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Supply and demand of gastronomical services in Łódź

Introduction

Supply and demand are the principle issues in economic sciences. The combination of these two phenomena is the cornerstone for the functioning of every market. Demand is the quantity of goods and services which can be purchased within specific timeframe and at specific price. Supply, on the other hand, is the quantity of goods and services offered by the suppliers within specific timeframe and at specific price (Jabłońska 1998). It is important to remember that the laws of supply and demand apply not only to goods but also to services. This is also the field of study for scientists who examine geography of services. Their concern is mainly focused on the location of specific enterprises. Considering the opinion of the clients is becoming more and more important in the analysis. Data collection and field studies resemble marketing studies. It is the definition of nature and subject of the studies that is specific here – the biggest impact is placed on the spatial aspect of services.

The presented article is the geographical attempt of services study. The authors concentrated on the description of supply and demand for gastronomical services in Łódź. The main goal was to determine whether these two phenomena are really correlated with each other. As an example, a restaurant with Polish cuisine was chosen. The study was performed with the use of two techniques – self administrated questionnaire and inventory (observation and interview). The questionnaire was distributed among 300 clients of restaurants serving Polish cuisine in Łódź. The sample was availability-oriented. The inventory was performed in all the restaurants (100). It was a census with the added interview with the owners of establishments.

Central Statistical Office (GUS) uses the term of „gastronomical facility”. It is a seasonal (up to 6 months of operation) or fixed gastronomical point or establishment, which prepares and sells meals and drinks, consumed as sit-in or takeaway (GUS 2002). H. Lewandowski (2000) divides gastronomical establishments into basic and supplementary nutrition facilities. The first group contains:

- restaurants – establishments with waiting staff, offering the widest range of services, where meals are prepared individually for every client and offering ad-

ditional activities such as entertainment or catering (delivery of ready-made meals and drinks),

- bars – self-service establishments, often offering catering services,
- porter-houses – establishments with waiting staff, but not serving clients' orders individually, where meals are often sold for takeaway

The supplementary facilities include: coffee shops, pastry shops and beer houses.

The objects of the study were the clients of Polish cuisine restaurants and the restaurants themselves. According to the definition by GUS, only the establishments with waiting staff were taken under consideration. The distinguishing feature of these facilities was the contents of their menu – traditional Polish cuisine. However, in the course of studies the issue of culture and identity was skipped (cuisine as a manifestation of national identity). According to the authors, the phrase „Polish cuisine” is just a trademark. What can be significant is the availability and price of the products – they are cheaper and easier to obtain than products for exotic dishes.

Supply – the inventory of restaurants with Polish cuisine in Łódź

In Łódź the gastronomy developed together with the development of the city itself. This kind of services can be considered as the indicator of welfare. Gastronomy is mentioned for the first time in documents from 1387. They concern the rights of the village head (*Soltys*) and his successors to running an inn. Almost 200 years later the number of facilities increased to 6 and their owners were townspeople, priests, peasants and nobility (Steblewski, 1934).

The location of inns varied (Baranowski 1979). Part of them was located by the transit trail, away from the village, with the intention of serving the travelers. Others were located in the centre of the settlement, close to the church, with local citizens as clients. Another example of the location is an inn built on the boundary of two settlements. For example in the village of Bałuty, located close to Łódź, the inn was built on the boundary between the village and the city which enabled the inflow of clients from both settlements.

The upcoming partitions of Poland added to the diversity of development of gastronomy within occupied lands, through the introduction of new cultural trends and rules. The Duchy of Warsaw was under strong influence of France (Paris), Galician gastronomy took after the Vienna style, while the lands occupied by the Prussians were influenced by the German (Berlin) guidelines.

Gastronomy appeared to be an important element of the newly founded cloth settlement (Rynkowska 1970) because one of the first buildings situated in the New City Square was a tavern with an inn. Taverns played a very important role in the city income. In 1827 the income from distilleries, breweries, propination laws and tavern concessions equaled 6126 Polish zlotys, which was 75% of the total city income. In 1844, as a result of the government act, the number of taverns

decreased and this income lowered to 40% in 1846, 35% in 1848 and 34% in 1854. In 1843 the number of taverns was 94 and dropped down to 82 in 1845 and 56 in 1853.

The factory owners from Łódź also owned taverns. Ludwig Geyer received the concession for this kind of activity in 1834. In 1852 the number of taverns (on Piotrkowska Street) dropped down to 16. Among them there were 8 so called *Bavarias* (beer taverns). The number of *bavarias* (beer houses) grew rapidly since the second half of 19th century and in 1860 there were 15 of them in Łódź. Except for the taverns, there were also inns offering gastronomical services in Łódź. In 1824 in *Rynek Nowomiejski 16 (Plac Wolności 9)* Jan Adamowski built a wooden inn with a beer tavern. In the meanwhile in Górny Rynek, by the old Piotrków trail, two inns-taverns already existed – a wooden one from 1829 owned by Józef Langer and a stone building owned by Adam Fiszer. One of the famous taverns, founded in 1842, was „Paradis na Łódce” owned by Michał Kunkel. In 1853, there were 9 inns, including 2 on the Piotrkowska Street, 2 on Górny Rynek and one on Nowy Rynek.

In the first half of 19th century the most elegant gastronomical establishments were called restaurants (Baranowski 1979). The clients were served by the specially hired people with unique features and qualities for this kind of profession¹. Until the second half of 19th century restaurants only existed in larger cities of the Kingdom and in Galicia. Warsaw had 8 of them in 1853 and Łódź had 3 in the late fifties (Rynkowska 1970).

Further development of the industry in Łódź resulted in the development of retail and services (Rosin 1980). In 1865 there were 55 taverns selling beverages, 41 restaurants, porter-houses, beer houses and 5 cake shops. In 1897 Łódź had the total of 471 inns, guesthouses and taverns. In the larger cities the so-called *garkuchnias*, where at a low price you could buy simple meals, particularly dinners, were also popular (Baranowski 1979). Their variant was the so-called „*tanie kuchnie*” (‘cheap kitchens’) funded by charity organizations. In Warsaw there were 4 of them in 1914 and in Łódź in 1884 there were 3, but after beginning of World War I, their number in Łódź increased. The period between WW I and WW II did not bring any significant changes in the overall condition of gastronomical infrastructure. Shortly after World War II there was a rapid increase in gastronomical facilities. Initially, privately held, they quickly became nationalized.

The redevelopment of gastronomy and emergence of new types of gastronomical establishments is connected with the economic and political changes of 1989. Systematical increase in gastronomical services occurred at the time (Rogoziński 2001). Quick development of the market resulted in diversification of the needs of potential clients depending on their age, income, place of residence etc. ‘Opening’ of Poland for western trends and development of international cooperation resulted in emergence of various franchise companies, specializing in fast-food service, such as Mc Donald’s, Burger King or Kentucky Fried Chicken.

¹ It was often the family members of the innkeeper who hitherto served the guests in the restaurants.

Table 1.
Number and structure of gastronomical facilities in Łódź

Type of facility	Number of facilities
Restaurants	411
Bars	817
Cafeterias	48
Catering	187
Other	558
Total	2021

Source: Informatorium GUS Łódź.

In 1997 there were 1188 companies operating in Łódź and in 2001 – there were 1864 (GUS 2002). During next seven years the number of companies increased to 2021 (Tab. 1). This increase has a couple of reasons. First of all, we are dealing with an urban area and large number of inhabitants. Secondly, the number of facilities before 1989 was insufficient and thirdly, Łódź is a large labor market with big unemployment rate and people who lost their job in industrial sector often tend to search for another job in the services sector.

The location of gastronomical facilities in Łódź is characterized by a certain scheme. The largest amount of facilities is located in the city centre, which is not surprising. This rule was already valid during the period of PRL (*People's Republic of Poland*). According to data from 1973, 93 out of 194 (47,9%) facilities were located in the Śródmieście district. The nineties did not bring any changes of this scheme. Śródmieście still contained most of the gastronomical establishments. The measure of the importance of this phenomenon can be expressed in saturation rate of the gastronomical facilities². For the entire city the rate is 86,1 and for Śródmieście it is 94,9. It means that in the city centre, there are 250,3 inhabitants per one gastronomical facility, while in the Bałuty district – 1016,2. The area of Śródmieście has also the largest density of gastronomical establishments, with 55,4 of them per 1 km². While analyzing Śródmieście as the centre of Łódź's gastronomy, Piotrkowska Street as the main axis of the city cannot be forgotten. In 2002 there were 158 active facilities on the Piotrkowska Street and with the length of over 4 kilometers it leaves the frequency of 4 companies per every 100 meters of the street. The remaining axes of gastronomical concentration are: the Wyszyńskiego, Rojna, Aleksandrowska, Rzgowska, Gorkiego, Rokocińska Streets and also part of Radogszcz, north of Sikorskiego and Włókniarzy Streets. All these regions, except for their axes being the important communication routes of the city, are also part of

² Saturation rate is set between 0 and 99,9. $((10000 - a) / 10000) \times C$, where 'a' equals amount of people per one facility and 'C' equals 100).

Picture 1
Location of gastronomical facilities



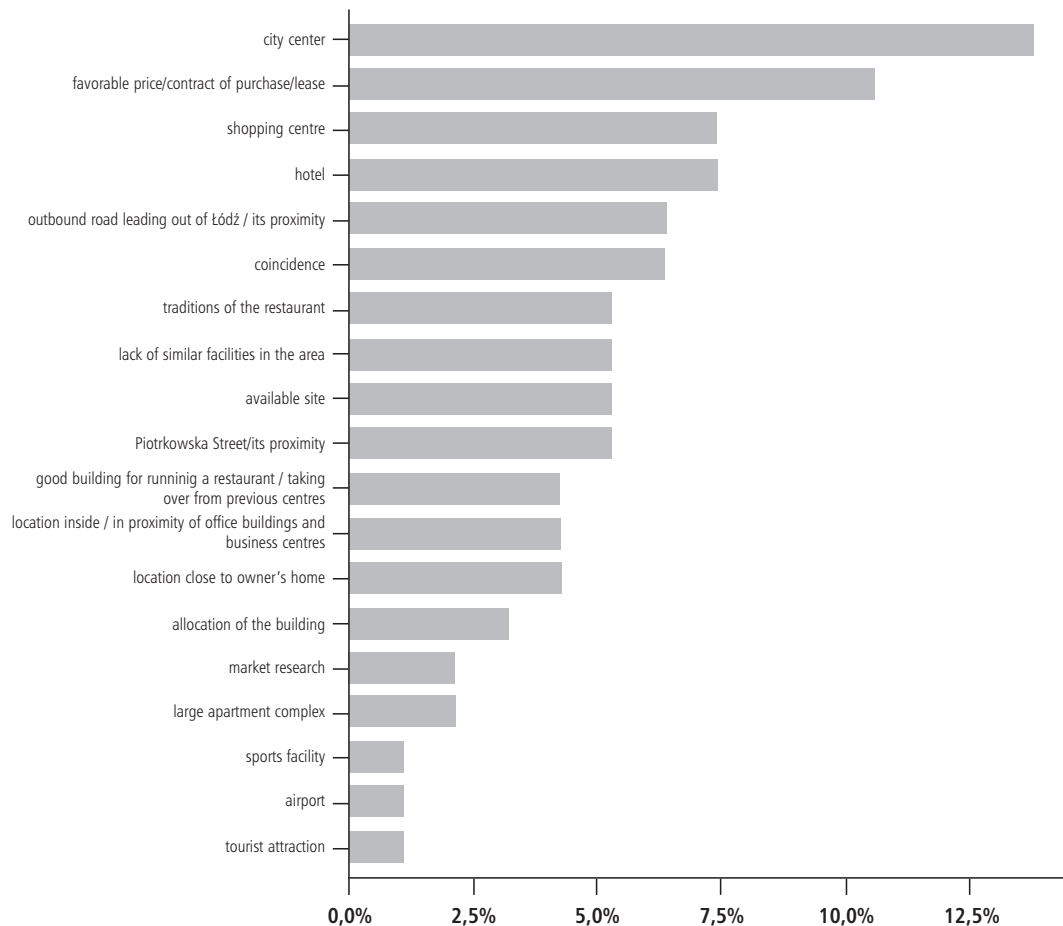
Source: J. Bratkowski, E. Klima, A. Rochmińska, 2005.

large apartment complexes. It is noticeable that the vast majority of gastronomical facilities is located within the boundaries outlined by the ring railroad (Pic. 1).

The city centre and large apartment complexes favor the development of gastronomy. However, the new shopping centers such as the large convenience stores can also be considered the clusters of gastronomical services. The location of restaurants with Polish cuisine matches the general pattern of location of gastronomical establishments. They can be found in the city centre, in large apartment complexes and shopping centers. The new establishments were recently opened in the 'Manufaktura' shopping mall.

The majority of restaurants with Polish cuisine are the companies opened within the last 18 years (after 1989) – over 82%. The oldest restaurant was 120 years old. It was the Grand Hotel restaurant. Only three out of a hundred establishments changed its location. The location was usually rated by the owners as very favorable or favorable (74%). The rest considered the location of their facility as mediocre. What is interesting, only five people declared the change of current address. In the reality of market economy, the accuracy of the location decision is verified by the clients. However, if you look at the factors which influence the choice of location, it appears that the owners associate the supply with many phenomena and the final profit is not only related to the number of clients but also the potential costs of running the business. One of the most important factors mentioned, was the cost of rent. Valorization of city space for gastronomical services followed. The hi-

Picture 2
Location factors according to restaurant owners



ghest grades were awarded to city centre, then shopping centers and finally, outbound city roads. Apartment complex as a good place for running a gastronomical business was only considered by two respondents (Pic. 2).

The on-site location of Polish restaurants is typical for this kind of facilities and has not changed for decades. Over a half of establishments was part of terraced buildings and 42 of them were in single buildings. Almost $\frac{3}{4}$ of the companies were located on ground floor, only 8 were located on more than one level. Up to 16 facilities had no direct access from street or yard. It is important that 66 establishments were located in leased buildings. The area of the facilities was varied, from 45 to 1200 m² (average of 255,8 m²). Half of the restaurants had the area of less than 180 m². Most frequently, there were one or two dining rooms distinguished. In half of the companies the total number of used rooms did not exceed 6. An average Łódź restaurant with Polish cuisine had 74 seats. The smallest establishment could seat 20 people, the largest – 350. The number of employees was usually no bigger than 6 (Pic. 3).

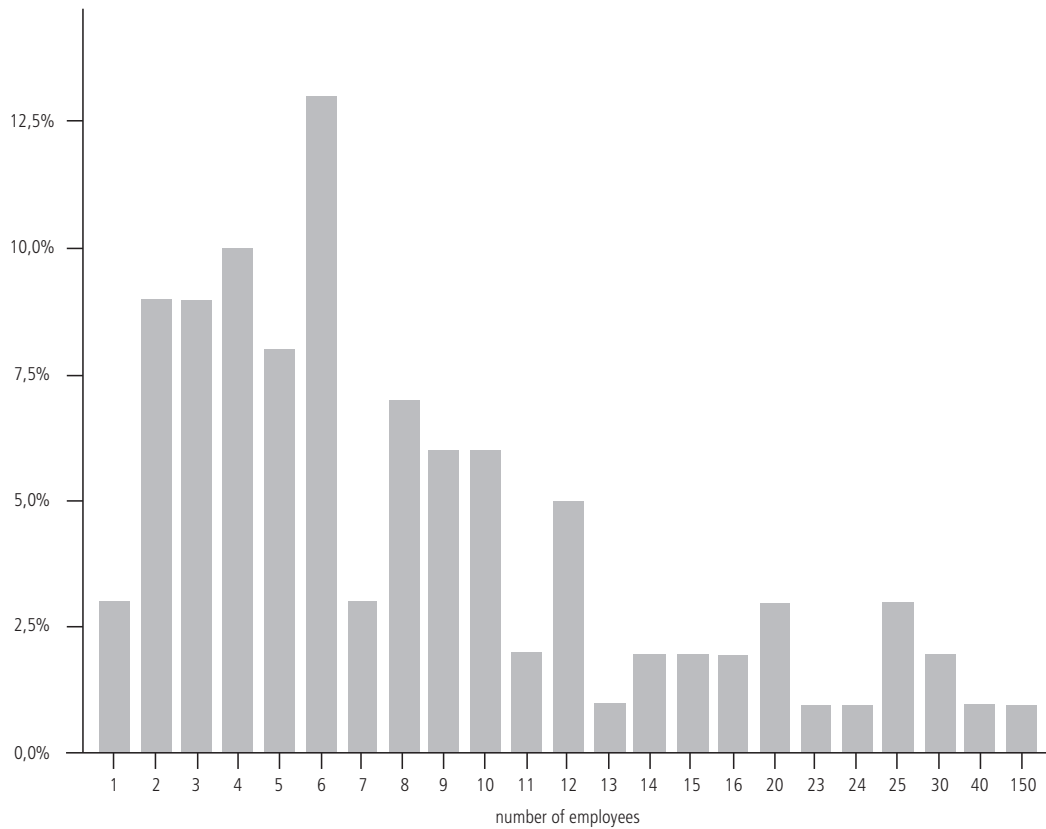
Gastronomical services offered in the facilities were mostly limited to serving

Table 2
Prices of average dinner meals with relation to restaurants and actual clients' spend

PRICE	PERCentage of restaurants	percentage Of clients
below 10 zł	3	16,7
11–20 zł	45	30,3
21–30 zł	21	27,3
31–50 zł	22	15,3
over 50 zł	4	10,3

Source: based on author's own studies.

Picture 3
Number of restaurants' employees



meals and beverages. Only 38 establishments offered the performance of live band as an additional attraction. Other than that, there were practically no other forms of diversification of the offer (for example billiards, darts etc.). At the same time, it is worth to notice that 52 of the restaurants added catering services to their offer. Two thirds of them serviced the events outside their establishment no more often than 10 times per month. Even less companies (only 28) offered home deliveries.

Other types of offer included the so-called closed events.

Polish cuisine in Łódź was represented by restaurants of different price levels, aiming at different clients. In most cases the wealth of the clientele was estimated as average (75 %). Very wealthy clients were hosted by only (or maybe as many as) 21 % of facilities. Similar number of restaurants offered an average dinner at the price not higher than 30 zł (Tab. 2).

Demand – clients' opinions

As it was mentioned in the introduction, the study covered 300 clients of the restaurants. It was the first 300 people who agreed to complete the questionnaire. The respondents were mainly Łódź citizens (82,3%), their majority was women (57,3%). A quarter of the respondents was in the age period of 36–45 years, and every fifth of them – 46–55 years. The studied population varies not only by the age but also their education. Most of the respondents (42%) had a secondary education, and only 7,7% had basic vocational education. The most numerous of the interviewed groups consisted of administration and office workers (45 interviews conducted). A large group of clients was also among private entrepreneurs. Businessmen were 13,7% of the studied population, pupils and students – 12%.

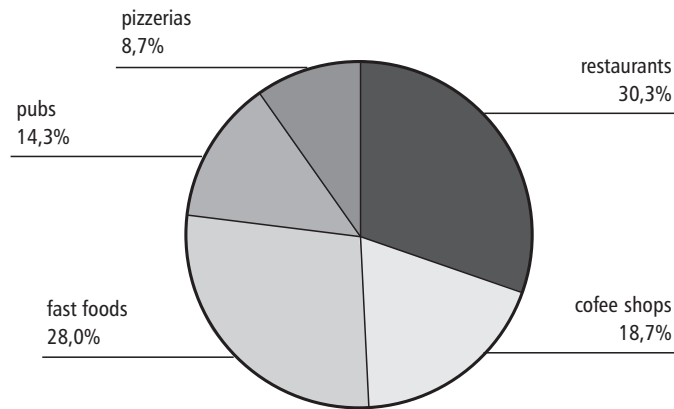
In the first question the respondents were asked to determine how often they visit restaurants with Polish cuisine. The studied clients claimed that they visit these restaurants occasionally (a quarter) or rarely (a half). The smallest population visited the restaurants 2-3 times a week – 9,3% of the population. Over 30% of the clients preferred this kind of restaurant. Similar percentage (28%) preferred fast food. The least popular among the respondents were the pizzerias (Pic. 4).

The most frequent reason for visiting the restaurant was: 'lack of time and willingness to prepare the meals at home'. This answer was given by almost 40 % of the clients. It shows that the respondents clearly associate the gastronomical facilities with time saving. Leisure was given as the reason 83 times (17,7%) and business meetings was the reason in 6,2% of the cases.

Over the half of the respondents of average age (36–65 years old) decided that the main goal of using gastronomical establishments is the consumption of the meal. This kind of attitude can be naturally explained by professional obligations, long working day and large amount of time spent outside home. A relatively small amount of respondents paid the attention to the social aspect of visiting the restaurants. A completely different approach to restaurant visits was shown by young people (15–25 years old). For over 40% of them meeting friends was the main purpose of the visit. The same number of clients aged 56–65 and over 65 claimed that the main reason for their visit in the restaurant is the curiosity for trying a different cuisine (as compared to their everyday life) and meals (Pic. 5).

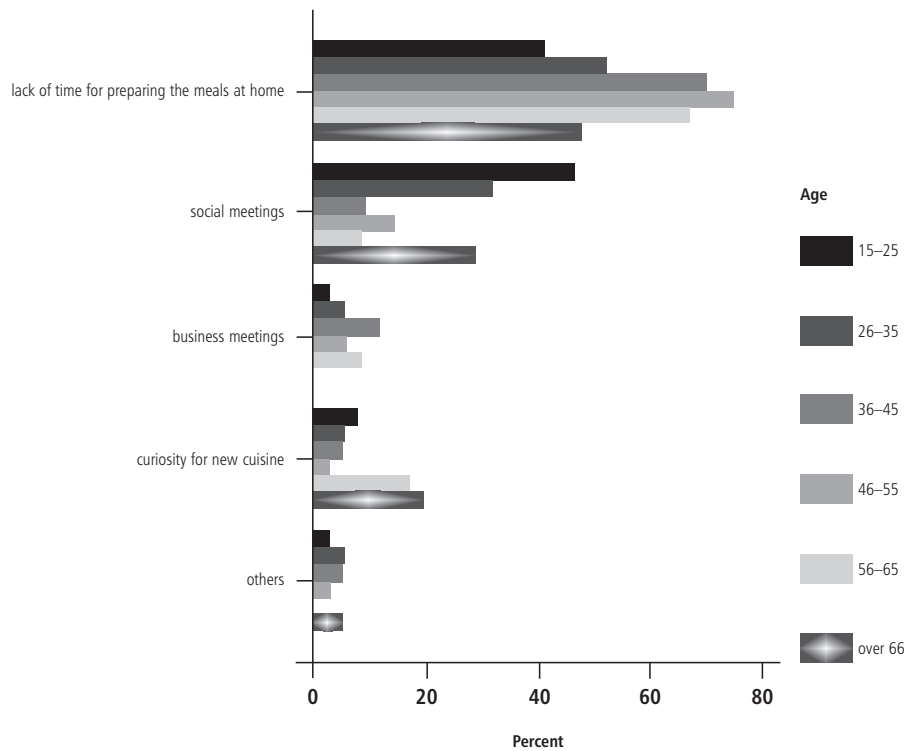
The most important reason why clients chose the restaurant offering traditional Polish cuisine was its location. This answer was given by 71 respondents. Second

Picture 4
Gastronomical facilities (types) most frequently visited by clients of Polish cuisine restaurants (percentage)



Source: based on author's own studies

Picture 5
The most frequent reasons for visiting the restaurant with relation to clients' age



Source: based on author's own studies

Table 3

The most important reason for choosing specific restaurant serving Polish cuisine by the clients
(question with the possible choice of marking three answers)

ANSWERS	AMOUNT	PERCENTAGE
habit	59	19,7
recommendation	43	14,3
location	71	23,7
served cuisine	27	9,0
coincidence	25	8,3
advertisement	17	5,7
professional service	6	2,0
low prices	52	17,3

Source: based on author's own studies.

most important reason of choosing a facility with Polish cuisine was habit (according to 59 respondents, which is 19,7% of total)³. Low prices were also often mentioned as a factor (17,3%). It refers mainly to the clients of less exclusive restaurants, where a dinner can be purchased at a very low price. Forty three people claimed that their choice was influenced by recommendation (from friends etc.) and only 6% indicated advertisement as the reason for choosing the restaurant. It appears that the respondents pay a lot of more attention to the recommendation than to advertisements and commercials. It is interesting that only every tenth respondent considered cuisine as the main factor for choosing the restaurant, while cuisine remains the main element of gastronomical services (Tab. 3).

The most frequent type of locomotion used by the clients was... walking (38% of the respondents). It is probably linked with the fact that every fourth respondent considered location as the most important factor for using this kind of services. Every third respondent used public transportation and every fourth came with a car (71 people). Over 4% of the studied population came with the taxi. Less than 2% of the people used a bicycle. When asked about the meal ordered at the restaurant, the majority of respondents (two thirds) claimed they ordered dinner (or 'various stuff'). 48 people ordered beer (16%) and 20 of the respondents order alcohol other than beer. Desserts and non-alcoholic beverages were not so popular (Tab. 4). The types of orders were reflected by the bills. Clients most frequently paid 11 to 30 zł (57,6%). Only every tenth respondent paid more than 50 zł (compare Tab. 1).

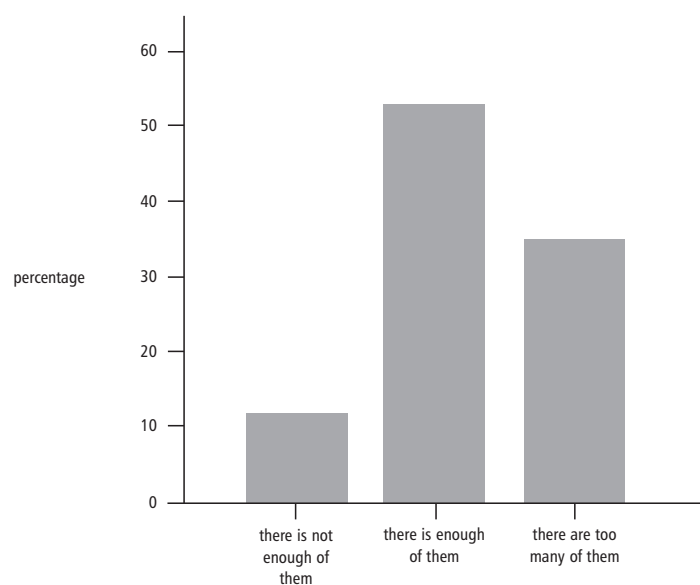
As it appears, both the number and the offer of Polish restaurants in Łódź are evaluated positively by the inhabitants. Over the half of the studied population said that there are enough restaurants in the city and 35% of the clients answered that there are too many of them. Only every eight respondent shared a different opinion (Pic. 6).

Table 4
The most frequent orders in the restaurants serving Polish cuisine

ANSWERS	AMOUNT	PERCENTAGE	ACCUMULATED PERCENTAGE
only beer	48	16,0	16,0
only other alcohols	20	6,7	22,7
only beverages (non-alcoholic)	18	6,0	28,7
dinner or dinner + alcohol + non alcoholic beverages	202	67,3	96,0
dessert	12	4,0	100,0

Source: based on author's own studies.

Picture 6
Respondents' opinion about the number of restaurants in Łódź



Source: based on author's own studies

Conclusions

Poland has been developing market economy for almost 20 years. Supply and demand remain in close relation to each other. It also applies to supply and demand of gastronomic services, including the offer of restaurants with Polish cuisine. The location of dining facilities in the city indicates a constant chase after the client and at the same time respect for tradition and habit. Locations in the city centre are the most popular. The owners are not only aiming at businessmen and employees of downtown companies but also at other people. At the same time the clients indicate location of restaurants close to their homes as an important factor for their choice of dining facilities. It is the proof that some clients treat a visit in the restaurant not as something extraordinary but as something casual. It is reflected by the reasons for using these kinds of services declared by the respondents – lack of time for cooking at home and by the fact that almost half of the respondents dine at restaurants at least once a month. Most of them believe that there is enough gastronomic establishments in the city.

'Polish' restaurants are not only small, one-person companies. They are private enterprises hiring at least 4 people, with large-area buildings and large number of seats. Their activity often involves catering services and home deliveries. Additional events and equipment are not frequently offered to the clients. Citizens of Łódź would most likely spend no more than 30 zł in a restaurant. In most of the establishments it is the price of a basic dinner menu. Unfortunately, the studies show that it is rather alcohol than Polish cuisine that is attracting the clients.

The further development of gastronomy in Łódź depends on the general economic development of the city. Gastronomic services do not belong to first-need services and can be easily abandoned. Nevertheless, the study shows their growing popularity. Just like in any other branch of business, reasonable prices and proper location seem to be the cornerstone of the success in gastronomy.

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Summary

PODAŻ I POPYT USŁUG GASTRONOMICZNYCH W ŁODZI

Prawom popytu i podaży poddają się nie tylko dobra, ale i usługi. W tym zakresie pola do badań mogą szukać naukowcy zajmujący się geografiami usług. Ich głos dotyczy głównie aspektów lokalizacyjnych danego przedsięwzięcia z wyraźnym naciskiem położonym na przestrzenny wymiar usług.

Prezentowany artykuł jest taką geograficzną próbą badań usług. Autorzy skoncentrowali się na opisanu podaży i popytu na usługi gastronomiczne w Łodzi. Głównym celem jest zatem stwierdzenie czy oba te zjawiska są ze sobą rzeczywiście skorelowane. Jako przykład wybrano restauracje z kuchnią polską. Badania przeprowadzono z wykorzystaniem dwóch technik – ankiety i inwentaryzacji (obserwacja i wywiad). Badaniami ankietowymi objęto 300 klientów restauracji serwujących kuchnię polską w Łodzi. Próba miała charakter dostępnościowy. Inwentaryzacji dokonano we wszystkich restauracjach (100). Był to spis z natury uzupełniony o wywiady z właścicielami placówek.