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Digital Transformation Directions in the Restaurant Business

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Abstract: The main directions of the restaurant industry's digitization in the Republic of Uzbekistan are studied, the author's classification scheme is suggested, and the directions for ensuring the competitiveness of catering establishments are justified. The article defines the fundamental definition of the concepts of automation and digitization of business processes and the differences between them. Considered are both the advantages and disadvantages of digitization in the contemporary economy.

Key words: information technology, automation, digitization, digital transformation, catering business.

The restaurant industry is going through significant changes as a result of the effects of the Covid-2019 pandemic: Restaurant owners' attitudes toward their business models are changing as a result of the digitization of business processes, which is also changing customer preferences. The use of digital economy technologies by catering businesses is essential for ensuring innovative growth and building competitive advantages.

The limited amount of domestic and international literature on the use of digital technologies by public catering businesses determines the applicability of this study. The study's goal is to demonstrate the advantages of local restaurant businesses' use of digital technologies in everyday operations. This study is based on the findings of surveys on restaurant digitization issues that were conducted in catering establishments.

The term "digitization" currently has many different meanings and can be conditionally divided into two groups:

1) It is regarded as the process of integrating digital technologies into all areas of socioeconomic activity [2] in a broad sense.

2) specifically refers to actions related to the creation and modification of business processes and functions in the business sector using digital technologies [1].

Big data technologies (Big Data), blockchain, artificial intelligence, Internet of things (IoT and IIoT - industrial internet of things), and other digital technologies consider the restaurant industry as a basis for the digitalization process

The growth of digitalization in the financial sector, social networks, online commerce, and information and communication technologies are prerequisites for the digitization of the restaurant industry in the Republic of Uzbekistan.

Traditionally, there are three distinct stages of digitization: 2. Digitization after automation 3. The transition to digital.

There is no one approach to the use of technologies to describe the terms "automation" and "digitalization," according to a review of publications devoted to the subject of digitalization in the restaurant industry and in general. Numerous authors [3, 4, etc.] view digitization as a subset of digital technologies that also includes automation. We emphasize the broad and specific characteristics of automation and digitization processes (Table 1).

Table 1. Comparative description of "automation" and "digitization" processes.

Process characteristics	Automation	Digitization
Level of process and data integration	Electronicization of current processes and replacement of manual labor with robotic devices	It implies the existence of a single information space for continuous data exchange between different fields of activity and structural units, the radical change of existing business models and the introduction of modern information technologies for processing large data arrays.
Virtualization of the main object	Object modeling in computing programs	It involves creating an electronic model of the object
The nature of data management	Perform routine tasks of electronic document circulation, sales, warehouse accounting and other related internal business processes.	It involves the continuous management of information about objects throughout their entire life cycle, including the automatic collection, collection, transformation and analysis of data, as well as the creation of such data.
Object management procedure	Processing routine jobs and accounting transactions as the process occurs	Enables predictive management through digital models and continuous collection and analysis of big data
Flexibility of personnel management system	Converting existing business models to electronic form without taking into account flexible changes	Provides operative communication of employees located in different regions through the Internet. At the same time, the effectiveness of business processes is evaluated not by the time spent on work, but by the result achieved, as in the traditional approach.

Source: compiled by the author based on [5, 6].

Automation is logically a development stage that comes before digitization and is essential to the digital transformation.

Four stages of the restaurant industry's digital transformation can be identified based on the state of development of digital infrastructure, information and communication technologies, and the actual use of these technologies.

We define digital transformation as part of the study as "the process of integrating digital technologies into all aspects of the entrepreneurial activity of the socio-economic system, which requires a fundamental change in the principles of technology, culture, operations, and new product creation." [2].

The main benefits of digital transformation for all economic entities include process optimization, the development of new goods and services, new revenue streams, and a personalized and enticing service infrastructure. Four stages of the digital transformation of the restaurant industry have been identified:

- digitization (internal digital transformation) focuses only on the internal information component of the business (accounting, document circulation, sales, and other processes related to data

processing), and is of an operational nature. Automation of restaurants is the process of introducing software and hardware systems of automation into the sales and production processes of public catering facilities. [5];

- partial conversion to digital (digitalization of the value chain). In this, digital technologies extend beyond the organization to include its partners, customers, and suppliers;
- the restaurant industry has undergone a full digital transformation; this is accomplished through the use of a single digital platform (a system of integrated intelligent digital technologies that ensures transparent interaction between participants in the supply chains of goods and services and boosts their volume); As it becomes possible to fully integrate data and manage the organization remotely, a new business model is created at this point.

Therefore, from the perspective of the process approach, the digital transformation of the restaurant industry entails a thorough change of activity, its processes, competencies, and business models in order to fully utilize digital technologies.

The study of the implementation experience of carrying out specific projects [1,3] and the study of the lack of clear classification approaches to the digital transformation of business allowed to identify areas with great potential in the restaurant industry.

Services for digitalizing internal processes in restaurants include planning for procurement, tracking product shelf life, quality control, mobile and web applications for gathering and tracking order movement data, digital technologies to support management decisions, and systems for organizing internal production processes, among others.

For instance, we can take a look at TableTracker, an electronic table identification system used in restaurants that allows for loss reduction by controlling order execution and accelerating order delivery to the customer.

The KFC 17 restaurant chain introduced Smart Restaurant in 2020, a digital restaurant experience that highlights the effectiveness of contactless service, an automated ordering area, and other restaurant features. Application-based services that collect and process data on past visits and payments are known as customer experience shaping services (service personalization).

For instance, by utilizing Internet of Things (IoT) technologies to link devices like smartphones, tablets, smart watches, wristbands, etc. to the restaurant system using Bluetooth, RFID, and NFC, it is possible to connect waitstaff with customers at the table while also guaranteeing high speed and quality of service. By personalizing services, artificial intelligence technology, in particular facial recognition technology, enables better customer identification and service quality. In particular, services for displaying menus and planning entertainment, such as websites that show mobile menus and stream music and videos or plan customer entertainment activities.

For instance, the American eateries Bareburger and Magnolia have the mobile reality app Pumpkin that allows customers to order food while viewing 3D models of it on their smartphones and tablets. Customers can view a virtual menu and select from a variety of dishes by scanning a QR code. The application aids in comprehending actual serving sizes and providing the most accurate assessment of food presentation.

Thus, digital transformation ensures that catering businesses can quickly adapt to rapidly changing environmental conditions and boosts their competitiveness by integrating modern technologies into their business processes. This implies fundamental changes in management strategies, production and sales technologies, service culture, and the management of external relations, in addition to the installation of contemporary hardware or software [10]. As a result, the restaurant business entity's economic activity operates more efficiently, each employee produces more work, and customer satisfaction levels rise.

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