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THE SPECIFICS OF BUSINESS PROCESSES IN RESTAURANT INDUSTRY REGARDING FOOD DELIVERY

Introduction. Each restaurant is a system, and the functioning of this system is based on processes of production, service delivery, or product (goods) sales. All these processes are closely interconnected and ensure the achievement of the final result of the enterprise's activity – the provision of services (products, goods) and the generation of profit. By using material, labor, financial, and information resources at the beginning of the service delivery process (process input) and transforming them into the corresponding type of service (product, goods), HoReCa enterprises ultimately create the final product (service) (process output).

Review of the researches on the topic. Considering the above, a business process of a HoReCa enterprise is a set of interconnected activities of the enterprise which, through the use of all types of its resources (input), ensures the achievement of the final result (output) in the form of services (products, goods) to satisfy the end consumer.

Therefore, according to the authors, business process reengineering in HoReCa enterprises is a mechanism of fundamental improvement and optimization of their activities, aimed at qualitative restructuring of business processes, achieving significant changes, and improving quality indicators, cost levels, service speed, and, consequently, enhancing the competitiveness of hospitality enterprises [1].

It should be emphasized that business process reengineering is the implementation of a comprehensive transformation program and a radical restructuring of enterprise functioning. Its important components include: replacing the existing management system with new effective concepts; developing and implementing improved business processes and management methods; prior assessment of the acceptability and risks of radical change projects; awareness of the fundamental nature of changes; focusing on consumer needs; abandoning outdated schemes and work rules; focusing management and staff attention on implementing changes; stimulating and motivating staff; and using a balanced scorecard system to monitor the effectiveness of change implementation.

The restaurant industry has undergone profound changes in recent years due to the emergence of food delivery systems. These systems have revolutionized how restaurants operate and how customers access meals, emphasizing the growing demand for convenience in a technology-driven society. Food delivery services, once a supplementary business model, have become integral to the survival and growth of many restaurants, particularly in a post-pandemic world. This shift is driven by the increasing reliance on digital platforms that allow customers to order food with minimal effort and maximum efficiency [2].

Digitalization has further accelerated these changes, providing tools for restaurants to streamline operations and connect with customers in new ways. E-commerce marketing strategies, such as targeted advertising, app-based ordering systems, and personalized promotions, have become crucial in attracting and retaining customers. Digital tools enable restaurants to gather and analyze customer data, facilitating customized offers and improving user experiences. The rise of AI-powered technologies, including predictive analytics and real-time tracking, enhances the efficiency of delivery systems and creates opportunities for optimizing logistics [3].

Food delivery systems can be broadly categorized into three models: in-house delivery, third-party platforms, and hybrid approaches. Each model represents a distinct operational and strategic approach to addressing the diverse needs of customers and restaurants. In-house delivery offers businesses full control over logistics and customer experience, while third-party platforms provide scalability and access to broader customer bases at the cost of control and profitability [4]. The hybrid model combines these two approaches, offering flexibility and adaptability to varying market conditions.

These models have become essential tools for SMEs, which often face unique challenges such as limited resources and stiff competition from larger chains [2].

Goal. This paper aims to provide a comprehensive review of the existing literature on food delivery systems, focusing on the advantages, limitations, and operational implications of each model. By critically analyzing the theoretical and practical aspects of in-house delivery, third-party platforms, and hybrid approaches, this review seeks to identify key trends and gaps in the current research. Furthermore, it highlights the impact of these systems on customer behavior and explores the unique challenges faced by small-to-medium-sized restaurants (SMEs) in adopting and sustaining delivery operations. Through this analysis, the chapter sets the stage for understanding how food delivery systems can be optimized to meet the needs of diverse stakeholders while ensuring long-term profitability and growth.

The increasing adoption of food delivery systems has led to the emergence of new dynamics in restaurant operations. For instance, third-party platforms such as Uber Eats, DoorDash, and Grubhub claim to be "demand generators"

for restaurants by connecting them with tech-savvy customers [3]. However, this relationship is complex, as high commission rates and limited control over delivery quality can pose significant challenges to restaurants. Similarly, in-house delivery systems allow restaurants to retain greater control but often require substantial investments in logistics and technology, which may not be feasible for smaller Business [5]. The hybrid approach attempts to strike a balance between the two, leveraging the advantages of third-party platforms while maintaining some level of operational autonomy. Digitalization further enhances the capabilities of hybrid models by enabling seamless integration of third-party logistics with in-house systems [3].

The theoretical frameworks of Stakeholder Management Theory and Co-opetition Theory provide useful lenses for analyzing the dynamics of food delivery systems. Stakeholder Management Theory emphasizes the importance of balancing the interests of various stakeholders, including customers, delivery personnel, and restaurant owners, to ensure sustainable operations [3]. Co-opetition Theory, on the other hand, highlights the dual role of third-party platforms as both collaborators and competitors, reflecting the complexity of their relationship with restaurants. These frameworks help to elucidate the opportunities and challenges associated with each delivery model, offering valuable insights for restaurant operators seeking to navigate this evolving landscape.

In-house delivery systems are models where restaurants manage the entire delivery process, from receiving orders to delivering food to customers. This approach provides businesses with end-to-end control over operations, ensuring that service quality aligns with the restaurant's standards and brand identity. Restaurants that adopt in-house delivery often view it to maintain direct relationships with their customers and provide a seamless experience [2]. The growing adoption of technology, such as GPS tracking and route optimization software, has made it easier for restaurants to implement in-house delivery systems effectively [7].

One of the primary advantages of in-house delivery systems is the level of control they provide. Restaurants can directly oversee logistics, ensuring food quality and customer satisfaction remain uncompromised. This level of control also allows restaurants to maintain their brand identity, as the customer experience is not influenced by third-party platforms or contractors [3]. Moreover, in-house delivery enables restaurants to gather valuable customer data, such as ordering habits and preferences. This data can be used to create targeted marketing strategies, loyalty programs, and personalized offers, which strengthen customer loyalty and increase repeat orders [4].

Another significant advantage is the potential for cost control in the long term. While initial investments in infrastructure, such as vehicles, drivers, and logistics technology, can be high, restaurants can avoid the commission fees charged by third-party platforms. For example, a restaurant with a loyal customer base may find that the long-term savings outweigh the upfront costs of setting up an in-house delivery operation [5]. Additionally, the ability to offer customizable services, such as special delivery instructions or eco-friendly packaging, appeals to customers who value personalized experiences and sustainability. Studies show that consumers are increasingly drawn to restaurants that provide environmentally conscious options, which can be more effectively managed through in-house systems [3].

Furthermore, in-house delivery systems create opportunities for restaurants to innovate their operations. For instance, some businesses use dedicated apps to communicate directly with customers, offering real-time order updates and tailored recommendations [8]. This not only improves the customer experience but also helps to build trust and long-term loyalty. The use of AI tools for delivery route optimization further enhances the efficiency of in-house systems, reducing delivery times and operational costs [9].

Despite its benefits, in-house delivery presents several challenges. The upfront costs associated with establishing an in-house delivery system can be prohibitive, particularly for small-to-medium-sized restaurants (SMEs). These costs include purchasing vehicles, hiring delivery staff, and implementing logistics software [7]. The financial burden of these initial investments can deter many smaller establishments from pursuing this model, even if it offers long-term benefits.

Additionally, managing delivery logistics requires significant operational expertise. Factors such as route optimization, driver scheduling, and order prioritization add layers of complexity that may strain existing resources. For example, restaurants that lack experience in managing logistics may face inefficiencies, such as delayed deliveries or poorly optimized routes, which can negatively impact customer satisfaction [3]. Restaurants must also consider the costs of maintaining their fleet, including fuel, insurance, and regular vehicle upkeep. These expenses can escalate quickly, particularly for restaurants in urban areas with high delivery demand [10].

Another limitation is scalability. For smaller restaurants, expanding in-house delivery operations to accommodate a growing customer base may require disproportionate investments in infrastructure and personnel. This makes it difficult for SMEs to compete with larger chains that have economies of scale. Moreover, unforeseen challenges, such as vehicle maintenance or staff turnover, can disrupt delivery operations and lead to inconsistent service [7]. Seasonal fluctuations in demand further complicate scalability, as restaurants may struggle to adjust their delivery capacity during peak times or slower periods [3].

Advantages and challenges of in-house delivery systems are given in table 1.

Table 1 – Advantages and challenges of in-house delivery systems

Advantages	Challenges
Control over service & brand: maintain quality, customer experience, and direct relationships.	High upfront costs: vehicles, drivers, logistics tech, software.
Customer data: track preferences, create loyalty programs, targeted marketing.	Operational complexity: logistics management (routes, scheduling, prioritization).
Cost savings: avoid third-party commissions; long-term savings may outweigh setup costs.	Maintenance costs: fuel, insurance, repairs.
Customization: eco-friendly packaging, special instructions, personalized services.	Risks: disruptions from vehicle breakdowns or staff turnover.
Innovation: apps for direct communication, AI for route optimization, real-time updates.	Scalability issues: harder for SMEs compared to large chains; seasonal demand fluctuations worsen this.
Customer loyalty: improves satisfaction and trust through transparency and tailored offers.	

Conclusion. While in-house delivery systems offer significant advantages in terms of control, customer engagement, and long-term cost savings, they require careful planning and resource allocation to overcome their inherent challenges. For SMEs, the decision to adopt in-house delivery must be weighed against their capacity to manage the associated complexities and costs. However, with the right strategies and technological investments, in-house delivery can serve as a powerful tool for building customer loyalty and driving sustainable growth.

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