alana Muller, president of Kauffman FastTrac company, which has developed successful businesses and has helped new entrepreneurs, created a check- list of questions:

- a. What is my product/service?
- b. What does my product/service do?
- c. How is it different or better than other products/services?
- d. Who will buy the product/service?
- e. Why will they buy the product/service?

f. How will the product/service be promoted and sold/offered?

g. Who are my competitors?

The main idea of the research is to estimate current situation and create the developed business concept. It is important to remember that there is a successful healthy market in Nordic countries. In case Russian restaurant industry does not have proper regulations for healthy food concept, the experience of pioneer countries in organic culture might be taken as the successful example.

### 3. Research Objectives and Methods

The choice of method implemented in the thesis is followed by research questions:

- Does Russian Federation has healthy food restaurant business?
- If so what can be improved to attract more guests to make business more profitable?

The case study is divided into the following parts: theoretical part, including basic information about restaurant business, healthy food and specifically Moscow situation in the market; data collection - interviewing, analysis of taken information, and conversion of collected data to basic parts of business concept. As a result the connection between collected data and research questions will be formed in the comparison of two business concept models - existing and moderated by author, as well as the way of involving in the healthy food restaurant more potential customers.

The research method is quantitative. The several surveys were conducted in order to implement the results into a model. The quantitative data analysis allows to benefit the greater amount of defendants what lead to correct objectivity and accuracy of the results. What is more, generalization of the data becomes more convenient. Kruger (2003) claims that «quantitative methods allow us to summarize vast sources of information and facilitate comparisons across categories and over time». Research is focused on knowledge of healthy food definition and current situation in restaurants in Moscow. The combination of the findings create the values for customers in the restaurant business. (O'neill 2006).

In this research a review of literature was conducted for identifying the healthy products and the attitude of Russian community towards the healthy food restaurants. The literature review and secondary data are collected through diverse resources, such as research books, magazines, articles, news, videos and oral sources of restaurant business and hospitality industry. "Reviewing other research supplied us with significant and meaningful secondary data that provided the bases for the collection of primary data" (Curtis 2011). The literature review is focused on healthy food products, the meaning of the business concept, and organic food production in Moscow.

In the thesis three quantitative surveys were implemented. Two surveys were conducted at the same time. First of all managers were interviewed, then the guests of analyzed restaurant. These two surveys took several days to implement due to public holidays. Thus within two weeks starting from the end of April until the 11th of May surveys were collected. The on-line survey was conducted during whole writing process for bigger amount of defendants. First questionnaire was conducted to explore the unconcerned Russian population. An internet - mediated survey was used to collect as much data as possible. The purpose of this survey was to find the values of potential quests and their interests. The next data was collected by support of existing healthy food restaurants. The personal interview helped to receive qualified information, on

another side, this method took a lot of time, as personal involvement was required. There are some healthy food restaurants in the capital, where the interview took place. The purpose was to discuss the guests' impression and opinion about specific restaurants. Another questionnaire was applied to management side. Administrator and managers were interviewed to compare the perception of restaurant industry from both sides. As the previous survey, managers was personally interviewed. According to the results the combination and comparison was implemented and developed in the business concept. The surveys approaches allow the author to identify the exact objectivity and comparison in which each defendant responds to the same set of questions. However, the small range of people does not allow to generalize the received results as population, even though the results might be presented to consider new thoughts of improvement.

Most of the questions in the surveys are semi-structured, collection of personal opinion of defendants, which will help to have various picture of current situation. It was very significant the interviewers had the opportunity to share their thoughts and explain personal responses. However, the common survey did not include a lot of semi-structured questions, in a way the author was trying not to get away with the interest in the questionnaire.

The research objectives, secondary and primary data are supported to combine and analyze in different perspectives throughout the research process. In the thesis the defendants were interviewed personally. Afterwards the answers were summarized into the graphs or analyzed personally. The topic of the research study was approached by author due to personal interest towards the industry and believes that the food can be delicious and attractive by the way it is presented. The result of the thesis might be helpful to maximize the demand of potential consumers.

## 4. Restaurant surveys and interviews

For qualified research five restaurants were analyzed. Unfortunately, it is possible to find restaurant focused on healthy food only in the big cities such as Moscow and Saint-Petersburg. For deeper perception of the interview with the administrative representatives the example of the English survey is showed in Appendix A.

### 4.1. Healthy Food

«Healthy Food» Restaurant has already possessed as the restaurant, who takes care about the food. There are eleven «Healthy Food» Restaurants in Moscow. Probably due to fast food presentation, this fast option is attractive for people, who is in hurry and keep attention to their health. The main feature is 22 cheese pancakes variety in the menu. Cheese pancakes «Sirniki» in Russia are made of cottage cheese with flour and fried on the pan, common breakfast for Russian people.

The characteristics of these restaurants: food is not fried, the way of cooking is only baking. Baking is assumed as healthy cooking method. During preparation hydrogenated oils is not used, as baking required little or no oil during process. While baking no Advanced Glycation End Products, which link to a variety diseases («Molecular Nutrition and Food Research») are formed. Another advantage of baking method is low fat and calories content. (Stevens 2014). Everything is cooked by hands, personally, no semi prepared food is used. “Recipes are created in respect of the hay food by separating food in the three groups: protein rich, carbohydrate rich and neutral, where protein and carbohydrate are not mixed”. (Howard Hay 1920, 189). Dr. Hay's theory was that, acidity cause the wrong chemical condition in the body, while protein and starch foods are forming acid after digestion, these two groups should not

combined in one plate. Back to the Healthy Food restaurant in the dish mayonnaise, vinegar, preservatives, additives are missing. Preservatives and additives prolong shelf life of the products, without this food additive food have quite short unspoiled period, what might effect on business. Food in restaurant is dietary with reduced fat content, salt and sugar. In the menu vegetarian dishes are included. The food has already packed in portions and prepared in disposable tableware, it facilitates take away option. This is very convenient for business people, who doesn't have any time for long lunch. Even «Healthy Food» vending machines with cheese pancakes, salad and rolls are set in some business centers.

The author visited one restaurant in the business center. In the premise there are two tables, stand with food and cashier table with only one lady. There is simple design and nothing specific in decoration, very simple operation. On another side, fast food restaurant is not driving by available places, however, accessibility and comfort of food delivery. Unfortunately, guests were coming just to purchase food and continue their duty, so the organization of the interview with guest were impossible.

The menu consist of soups, salads, cheesecakes, cottage cheese casserole, pancakes. Except prepared fresh food, guests might find healthy snacks as dry fruits and nuts. During author's interview with manager of this restaurant, ladies primary were purchasing fresh juices or dishes made of cottage cheese, as it full of proteins and perfect breakfast for starting day.

## **Findings**

«Healthy Food» Restaurants are usually operating with one or two worker inside the fast food restaurant. Anastasia is cashier, manager and administrator in one face. She was interviewed personally on the place during work time, all collected answers are based solely on her replications.

There is no certain laws or regulation, standards for launching healthy food restaurant. As a result, all dishes are created according to personal understanding of the meaning of the healthy dishes. Products are properly selected, for example, cottage cheese, which are used in the majority of the dishes, and meat production are purchased from farms. Cheese pancakes supposed to be fried or sauté on the pan with adding the flour, meanwhile, healthy fast food using oven to bake cheese pancakes and avoid extra fat. Usage of the flour are reduced only to cover cottage cheese. Pancakes, carrot and apple fritters, cheese pancakes, sandwiches, biscuits are made of whole-wheat flour. "The Whole-wheat flour is extremely beneficial for body, it contains the vitamin B1, B2, B3, E, folic acid, calcium, phosphorus, zinc, copper, iron, and fiber". (Alvarez, Alvarado, Puerto, Schlumberger, Jimenez, & De la Fuente 2006) The dishes are calculated according to the day norms, for example, the amount of calcium in cottage cheese products are not above required. Anastasia mentioned as well that mayonnaise, vinegar, preservatives, additives are excluded from the plates. Example of healthy food is meat, which they are serving with fruits home-made sauce. The combination of protein and acids break down the fibers - antioxidants make meat easy to digest. Unfortunately, Anastasia was not aware about suppliers, she has only mentioned cottage cheese was bought from farms. The current economic situation did not affect so much on menu variety, as everything is purchased from local suppliers, only syrup was purchased from abroad, which did not change so much the situation on the market.

The shelf life of the product is more significant. Too long shelf-life - the preservatives, additives in the product were used, short shelf-life - difficult to sell everything without loss. As a result company increased the price of the product. In the «Healthy Food» Restaurant products with cottage cheese inside are only fresh from one to three days, salads for two days, the maximum expire dates for some of the dishes might be within five days. According to the interview food and price are main advantage of the restaurant. Price is not high, as the concept of this restaurant obliges to

decrease the price due to self-service and prepared food. As service is not included in the concept, there is self-service as in common fast food restaurant - open fridge, where customer can choose food. Hot drinks are made on the counter, limited amount of the tables. The main location is in business centers or in the malls. According to the location the main target group is the businesswomen, primary women are interested in low calorie and healthy food. However, as Anastasia explained there are a lot of outside people who are coming as well.

If marketing is bad, no advertisement, no publishing, there is a low chance of getting popular. Restaurant should have seasonal promotions, business lunches or other activities to keep guests loyal. As «Healthy Food» Restaurant possess itself as fast food, the best option for them is the organization of outside events and activities for children and their parents. Anastasia explained the information about any performances and sales are written on their web-site. What is more, she told to the author that unfortunately, she did not have any power to effect on making-decision process. Location of the premises are discussed on the top of the hierarchy.

In the business center «Kutuzoff Tower» where interview has taken the place, according to manager Anastasia there is no any competitors. There are several fast food restaurants just near, however, the concept and idea of food are different. Anastasia explained people have different preferences in food, and some people prefers pastry, which is next fast food restaurant, some cheese pancakes. These fast food variations cannot be assumed as main competitors. What is more, according to Anastasia there are no any other fast healthy food in Moscow.



## 4.2. Jagannath

Jagannath is a vegetarian cafe and shop. Cafe Jagannath is a very cozy place for vegetarians and those who love specific and exotic dishes. Jagannath offers a wholesome breakfast, tasty lunches, eastern sweets and cakes, concerts and master-classes. There are five Jagannath cafes in Moscow, as well this chain exist in other Russian cities as Saint-Petersburg, Sochi, Riga, Tomsk. The cuisine in the Jagannath is international, including the traditions of India, Europe, Thailand, Mexico and China. This restaurant is introduced to their guests by the bright taste and atmosphere imbued with the spirit of the East.

The restaurant was named in honor of a deity. Jagannathi Puri is the town in eastern state Odisha in India. According to the traditions of this city, more than 56 dishes of Lord Jagannath are offered six times a day in the temple (Mahaprasad). This food is cooked in the world's largest kitchen of seven hundred furnaces. (Mahaprasad (Jagannath Temple) 2015).

A distinctive feature of Cafe Jagannath is handmade eastern sweets halva, milk sherbet, burfi and many other delicacies, which are prepared according to the original recipes. The macrobiotic diet and desserts, which are very useful for health, are also included in the menu. What is more, various types of tea are served - green, black, fruits, herbal and special tea from Jagannath. Jagannath attracts their customers by already prepared healthy food, which is served fast. In addition, tasty and wholesome food is sold in the shops, vegetarian and dietary products, among them - all sorts of cereals, seaweed, useful pasta, tofu, soybeans, Indian spices and snacks, as well as grains for germination. What is interesting, in some of the Jagannath restaurants concerts, seminars, culinary master-classes, and children's activities are available. The restaurant on Taganka provides concerts three times per week for free. All information about the performances and coming master-classes are published on the Jagannath web-site.

The author had a chance to visit two of the Jagannath restaurants. The menu is adapted for Russian guests as the eastern food is presented as non-spicy, with a small amount of traditional spices such as turmeric, chili, masala, cumin. Most of the dishes are Indian. However, even the Russian «Borsch» is represented. Unfortunately, food is not as healthy. On the display guest will not find any meat. The majority of the dishes are deep fried or oily. As a result, Jagannath Restaurants cannot be considered healthy restaurants, but as truly vegetarian and eastern cuisine restaurants adapted for Russian consumers. According to the author's observation, the main target group are those who work in the neighborhood and have limited time for a business lunch including vegetarians and vegans. The business lunch is neither expensive nor hearty.



The concept of the restaurant neither includes waitresses. The restaurant has a canteen with already prepared and hot dishes. There are only servers, a cashier and a cleaning lady. The service staff is very friendly and ready to help even if the restaurant is busy with a huge queue at the entrance door. However, only one cleaning lady is working throughout the day. Consequently, time she is not able to clean every table in time. As a result, half the dining hall is full of dirty plates and unfinished dishes.

The most attractive part of the restaurant is the amazing atmosphere created by decorations, pictures and music. All restaurants are decorated with eastern style: vivid pictures, old furniture, Asian music. All these may transform simple lunch time into relaxing meditation. However, Jagannath restaurant on the Tverskaya Street is not equipped with an air conditioner, so the temperature

inside is uncomfortable for a longer stay than just lunch time. Inside of every Jagannath restaurant there is a shop full of different kinds of dishes from eastern countries. Some of the guests only come to buy eco products or specific food.

## **Findings**

The administrator Zoya is working with her team members which complete the strong team. At the beginning it was hard to identify that Zoya is the team leader. Young girl age of twenty is still pursuing her studies in university and is balancing her studies and job at the same time.

The preparation of the food is not the simple wish of the chef. The administrator of Jagannath told during the preparation, technical and technological maps are used. Technical and technological maps are regulations. They are designed for culinary products manufactured only for the specific enterprise. They, along with the technology of cooking products and standards of the products, include requirements for the safety of raw materials used and the manufacturing process, the results of laboratory research products in terms of safety, the nutritional value of foods and other vitamins and minerals. As a result, Jagannath menu is based on standards and nutritional value. The shop of Jagannath is focused on organic and healthy products, therefore organic food or Eco food are constantly used in the menu. (Davidova 2006).

The cost of the food is the most difficult question to answer, the majority of an administrators are not aware about the costs and expenses. As a result, Zoya was one of them. According to her perception the price cannot be cheap, as they are trying to purchase qualified, fresh products from the farms. The sanctions did not affect so much on the price, main suppliers are local or from countries as Abkhazia, Azerbaijan. However, the administrator mentioned the price has been increased due to Russian current economy situation.

Every dish is presented on the station or the counter with heat from down and upper light for better observation. The temperature maintained on the counter is meeting the standards of the food health department and the food is refreshed in every four hours. The amount of the food, which are prepared in advance, is quite small, so there is ability to provide fresh food all over the day. At the end of the working day, all leftover food is thrown away and freshly cooked food is again presented to the guests in the morning.

The main accents are made on the cuisine and specific dishes, it is main reason of interest of the vegetarian and vegans. There is big variety of dishes by the affordable price. Business lunch cost 4€. Average check is 18€. The price also depends on the type of food, some small culinary is sold by piece on higher price. According to Zoya, service is also part of specialization. Servers are not only focused on the guest and specificity of the restaurant, however friendly atmosphere is created around. There is not difference between manager, server, cleaning lady and guests, everyone is given equal importance and respect. The main customers are vegetarian, vegans and people who are working near. The ideology of friendship, peace, healthy life, yoga and philosophy are the common interest of customers in Jagannath Restaurant.

The way is how Jagannath Restaurant attract people is impressive. There are concerts, seminars, master-classes designed for people, who is interested in specific culture. As it was mentioned before, there are five restaurants in Moscow, each of them are having their own advantages. Restaurant in Kuznetsk Bridge has a shop, station with food and a general restaurant with a la carte menu. Restaurant in Maroseyka is adopted for children. Kids' counters and activities are implemented for them in daily basis. Restaurant in Taganka has a stage inbuilt for concerts purposes. Small and unknown groups are performing, however, there is only one requirement to have the same ideology of healthy life and kind mind. Jagannath Restaurants is welcoming not only

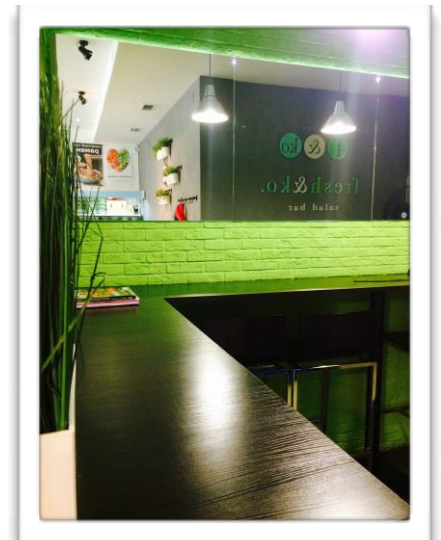
general people, on the other side, celebrities, singers, actors, producers are frequent guests in the vegetarian cafe and shop. The variety of the dishes might be changed through the season, especially there is delusion during fasting time. Vegan cuisine is exactly what people need. The location of the restaurant is significant decision-making impact. Every Jagannath Restaurants are spotted in the center and metro station nearby.

Question about competitors confused Zoya. She explained every type of vegetarian restaurants, shops are the cooperators. In case if Jagannath cannot provide some service or products, guests will be supported by information where the request will be executed. The vegetarian card, which includes different restaurant, shops, cafe, yoga-centers, salons and travels, provides different discount for every type of service and activities. Jagannath chain created society with healthy way of life. That is why, competitors do not exist, potential supporters and cooperators do.

As a bright and fresh brain in the business Zoya believes Jagannath will be improved through the time, as the main saltation and development was made within five years. The administrator highlighted the difficulties were to take action while country had economic and political difficulties in 1990th. In current situation she is dreaming of creating some children's corner, in which parents can leave their kids and meanwhile enjoy concerts on Taganka. The main competitive advantages according to Zoya is concept of prompt service cafe, people have limited time for break and are not ready to waste their time for waiting period. Second advantage is ability to carry children with them and families are warmly welcomed in their premises.

### 4.3. Fresh&Ko

Fresh&Ko is salad bar or healthy fast food restaurant in Moscow. This restaurant has been operated for the last three years, unfortunately, the popularity is only earned among the narrow society. The restaurant does not belongs to a chain group. The cafe is established in the center of Moscow, however building is packed with offices, fancy restaurants and clubs around. The Fresh&Ko premise is not independent, the cafe is in the office building with some small shops around. There is no any chance to attract passers-by, due to the location. On the other side, food deliveries are provided all over center of Moscow.



The mise-en-scene in the restaurant is a center attraction. Green colors, nice music, big windows and funny pillows are making this place convenient to stay and not to hurry for the job. Fresh&Ko is small cafe, no more than twenty covers. Menu and special offers are written on the black board, what enhance having updated information frequently. The soothing music completes the cozy and pleasant atmosphere.

Fresh&Ko is a salad bar, salad is the main food and accent of the cafe. The fix basement is salad and guest is having the option to create their own salad by adding cheese, ham, vegetables, crispy bread and etc. The another possibility is to take ready prepared salads such as summer salad, Caesar salad, Greece salad, ocean salad and many more. On the black board the daily offered soup and new promotions such as new breakfasts - muesli, varieties of omelets and the favorite Russian breakfast «sirniki» are written. For morning breakfast selection of pastry as muffins, pancakes or small bakery

are available. However, according to the healthy food criteria sweets and pastries are not healthy nutrition.

A high intake of sugar causes our blood sugar levels to shoot up, giving us that feel-good 'high' followed by a crashing slump which leaves us tired, irritable and craving more sugary foods. "It's a vicious cycle that may be contributing to our weight problems as well as health concerns like diabetes and heart disease". (Kerry Torrens - Nutritional therapist 2015). Among the salads - wok, yogurts, roles with vegetables and deserts are included in the menu. The main disadvantage is the absence of menu card, small part is written on the board, and the rest is described in the posters, which are not visible enough.

Concept of Fast food does not include service. Fresh & Ko provides service and cleaning of the dining area. Only three staff present for morning duty, which includes chef, waiter and manager. During morning time the beverages are dispatched in front of the guests. It is obvious, cafe does not have access to the store and all delivery is made through the main entrance. Every staff is occupied by delivery and guests are not receiving needed attention. As it was mentioned before, the location of the cafe is not visible for passers-by, only for people who are working near. On the other side, during the breakfast time every ten minutes new guests are coming, which shows Fresh&Ko is quite popular in their current location.

## **Findings**

Morning time is perfect for starting daily preparation especially the delivery of fresh products. The person responsible for delivery is the young manager - Kiril. The author had an opportunity to talk about the current situation and the future plans of the healthy fast food as he classified Fresh&Ko. The restaurant is not as healthy as fresh and fast. Salads ready to go prepared in advance in the boxes, so the guests only need to add the accompaniments in salad and

mix it with the dressing. As a result, organic food is not common component of the dish.

Unfortunately, the retail price got increased, what linked to multiplication of the price per dish. Because of the sanctions some dishes were excluded from the menu, prices were increased by 3-4 times. Contrariwise, the price has changed in every industry and in every restaurants. Nowadays restaurant industry is depending on the best suppliers. Suppliers are taking part in finding a restaurant interested in their service by proving the best available items in the market. Kiril shared that the main criteria for choosing suppliers are quality and price. Quality should be the highest, as the majority of the components are vegetables and huge amount of salads. Price is their competitive advantage, which should be taken into consideration.

Fresh products are significant in the restaurant industry. In the morning all the mis en place will be organized and around two hundred portions of salad prepared. At the end, rest of the preparation will be waste. However, during lunch time there are so many guests, so there might be no any leftover in the kitchen.

The owner of the Fresh&Ko is Spanish entrepreneur, who decided to settle in Russia and run his own business. What is valuable for him not only the food, as the concept of the fresh salad bar is not requesting too much afford and skills in the preparation, however, Enrike value the personal care of the guests. Every staff member is tough to engage with the customers and fulfill the needs and wishes, take continuously care. This is the reason, why small healthy fast food restaurant, which should only provide self-service, is delivering the orders to near-by offices as well.

Fresh&Ko is fully focused on specific customer group - office workers. The schedule of the working hours highlights. Fresh&Ko is closed on the weekends, while every restaurant is making the main profit of the week. The



average amount per check is 300 rubles, business lunch is from 200-400 rubles. Average price for business lunch in Moscow is 400 rubles. As the competitive advantage Kiril marked the precisely price. It is visible that the price is affordable and food is not heavy, salad is easy to digest. At the beginning it was difficult, as the location is specific and not too many people were aware of the healthy fast food. For advertisement promotions were created - «third fresh juice for free»- and staff of the restaurant carried the fliers to all the offices around and was provided to the guests who were dining as well. After these promotions small and cozy salad-bar was attacked by the new comers.

The location is good for target group, on the other hand, it is only interesting for office workers or people who are in common society. According to Kiril the owner Enrike is going to enhance the business and open new Fresh&Ko in the Imperia Tower during this summer. The restaurant will focus on the same target group office workers. There is another opportunity to have place in the shopping center or mall «Mega» and start a new outlet instead of the food court. If new establishment will be created Fresh&Ko transform into the restaurant chain, what is the very next significant step.

Manager told the author about main competitor the chain of the cafe «Prime». The Prime is the first operator in the premium format fast service, offering organic food, cooked by the gastronomic recipes without preservatives, food colorings, enhancing flavors. Kiril mentioned this chain already spun in Moscow. The main disadvantage of it every dish is already prepared in the main kitchen and transformed to the premises all over the outlets around Moscow, while Fresh&Ko is providing fresh products and just cooked plates.

## 4.4. Fresh

Healthy is the new sexy - is the motto of the vegetarian restaurant «Fresh». Healthy and balanced food is the basic business idea of the restaurant. Fresh opened in Moscow in 2012 in Bolshaya Dmitrovka St. and became the first modern gastronomic restaurant of vegetarian cuisine in the city. Apart from the main menu, the Fresh team also regularly introduces special offers using the best and healthiest seasonal products. In 2014, the second Fresh restaurant opened at the Patriarch's Ponds. Every summer a juice bar with tasty and healthy drinks operates in Gorky Park. The Fresh team participates in charity events and marathons. "Health days" have become a tradition, when both restaurants close earlier and the staff is off to play volleyball in Gorky Park or to ice skate on the Patriarch's Ponds.

The menu is full of different options including starters, salads, main dishes, roll-sandwiches, burgers, desserts, drinks and combinations, detox and breakfasts all day long. Fried dishes such as fried sweet potato and «fresh» fried onion rings are served, however fried or grilled with a pinch of oil. For a salad, a guest might choose home-made sauces. High protein vegan burgers are made from a mix of grains, legumes and vegetables presented on the cereal bread with greens garnish. Then main dish might be created by the guests themselves. There are several bases, brown rice, buckwheat or quinoa plus vegetables, which are grilled, fresh or steamed, sauces, proteins such as nuts, cheese, fruits mixes. This is a bright idea of the owner of the restaurant Irina Azarova. Some of the desserts use whole-wheat spelt flour. Spelt is one of the oldest crops. Unlike other types of wheat, grain spelt is covered by films to protect them from diseases and pests. Spelt does not absorb chemical fertilizers so it is hardly grown in an industrial way. The huge number of drink mixes is astonishing. In the menu guests can find even fresh coconut. Among usual drinks there are a lot of fresh juices and smoothie mixes, hot mixes for immune system. Some examples of the mixes: gardening & horticulture - broccoli, spinach, banana, orange, green superfood mix; dates + almonds -

almond paste, dates, maple syrup, banana, soya milk and cinnamon. These mixes might be full value lunch for people on the move. Everything is nutritionally balanced, for example, the salad does not contain the needed amount of protein, which is why a protein mix is added. Another interesting page of the menu is Detox. Detox or detoxication program supports to metabolize and excrete toxins presented in the body. Certain nutrition helps to clean body. Detox dishes appear on the «Fresh» menu, which highlights adherence of healthy diet. (Lipman 2015).

The atmosphere is very fancy, location in center of Moscow obliges to be in fashion. A lot of foreigners and business people are the main guests in the green haven. The surrounding green plants and the combination of darkness with the green color make the place more adorable for business guests. Music is blues or jazz. Armchairs and nice furniture make guests stay longer and enjoy the relaxing atmosphere.



An accomplishment to the pleasant atmosphere is the nice waitresses. The advantage of the management is the right number of servers annualized by time, day of week and location of the restaurant. The waitresses are aware about the dishes and the preparation methods, and what is more, guests will have nice suggestions about the food and right choices for a better fulfillment of their preferences. However, there is no continuous care about guests, waitresses are not frequently checking with customers their needs or are just absent from their location. The «Fresh» restaurant is a perfect place for really wealthy people to visit and enjoy really healthy and fresh food as the prices are well above average.

## Findings

Thursday afternoon manager Marina was on duty. Smiling brightly, supporting waitresses, being a cashier and serving the guests she build perception of the young, positive woman. On the question of any preparation standards of healthy food, answer was «we are following 7 steps of service». The Seven steps of service is guideline for waiters to provide qualified service and to achieve guests' satisfaction. It is seems to the author, Marina did not have any idea, that food legislation or regulation exist. However, organic food is actively used in the preparation. Their menu is full of greens and vegetables, which probably purchased from eco-farms. As a result, the price of the dishes are very expensive, as it was mentioned before, bio, eco-products are higher in price than general products in the supermarket. Especially with the current situation in Russian, unfortunately, some of the dishes was excluded from the menu due to sanctions and the price has been increased respectively. In the menu prices are high, due to expenses of the products and location. In the center of Moscow restaurant should be fancy and expensive, only if it is chain or fast food restaurant the price will be average. The location of the «Fresh» restaurant is popular and demanding. The main destination of foreigners and rich people, location of Bolshoi Theatre, Russian Academic Youth Theatre and Moscow Operetta. Perfect place to enjoy the dinner for hungry judges of art.

Situation with supplier is the same as in Fresh&Ko restaurant, suppliers are looking for partners. Marina shared, first they receive sample product, which they taste and according to their perception of the quality, the products are chosen. Marina is a new member of «Fresh» team, as a result, she was not aware about information regarding to the production storage and their main competitors. However, the accents of the premise according to the manager are kitchen or cuisine, the great variety of green dishes and smoothies astounded, design of modern healthy concept with dark emphasis and service of waitresses with awareness about the dishes. Every waiter is a personality

with their life, emotions and knowledge, which they are happy to share with guests, thereby engage with customers.

The main target group are vegetarians, as «Fresh» restaurant is vegetarian. According to Marina's evaluation main age borders are from 20-35 years old with average salary in Moscow. The capital provide higher salary than in other smaller cities. The way «Fresh» restaurant is attracting guests are the same: sales, promotions are organized. Information in web-sites, vk page, Facebook. Wide group of potential customers will be aware of «Fresh» restaurant. The most interesting sale is bonuses. Funded system afford to collect certain amount of bonuses, as a present of this offer, guests will have complimentary fixed dish and drink once per month. So basically restaurant presenting free lunch every month.

About future perspectives manager Marina sees restaurant «Fresh» an upcoming chain. Nowadays «Fresh» has two restaurants on Dmitrovka, Patriarchy ponds and summer temporary fresh juice bar. Probably in several years there will be five «Fresh» restaurants in Moscow. According to Marina the specific atmosphere of nature and twilights attract guests. The main aim of the restaurant not only to cook healthy food, however, to prove that healthy food is really tasty and delicious.

#### 4.5. LavkaLavka

Farm restaurant LavkaLavka is a new Russian cuisine restaurant. Respecting traditions of 18th century cuisine, farm restaurant keeps those traditions and respectfully follows them in the daily work. LavkaLavka ignores 20th century trends of gastronomic degradation in Russia. The main characteristics is to cook and work like nothing happened, as if cuisine just naturally developed into the present.

Restaurant differentiated its cuisine features.

- Variety
- Inspiration from Russian culinary traditions
- Is adaptable and inspired by other world cuisine
- Is influenced by the best of international gastronomy
- And most importantly - our cuisine is centered around seasonal products, offered by local farmers

(LavkaLavka,2015).

Farm restaurant strives to rediscover, explore and bring back to the tables forgotten products, which can be supplied locally by the farmers. Each of the guests will have the opportunity to understand that what he/she is eating is not only delicious dish with an original recipe and presentation. However, each meal is also an opportunity to reconnect with the great tradition of Russian cuisine by featuring the best of local and seasonal products. The history of the farm restaurant started only one year ago, while farm shop LavkaLavka decided to cooperate with every farmers-suppliers and fund the farm Russian traditional cuisine restaurant.

The author had experienced the traditions of Russian soul in modern, luxury interpretation. The menu represented on the brown separate papers. The dishes are unusual for Russians, it is really old forgotten cuisine, what almost impossible to find nowadays. In the menu guests could find pie with venison, pie with sockeye, whole beet emmer, triple quail and many more. All dishes are explained properly, what will be in the plate. Farm restaurant provides dishes prepared according to the recipes of the farmer from where the food was purchased. For example: **Murmansk cod fillets** from Vladimir Potapov with scallop tartare and cranberries from Alekseja Fedotova, rye-creamy sauce and salmon caviar from Olga Golubeva. What is more, all products, which were used in the dishes guests might purchase in the farm shop LavkaLavka. In the morning LavkaLavka provides Russian village breakfasts

such as dishes made from eggs, porridge or Kamchatka sockeye pate. What is more, there are three papers of the menu, however, only one side is food. The main focus is on the alcohol production as beer, wine or traditional Russian drinks as kvass, mead drink. Every drink has full description including place of production, contents of the drink and name of the farmers, who is providing the product.

Restaurant is divided into two parts - summer terrace and main premise in the basement. Inside walls are made of bricks and huge table in the middle, old Russian tradition - one long table for everyone. Nice design with Russian attributes such as samovar, matrioshka, books and pictures create interesting feeling to taste Russian cuisines with some mead drink from Suzdal. There are no any chairs, everywhere guests will feel convenient sitting on armchair and listening to quite blues. Everywhere is very clean and simple.



To be a waiter in restaurant LavkaLavka person should be knowledgeable about service industry and have experience at least one year, speak English and be able to threat guests with a friendly approach. Every waiter was providing high qualified service. Several times waiter check with the guests any needs and give fond farewell to every leaving person. However, during the day time there is no so many guests and people who are sitting inside the premise are the workers, managers of the LavkaLavka. The farm restaurant creates family not only within the restaurant staff, however with suppliers, farmers. Trips to the farms are organized in order to involve waiters deep in farm industry and be aware about cuisine and products, which they are serving, on the level of the farmers. It is the only truly farm restaurant with qualified service in Russia.

## Findings

Administrator Viktor was quite busy with the arrangements for the evening, however, the lunch time is not that busy, and the evening is the most profitable time for a restaurant. The author had a chance to interview the administrator in the small breaks in his daily schedules. As mentioned before, LavkaLavka is a farm restaurant with no any legislation on the preparation of the food. All recipes are from farmers, which is why every dish has its name from the farmer who provides the food and recipe of the plate. The quality of the food is carefully inspected in the laboratories, in LavkaLavka it is named as SES. The evaluation includes five quality levels. Every level assumes a certain number of additives to the product. LavkaLavka admits first and second quality level. As a result, 95% of the food on the menu is natural and organic.

In the shops people may buy products for the intermediary's price. The margin of the price is usually higher than 25%, some entrepreneurs double the price for more profit. LavkaLavka buys all the products from representative –farmers on the interest-free price, so the expenses of the purchased food is not as high. What is interesting, it is the only restaurant with positive changes to the prices due to the sanctions against Russia. LavkaLavka focuses on local producers, new farms and small unknown organic suppliers. After the sanctions were introduced, consumers no more trust the products on the shelves in the shops: either the quality is not good or the price is too high. This situation has given an opportunity to develop farmers' production and increase the interest of the consumers. As a result, LavkaLavka became more popular due to the high quality of the products and natural tradition flavor. The main attraction of the farm restaurant is obviously cuisine. Every restaurant may say: "We are serving traditional Russian food, on the menu you will find «borsch» and «pelmeni». LavkaLavka opens guests' eyes for old Russian flavors with river fish and specific poultry.



Unfortunately, the restaurant is new, having been in operation one year only so it did not have a chance to pay off. The price of the dishes starts from 300 to 700 rubles. It is a fancy place and specific. Most of the customers are middle-class or wealthy people. To attract people, the restaurant organizes sales and promotions, master-classes in cooking. However, administrator told the main focus is on the TripAdvisor. TripAdvisor is the most popular web-site with the guests' feedback and according to it, potential guests might find place where to go, very convenient for foreigners as well. Among 9 913 Moscow restaurants, LavkaLavka was on the 21st position within one year of operation. The results are amazing. LavkaLavka is not focusing on the advertisements on the media. However, during the research the author found a lot of articles about the first farm restaurant in Moscow, in healthy food magazines or even information about sponsorship activity of restaurants in some occasions. Viktor believes the best way of attracting potential guests is WOM- world of mouth. It is a correct assumption, as the author got the information about farm restaurants not from the Internet or articles, but from relatives.

The location of the restaurant is invisible. The restaurant is located in the yard of a dwelling house and it is impossible to see it from the road. Before there were no signs. Waiters used to write on the road the logo LavkaLavka for guests, who were searching for the location. On one hand, the place is difficult to find, which is not good for the business. However, in the lonely yard, especially the nice atmosphere on the terrace shadowed by trees, alienates the guests from the bustling city life.

The future perspective of the restaurant, according to administrator, is to create several restaurants in Moscow, to involve people in consuming natural products. Probably, the menu variety might be increased by including more dishes from new farmers. As the main advantage of the LavkaLavka Viktor regards farmers' products making the restaurant unique. It does not mean in Moscow farmers' restaurants do not exist, however, the menu is not so deep

focused on the farmers' production. The old Russian cuisine is represented only in LavkaLavka.

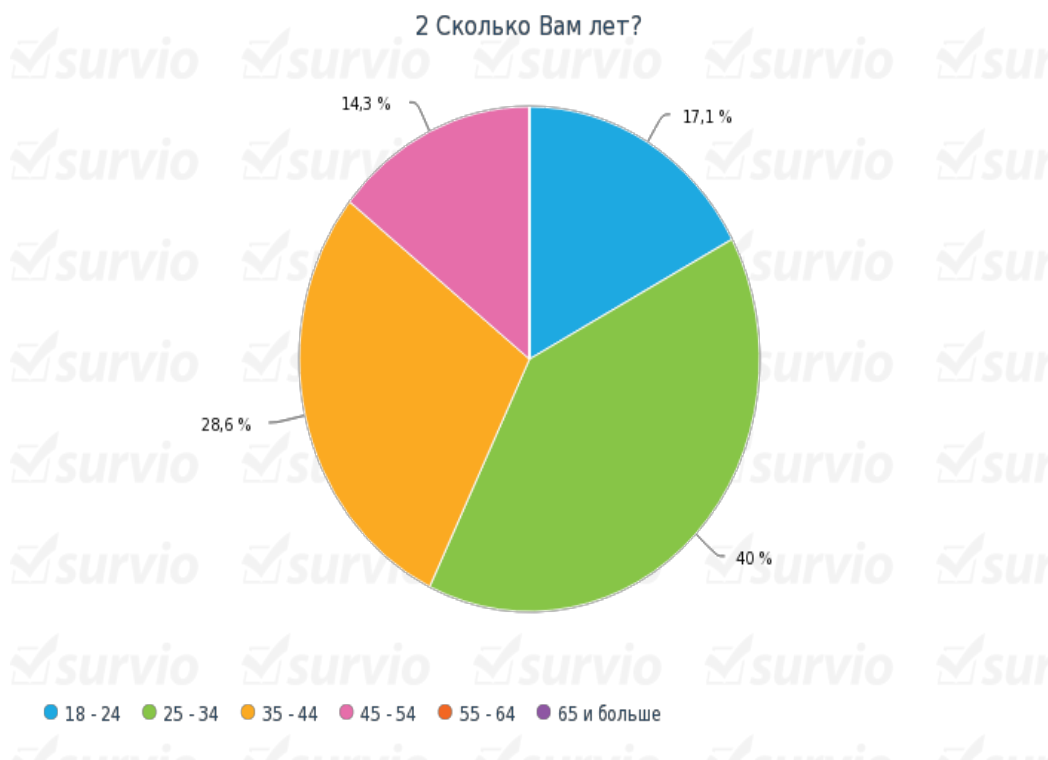
## 5. Guests survey

Apart the administrative questionnaire defendants from every restaurant were interviewed. While visiting restaurants «Healthy Food», «Fresh», «Jagannath», «LavkaLavka», «Fresh&Ko» the guests survey was collected within two weeks. The majority of the questions were with single choice or multiple choices, only one question was open. The English version of the conducted survey is in Appendices B. Most of the people do not respond to the open questions, but more willing to fill form with choices. To increase amount of defendants' survey was focused on questions with already fixed answers. The main purpose of this survey was to find the main aim of the guests' visit to particular restaurant, due to the food, location or price. As well main target group or main valuable group was defined. Feedback and suggestions were collected as well. However, some points should be taken into consideration such as due to time not every restaurant has guests or guests are not willing to participate in the interview. Since they were either occupied or simply enjoying the limited time of having lunch. Around forty guests filled the questionnaire. As a result, the amount of defendants are not enough for qualified analysis, what may lead to high marginal error. Every question from the survey was discussed and the findings were analyzed.

The 63% of the defendants were females, while 37% males. The highest interest in healthy food lead to simple trend. Nowadays it is very popular to be fit and eat greens, the modern culture is to publish photo of salad in Instagram to create feeling of slim and healthy life. Unfortunately, people are not thinking so much about the healthiest part of the dish as about low calories and getting slimmer waist. There are people who is seriously worried about their health

and choosing healthy options, however the majority are matured people, who might have already problems with their health.

FIGURE 3. How old are you?



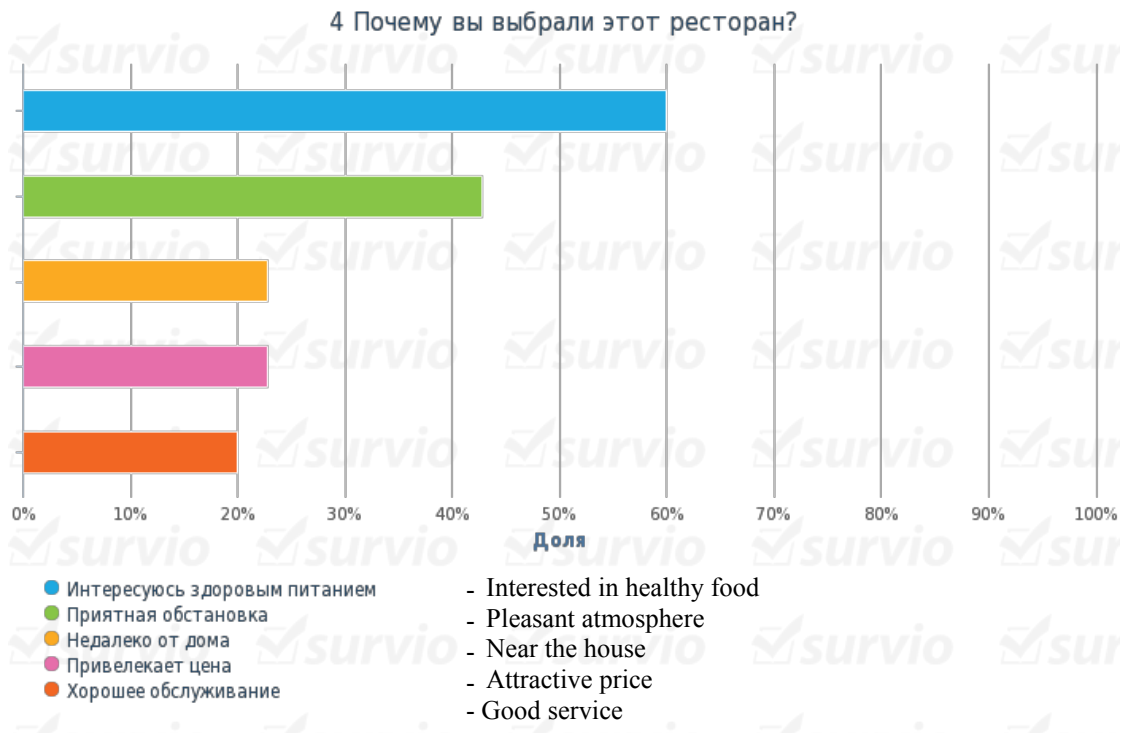
The age group of guests vary from twenty years old to fifty. As it was mentioned before in theoretical part about habits to visit restaurants, old generation does not have it. No any representatives upper fifty-five years old were presented in the survey results. The main interested group according to the questionnaire is people from twenty-five to thirty-five years old. The restaurants should focus mainly on middle age group of potential customers.

FIGURE 4. How much money are people willing to pay per lunch/ dinner? (one person).



The next question was the ability to pay for lunch or dinner. This question might create a better understanding of the price. The question is «How much money are you willing to pay per lunch/ dinner? » (One person). The analyzed price was in rubles due to place of research. According to the results the main group can afford to spend from five hundreds to one thousand rubles (9 - 18 euro with current exchange rate). Interesting, the same amount of defendants ready to pay one thousands and more, as well less than five hundreds. Moscow citizens understand that the price in Moscow is higher compared to smaller cities, so only 17% representatives vote for hundred to three hundred rubles. Admonish that the average price for business lunch is from two hundred to four hundred, however most commonly four hundred rubles is fixed rate per lunch.

FIGURE 5. Why did you choose this restaurant?



«Why did you choose this restaurant? » The majority of the people are visiting restaurant because of its cuisine, about 60% prefer healthy food. About 43% care about atmosphere and design. Some of the fast food like Healthy Food is missing the cozy atmosphere, meanwhile it is valuable criteria for potential guests. Interesting that for Russian people service is not the main accent. That is why, the service in Russia is so low, the waiters or other service staff are usually rude to the customers or show their displeasure. As a result, Russian people are not so critical to service as in other European countries. The same results have 23% location and attractive price.

57% of defendants do not visit other healthy food restaurants, the rest are aware about other options such as Jagannath, Fresh, Sok and Yogadom. The Jagannath and Fresh were already discussed in the study case and it was derived that Jagannath is Asian cuisine restaurant, Fresh is vegetarian restaurant. Restaurant Sok is vegetarian cafe, which includes in the menu dishes of Greece, Italy, Russia and India. Among vegetarian dishes they included raw food dishes. Another restaurant Yogadom is again vegetarian

restaurant with cuisines of different countries, excluding any additives, flavor enhancer and preservatives.

The open question was - «Do you want to change or include something in the menu? For example, add some dishes, add information about calories, vitamins or add recommendation to the nutrition? » Only 31% of defendants gave any comments. One guest suggested to include specific dishes as lentil cutlets, whole wheat pasta, fresh juices, sweets without sugar instead of it honey, agave syrup. Include more raw dishes in the menu. One lady, who is coconut lover, suggested to add the variety of a coconut ice-cream and sweets with coconut. Another suggestions was to have written article with healthy food information on every tables in the restaurants. Include the information about nutrition, amount of proteins, carbohydrates, fats, portion of the dish in grams and calories in the menu. As well nutritional recommendations can be written. The most interesting suggestion was to print daily norms on the check, however, most of the people are even not taking the checks.

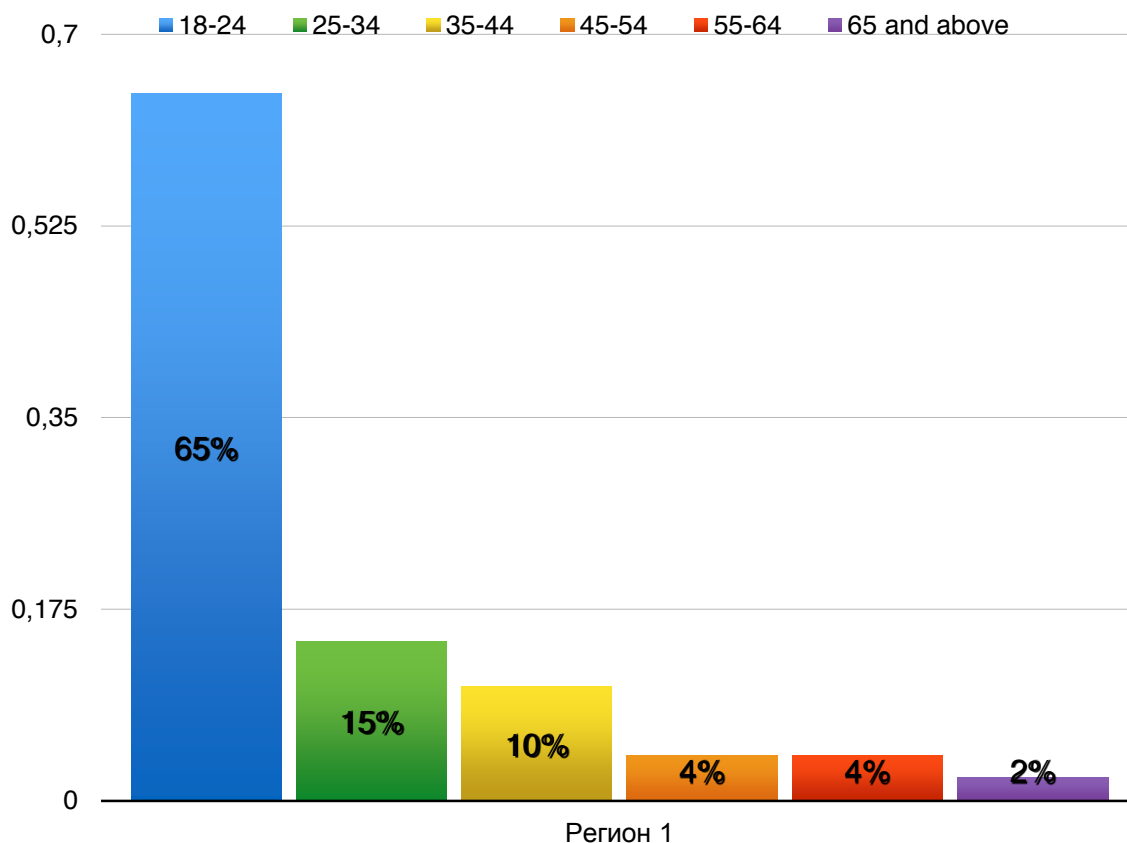
The last question was about usage of organic food in daily life. Most of the answers were positive 69%, the rest might not understand the meaning or defendants were men who are not aware. It is good index, however, to be sure that the products are highly qualified is impossible.

## 6. Online Survey

The last survey was conducted among independent defendants. The result of the survey supposed to show the current situation of the population in Moscow. The main aim is to find if people are interested in healthy food and what they know about it. As well as in previous survey, questions are with

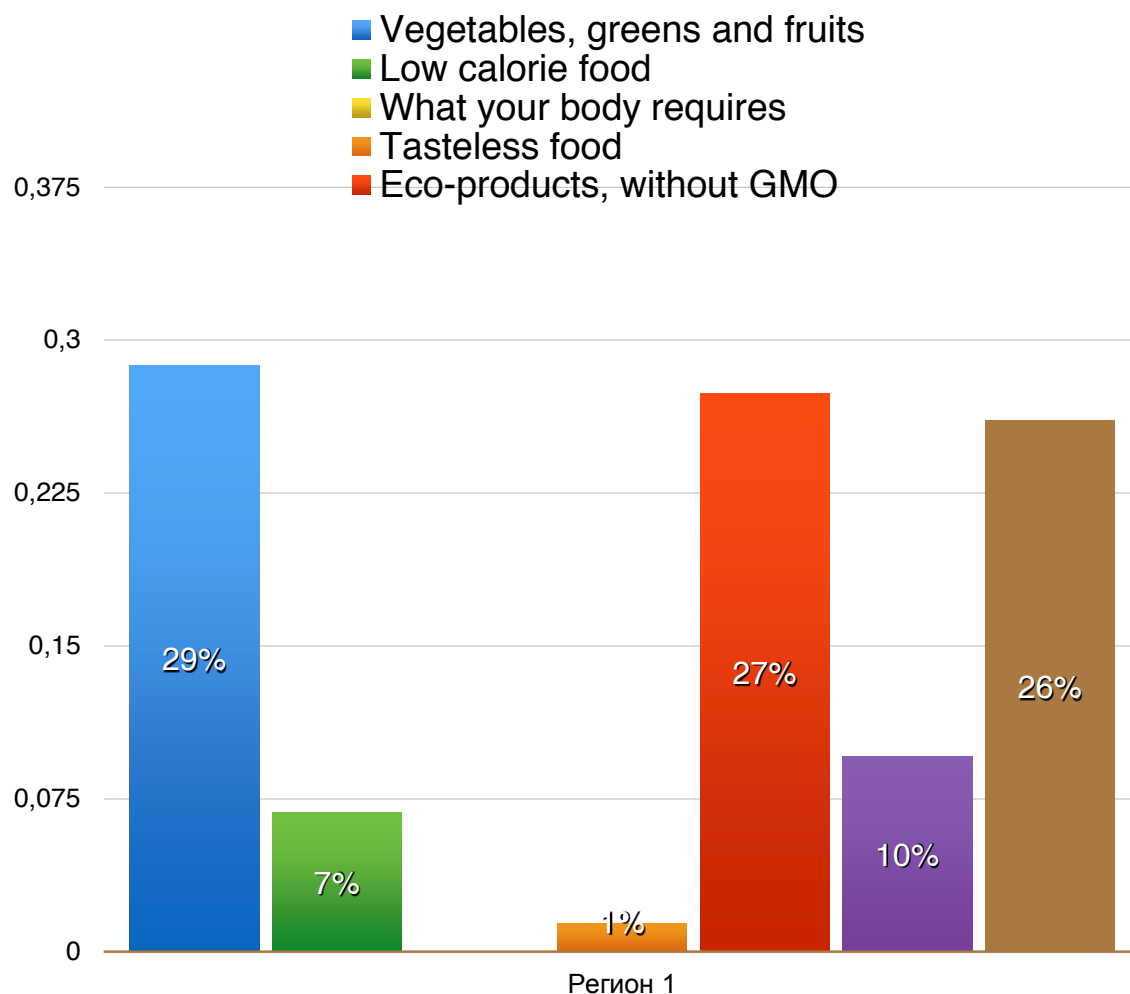
multiple choices and possibility to write comments. The amount of defendants should be taken into consideration. The questionnaire might not meet the standards of a professional one, due to not mass collection. However, basic results will be defined from every researches.

FIGURE 6. The age of defendants.



The main gender of the defendants were females 60% and males only 39%. It might be because of the difference between quantity of female and male. According to Federal State Statistic Service (Rosstat) the amount of female was 76 million and males 66 million during 2011 year. Both of genders were taking survey what shows view of both sides. Unfortunately, due to the author's age most of the defendants were from the same age group, around 64.58% interviewed was from eighteen to twenty-four years old. In the survey old age group was represented by older than sixty-five years old people.

FIGURE 7. Definition of healthy food.

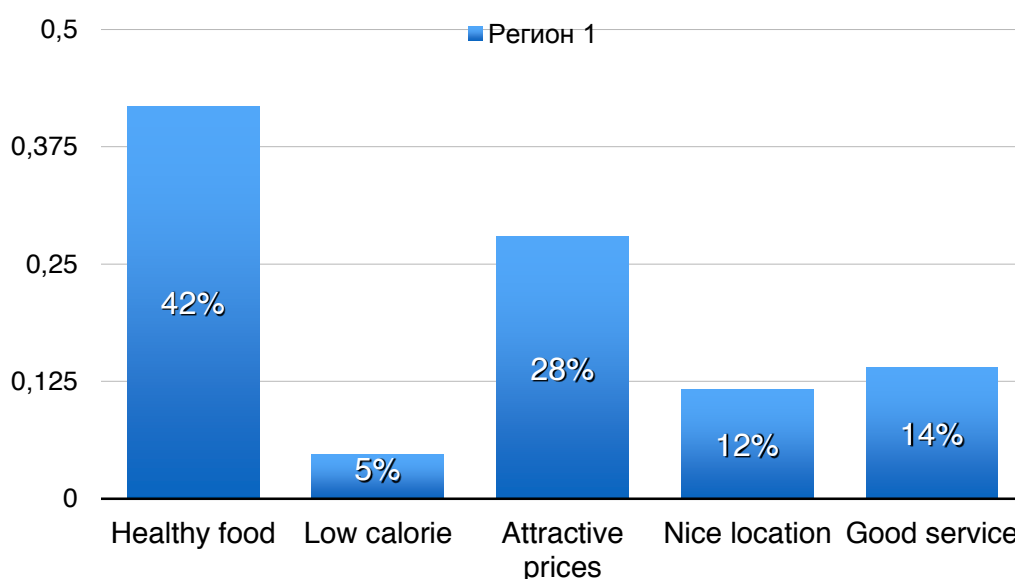


For better understanding of potential customers, the healthy food definition should be specified. In case of wrong impression, people might not need this concept of restaurant. Healthy food is balanced nutrition, ensuring growth, development of the body and normal human activity, contributing for better health and disease prevention. A lot of people believe that vegetables, greens and fruits are healthy food that is why a lot of vegetarian restaurants are represent themselves as healthy food. However, cannot a meat lover eat healthy food? Meat, poultry is full of iron, the type of meat and method of preparation might make this dish unhealthy or valuable for body with minerals. Eco-products or organic food and without GMO food are healthy, however among this another component should be defined - balanced food.



85% of defendants have never visited any healthy food restaurants and only 15% positively replied. According to the answer survey have two options with yes and no. Next no reply will be discussed. «Why have not you visited any healthy food restaurants? » was the next question, apart from the fixed answers the possibility to comment was included. The most common answer was - did not have any chance. However, the comments make picture clearer. The answers - « I am not aware about any these kind of restaurants», «difficult to answer», «not enough advertisements» and «not interested» are most common. As a result it is obvious most of the people do not have any understanding of the healthy concept and are not aware about any this kind of type restaurants.

FIGURE 8. How healthy food restaurant could attract you?



The aim is to find how it is possible to attract the potential customers, what is interesting for them. According to the survey people prefer the healthy way of life (42%), still the price should not be above mentioned one thousand rubles. Some of the comments mentioned the ratio of the price and quality, service and pleasant atmosphere. The ratio of price and quality is very important as

some of the restaurants are increasing the price just due to impression of luxury restaurants, however, the costs of products might be the same as costs nearby middle group restaurants. Combination of service, location and price is also valuable for defendants.

The page with answer yes is consist of open questions. It helps to collect data about their personal experience and emotions. The first question was «Which restaurant defendants had chance to visit? ». According to their reply some of the restaurants were visited and analyzed by the author. The list of restaurants is Jagannath, Avocado - vegetarian cafe, Receptor - vegetarian restaurant plus fish variety, Healthy Food and Eco-food in other countries. According to the result main healthy food restaurants are vegetarian. For some reason healthy food excluded meat, poultry and also fish in their nutritional menu. That is why the main group are women, who do not need a lot of energy and able to refuse of consumption of meat.

According to defendants' experiences, it was asked to share restaurants' main advantages. Light food, vegetarian menu, accent on the healthy food, variety of dishes, concept of restaurant, natural products, tasty and healthy food, as well simple design of the premises are the replies. Main advantage is healthy concept in the customers' opinion. The feedback was collected from the same interviewers. One reply consist of suggestion to include healthy food and adding Russian cuisine in the menu. Interesting suggestion to prepare healthy food in «healthy food» restaurants. Unfortunately, in opinion of Russian consumers the healthiest food is in India. However, the majority of Indian population consists of vegetarians, what has been affected on their cuisine. On the other side, Russian traditional old cuisine is very healthy as all dishes were steamed or boiled, these methods of preparation excluded trans-fat and cholesterol. Some people believe healthy food restaurants have big variety of choices, most of the respondents believed, need to create more. The design was discussed as well, people prefer to see greens, plants in the healthy food restaurants as part of natural interior. The wishes of respondents are so

different and might controvert each other, however, the common idea is the development and enlargement of these concept restaurants.

## 7. Results

The combination of the research data and the theoretical background of the case study has been created in the findings. The author derived the main results from the whole research work. The comparison between current business concept of healthy food restaurant and business concept, created by the author in pursuance of the research and theoretical knowledge, was analyzed.

According to the results from the questionnaires of guests and random people, less than 25% of the respondents have the right conception of healthy food. Most respondents strongly believe that healthy food is equivalent to vegetarian, vegan or Asian cuisine. However, mentioned before, meat, poultry and fish are healthy components of daily nutrition. Vegetarian, vegan and Asian cuisine might include fried or fatty dishes in the menu, which do not represent the concept of healthy food. Russian citizens believe that farm products or eco-products are healthy in any way. That assertion is true until preparation has not been started. Farm restaurants cannot be rated as healthy food, however only as products, which are fresh and qualified. Pies with potato and pork ribs are not the examples of healthy cuisine, because whole wheat flour was not used in the pie and pork ribs are too fatty to be considered a light dish. Unfortunately, no regulations or legislation on restaurants serving healthy food exist in Russia. As a result, every restaurant might use healthy logo as a marketing tool. Not every person is ready to consume a healthy light dish, that is why restaurants include in the menu fried crispy dishes and pastry for sweets lovers.

Another stumbling block is the existence of healthy food restaurants. In every city Russian people know which pizza to order, where the best kebab is served and in which restaurant the sushi can be delicious. Unfortunately, most of the population, tentatively 85%, are not aware about any healthy food restaurants at all. The main reason is the poor promotion and low competition. As a result, in Moscow real healthy food restaurants **do not exist are not popular at all**. The trend of healthy life with exercise in the gym and consumption of vegetables already exist in the minds of potential customers. The basis of creating the business concept of healthy food has already prepared for profitable business and guests are ready to pay for nice food and a pleasant atmosphere. The table below sums up the main finding of the study.

TABLE 6. Two business concepts in one table.

Questions	Current Business Concept	Potential Business Concept
<b>Main product/service</b>	Vegetarian or Asian cuisine restaurants. Service is not significant in the restaurant business.	Healthy Food Restaurant based on legislation of European countries, excluding fried dishes, pastries and sugar. Guest engagement is the main point of being loyal.
<b>What does my product do?</b>	Provide what guests want.	Provide the healthiest version of food for better nutrition.
<b>How is it different or better than other products?</b>	The price is affordable, due to advanced preparation the service is fast.	The meal is balanced nutritionally, dish information is provided. (Vitamins, calories, proteins, carbohydrates, fats)
<b>Who will buy the product?</b>	Every guest can afford, by using several preparation methods the expenses can be reduced.	Every guests can afford, menu includes different prices of the dishes.
<b>Why will they buy the product?</b>	Attracted by the Healthy food logo.	Real healthy food based on standards, qualified products.
<b>How will the product be promoted and sold/offered?</b>	Promotions, offers, sales, master-classes, Media.	Promotions, offers, Media, however, the accent is on cooking healthy dishes, master-classes and WOM.
<b>Who are my competitors?</b>	Every restaurant with the same concept and the same target group.	Every «healthy food» restaurant.

## 8. Discussion

The research questions presented in chapter 1 created a solid base for the research. Three surveys were analyzed: the administrative part of the restaurant business, the guests and potential customers. As revealed by the literature review, the current trend in Moscow in the restaurant industry contributes to bringing life to the healthy food concept. What is more, the current healthy food restaurants are not fully focused on presenting the full concept or are appearing as vegetarian restaurants. The establishment of a real healthy food restaurant should be based on foreign legislation or standards. Another objective of the case study was to analyze potential customers' interest in the concept and values, which might be adjusted for already established restaurants or be prospective for future. Unfortunately, as the research study showed, most of the potential Moscow citizens are not aware about the healthy food concept at all. However, the majority of the respondents are interested in healthy life. As a result, the environment has been prepared to find successful business operations.

The research analysis was successfully completed in the case study. The answers to the main questions were found. For a wider analysis, three surveys were incarnated. How a healthy food restaurant in Moscow is represented, what their guests are wishing to receive and how it is possible to attract potential customers:

- Does such the healthy food industry exist in the Moscow food market?
- If so what can be improved to attract more guests to make the business more profitable?

The healthy food industry does exist in the Moscow food market. The answer to this question might be found online as nowadays it is part of advertising and sales promotion to publish information about a restaurant, to have a personal

website or page on popular Media. However, the aim of advertising is to attract guests, on the other side, the quality of food might be lower of guests expectation. According to the articles published about healthy restaurants, Moscow citizens have a good understanding of healthy food. Unfortunately, after a deeper study, the author came to a conclusion, that there are no true healthy food restaurant. However, due to poor promotion, the healthy food concept is not spread around. For the second question, the author decided to implement three surveys for wider research. The manager interviewed provided information about quality and service. The guests' survey showed the main values and feedback, and the last questionnaire explained if potential customers are interested in the concept, and surprisingly showed citizens' ignorance of healthy food restaurants. These three surveys supported to make research more qualified with respecting every side.

However, this research cannot be called as qualified or 100% accurate as the population in Moscow is 11.5 million, which cannot be compared with the number of respondents less than 0.0026% of the population. On the other hand, it is obvious that the behavior of a small group might be regarded as an example of the behavior of the whole population due to the habit to follow the trends and be affected by society's opinion.

The unwillingness of respondents to participate in the interview was a limitation to the number of the respondents. Another reason for not having reliable results might have been caused by administrative surveys. The results were collected from the managers or administrators of the restaurants. However, before the author attempted to contact higher authorities, all ended up with an unaccomplished promise. The administrators and managers were ready to support, however, not all the subjects were discussed due to ignorance of the needed information. The usability of the results makes it easier to understand the current situation of the wishes of the potential guests and give an entrepreneur a solid platform to start the business.

After writing the case study, the main challenge was to interview managers, ask guests to fill in questionnaires in the restaurants and spread the online survey. This thesis gave an opportunity to transcend fears. Cooperation with random people, the way how to attract them to support the case study were new to the author. The case study showed that, it is not so scary to talk to people. Another significant outcome of the research process was the unexpected results. Before conducting a survey, there are already expected results. However, it is important to analyze every part of the field as new findings might exist in the unexpected parts.

The results of the case study might be very helpful to entrepreneurs establishing a healthy restaurant in Moscow. The main suggestions and improvements were discussed. However, for a better operation, an entrepreneur should not forget about strong promotion or advertisement as, according to the research, tentatively 85% do not have any information about the existence of the healthy food concept. Next development stage in the future might be productizing the healthy food concept. In the thesis, the business concept was discussed as an operational business in the current situation in the market and the awareness and the interests of the guests. The platform for business was defined, the possible subject as drafting the menu, the way of operations or the most efficient way of the promotion might be the areas for further development in the future.

The healthy food concept is not new in European countries, however, it is not well developed in Moscow. There is a lot of information about a healthy way of life, adherence to sports, low calorie diet, but all existing knowledge has not been transferred into the true healthy restaurant. Vegetarian and healthy foods are different concepts. The main purpose of the research and study was to understand the stage of healthy food in the restaurant industry. The current situation in the restaurant market, the quality of the existing healthy food restaurants, the potential profitability based on the demand of the potential customers were the main purposes of the thesis.



## References

- Alvarez, P., Alvarado, C., Puerto, M., Schlumberger, A., Jimenez, L., De la Fuente, M., 2005. *Improvement of leukocyte functions in prematurely aging mice after five weeks of diet supplementation with polyphenol-rich cereals*. Master Thesis. Published Online: June 28, 2006. Accessed on 8 of May 2015. Retrieved from <http://dx.doi.org/10.1016/j.nut.2005.12.012>
- Amidor, T. 2015. *The hottest Natural Food Trends*. Accessed on 3 of April 2015. Retrieved from <http://health.usnews.com/health-news/blogs/eat-run/2015/03/20/the-7-fastest-growing-natural-food-trends>
- Bijlefeld, M., and S.K., Zoumbaris 2001. *Food&You: A guide to Healthy Habits for Teens*. United States of America. Published by Greenwood Press.
- Browning, H., *Facts about organic food*. Soil Association 2013. Charity registered in England and Wales.
- Browning, H., *Organic nutrition*. Soil Association 2013. Charity registered in England and Wales.
- Business Concept*. 2015. Business Dictionary. Accessed on 20 of April 2015. Retrieved from <http://www.businessdictionary.com/definition/business-concept.html>
- Davidova, O.V. 2006. *Technical and technological maps*. Accessed on 1 of May 2015. Retrieved from <http://www.pitportal.ru/technolog/11090.html>
- Deryabina, A., Bubble D., Levinskaya A. 2015. *Number of restaurants and cafes in Moscow declined for the first time in two years*. Magazine RBC 23.01.2015
- FIBL and IFOAM (International Federation of Organic Agriculture Movements) 2014. *The world of Organic Agriculture: Statistic & Emerging trends*. State Secretariat for Economic Affairs SECO.
- Flour and water is secret of unique product*. Journal Made in Russia. 2 Volume April 2015.
- Food-based dietary guidelines*. Finland by Food and Agriculture Organization.
- Food pyramids and plates: What should you really eat?* The Harvard T.H. Chan of Public Health Nutrition

Golikova, T.A. 2010. *On approval of recommendations on rational norms of food consumption, which meets the latest requirements of a healthy diet.* Order of the Health Ministry of the Russian Federation of 02.08.2010.

Gralla M., Brandt T., Rommen L., Meckmann K., University of Dortmund; Schmolke D., Kölzer H., Hochtief; Outters N., NCC Construction Sverige; Benning P., Bouygues Travaux Publics; Schade J., Olofsson T., University of Luleå. 2010. *Business Concepts InPro Business Concepts.* Co-funded by European Commission within the Sixth Framework Program.

*Halva strife halva. Turkish secrets of preparation.* Journal Made in Russia. 2 Volume April 2015.

Howard Hay, W., 1891. *Health via Food.* New York University School of Medicine. East Aurora, New York.

Intesco Research Group, 2014. *Moscow Restaurant Market.* Moscow 2014.

Irina. 2015, *Bio-Eco-Organic.* Accessed on 6 of May 2015. Retrieved from <http://www.myveganway.com/#!/bio-eco-organic/cp9h>

Jensen, B. 1988. *Foods that Heal.* Garden City Park NY:Avery Publ 1988.

Kim, Gord, Faye, Friedhelm, Carolyn, Jan, Lisa and Debra. 2012. *Business concept.*

Koroleva, A. 2015. *Why some restaurant are closing? Why other establish?* Accessed on 4 of April 2015. Retrieved from <http://www.e-xecutive.ru/knowledge/announcement/1959266/?page=-1>

*Law of healthy food by Federal Service for Supervision of Consumer Rights Protection and Human Welfare in Sakhalin Region.* 2013. Adopted by the State Duma on April 6, 2013. Approved by Federal Council on May 2, 2013.

Lipman, F. 2015. *What Do You Mean By Detox?* Retrieved from personal web-page of Dr. Frank Lipman.

*List of documents for SES.* Accessed on 25 of March 2015. Retrieved from [http://doksos.ru/index.php?option=com\\_content&view=article&id=87&Itemid=185](http://doksos.ru/index.php?option=com_content&view=article&id=87&Itemid=185)

Lucht, G. 2013. *Basic Nourishment.* COM/112 February 25, 2013

*Mahaprasad (Jagannath Temple)* 2015. Accessed on 8 of March 2015. Retrieved from [https://en.wikipedia.org/wiki/Mahaprasad\\_\(Jagannath\\_Temple\)](https://en.wikipedia.org/wiki/Mahaprasad_(Jagannath_Temple))

Muller, A. 2012. *How to turn an idea into a Startup: begin with a business concept Statement.* Accessed on 27 of May 2015. Retrieved from

<http://www.forbes.com/sites/kauffman/2012/06/11/how-to-turn-an-idea-into-a-startup-begin-with-a-business-concept-statement/>

National Nutrition Council. 2014. *Finnish Nutrition Recommendations 2014*. Accessed on 9 of April 2015. Retrieved from <http://www.ravitsemusneuvottelukunta.fi/portal/en/nutrition+recommendations/>

*Russian Federation Federal Law «On quality and food safety» 2000*. Adopted by the State Duma on December 1, 1999. Approved by Federal Council on December 23, 1999.

O'Neill, R. 2006. *The advantages and disadvantages of qualitative and quantitative research methods*.

Onischenko, G.G. 2008. *Physiological needs for energy and nutrients for different groups the population of the Russian Federation*.

Owino, R. 2012. *Basic of Business in Service- Oriented Enterprises*.(MMBF0100) Spring 2012.

Peterson, J. *Cooking Class: Boiling and Simmering*. Accessed on 7 of May 2015. Retrieved from <http://www.cookinglight.com/cooking-101/techniques/cooking-class-boiling-and-simmering>

Pray, Leslie, Boon, Caitlin, Miller, Emily Ann. 2010. *Providing Healthy and Safe Foods as we age. Workshop Summary*. Washington. National Academies Press (US).

Pukach, K. 2014. *Organic Food Market in Russia*. Economy faculty, Group 304.

*Restaurant Business: Strategy of surviving during crisis*. Video RBC news.

Robinson, L., Segal J., W.Paul M., Kemp G., Segal R. 2015. *Are Organic Foods Right for You?* Accessed on 7 of May 2015. Retrieved from <http://www.helpguide.org/articles/healthy-eating/organic-foods.htm>

Schearf, D.2014. *Russia's Food Sanctions: Boon for some, bust for others*. Accessed on 7 of April 2015. Retrieved from <http://www.voanews.com/content/russias-food-sanctions-might-bring-boon-for-some-and-bust-for-others/2461330.html>

Schonwald, J. 2015. *Here Are the Only 6 Food Trends You Need to Know for 2015*. Published by Time Magazine January 1.

Shefina, A.2011. *Customer preferences in restaurant industry*. Retrieved from blog about Marketing of Alena Shefina.

Smirnov, U. 2009. *Double standards in healthy food*. Published by consulting company «Suharevka- Consulting».

*State Standards of Nutrition for pupils of educational institutions*. 2010. Project

Stevens, A. 2014. *Facts on Why Baking Foods is Better Than Deep Frying Foods*. Accessed on 7 of May 2015. Retrieved from <http://www.livestrong.com/article/470763-facts-on-why-baking-foods-is-better-than-deep-frying-foods/>

TeleFom 2013. *Moscow citizen about cafe, restaurants and outside food*. Telephone poll of Moscow citizen over 18 on a random sample numbers of mobile and landline phones. November 10, 2013. The statistical error does not exceed 3.8%.

Thomas, S. 2010. *Catering management and menu planning techniques*. Bachelor Thesis. MG University Kottayam.

Vendik, J. 2014. *The pocket of Russian consumers*. BBC Russian. Moscow.

Winson, A. 2013. *Industrial Diet: The degradation of food and the struggle for Healthy eating*. Canada. Publisher Greenwood Press.

*What Is the Restaurant Industry?* Accessed on 21 of March 2015. Retrieved from <http://www.wisegeek.com/what-is-the-restaurant-industry.htm>

Wright, S., McCrea D. 2008 *Handbook of organic and Fair Trade Food Marketing*. Oxford Blackwell publishing 2007.

## Appendices

### Appendix A.

The questionnaire used to gather information from the manager or administrators of certain healthy food restaurants. The data that has been presented in this thesis may be found as online version of survey. Interview with managers . All the examples are in English, the original version is in Russian.

#### Interview with managers

Good Afternoon,

Could you please spend time for answering my survey, thank you!

\* Your name, surname

\* Your position?

\* You are positioning your restaurant as a “healthy food”. Are you based on some standards, laws?

\* Have you got any organic food options in your menu?

No

Yes

\* Do you have a lot of expenses in preparing healthy food?

\* How do you find supplier with fresh and healthy products?

\* Right now in Russia there are some food sanctions. Did it effect on your expenses?

\* How long is shelf-life of the products?

\* What is an accent in the restaurants?

Cuisine

Design and atmosphere

- Attractive price
- Service

\*Who is your target group?

\*Which social class can afford to visit your restaurant?

\*How do you attract potential customers?

\*Do you want to attract customers from other age group? How?

\*Do you think location of the restaurant is affecting on decision-making? Do you have good location?

\*How does your restaurant differentiate itself among competitors?

\*Who are your main competitors? Why?

\*How do you see the future of the restaurant?

## Appendix B.

The questionnaire used to gather information from the guests of certain healthy food restaurants. The data that has been presented in this thesis may be found as online version of survey. Interview with the guests . All the examples are in English, the original version is in Russian.

### Interview with managers

Good Afternoon,

Could you please spend time for answering my survey, thank you!

\* Your gender?

- Man
- Woman

\* How old are you?

- 18-24

- 25-34
- 35-44
- 45-54
- 55-64
- above 65

\* How much are ready to spend per meal/person?

- 100-300 rub
- 300-500 rub
- 500-1000 rub
- 1000 rub and upper

\* Why did you choose this restaurant?

- I prefer healthy food
- Nice atmosphere
- Nearby my house
- Attractive price
- Good service

\* Do you visit different healthy food restaurants?

- No
- Yes

Which one?

\* Do you want to change or include something in the menu? For example, add some dishes, add information about calories, vitamins or add recommendation to nutrition?

\* Do you use organic food?

- Yes
- No

## Appendix C.

The questionnaire used to gather information from random people, potential guests. Results of the survey showed the interest in the healthy food concept as well the feedback about approach was collected via online survey. Online survey . All the examples are in English, the original version is in Russian.

\* Your gender?

- Man
- Woman

\* How old are you?

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- above 65

\* According to your opinion what is "healthy food"?

- Vegetables, greens and fruits
- Low calorie food
- What your body require
- Tasteless food
- Eco-products, without GMO
- Homemade food
- Balanced food for the body

Other

\* Have you ever been in healthy food restaurant?

- Yes
- No



---

\* Why haven't you visited any Healthy food Restaurants?

- There aren't any in my city
- Too expensive
- Not interested
- Didn't have chance

Other reasons:

\* How healthy food restaurant could attract you?

- Healthy food
- Low calorie
- Attractive prices
- Nice location
- Good service

Other

---

\* Which restaurant did you visit?

\* What did attract you in healthy food restaurant?

\* Did you want to change something, to improve?

---