

F&B SERVICE MANAGEMENT  
UNIT- 9  
MENU MERCHANDISING



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## UNIT- 9

### MENU MERCHANDISING

**MENU MERCHANDISING** refers to any technique used to stimulate sales within the Food and Beverage facility. The efficient menu merchandised will affect the popularity of the food and beverage facilities. Some Menu merchandising tools that can be used inside an F & B establishment are :

- ❖ Floor stands displays used at the reception to display menu of the day
- ❖ Tent cards – are placed on the tables to promote special events, attractions and encourage upsells.
- ❖ Posters are displayed in reception areas, lobby walls, elevators, cloakrooms, in the restaurant dining area itself.
- ❖ Wall Displays and clip on's



## UNIT- 9 MENU MERCHANDISING

### ELEMENTS TO STRENGTHEN MENU MERCHANDISING

Merchandising a menu includes certain elements that can yield more profit:

- ❖ Design in Style
- ❖ Illustrative Images
- ❖ Provoking Content
- ❖ Compatibility is a Must
- ❖ Presentation is Important

CH: 1  
MENU CONTROL





## CH: 1 MENU CONTROL

There are a number of basic factors you have to be considered to ensure the efficacy of menu as an in-house effective sales tool for optimizing sales.

Menu presentation is very important as it identifies the image & personality of that particular unit or department whether it is a steak-House or a cocktail bar.

**The following points should be taken into consideration:**

- ❖ **ATTRACTIVE:** The menu should be attractive; 'The first' impression of the menu should be that it looks interesting and inviting and that the customers will really want to read it.
- ❖ It should **complement the occasion**. It is necessary that the general presentation of the menu is not only in keeping with the decor of the room but also suitable and complementary to the occasion.



## CH: 1 MENU CONTROL

- ❖ **CLEANLINESS**: It should be clean. Although this appears to be obvious it is something that is frequently ignored by hoteliers and caterers. If it is intended that a particular menu is to be offered frequently it is well worth considering having them either' plastic coated so that they can be regularly wiped clean, or printed on inexpensive paper or card and regularly replaced or contained within a presentable and durable cover.
- ❖ **LEGIBLE**: It should be easy to read. It is usual to use different sizes of typeface for such things as headings and the items appearing under them. How typeface styles are used can help customers to make their choice of food and beverage items more easily. The use of attractive graphics, colour and blank space can also help with aiding customers to make their selection by directing and attracting their eye.

CH: 2  
MENU STRUCTURE







## CH: 2 MENU STRUCTURE

- ❖ Menus vary in from very simple to complex. A menu's structure defines the amount of control given to the user in performing a task. The most common structures are the following.
- ❖ **Name of the Food Item** – Preferably in English and in Local language.
- ❖ **Short Description on Preparation** – A classy description of what exactly the recipient is going to get.
- ❖ **The scale of Hotness** – In case the dish is savory.
- ❖ **Variants** – The subcategories of main food item.
- ❖ **Price** – Cost per unit dish/serving.

The menu card must be designed to catch the eyes and must be tempting. The description of food items must be easy to read and understandable.



## CH: 4 PRICING OF MENUS





## CH: 4 PRICING OF MENUS

The pricing of a menu is “art of pricing”. The successful management analyses the food cost and other overheads, the guest’s ability to pay for the menu and competitors menu pricing before fixing the menu and its prices.

Usually, the menus are priced by the General Manager, Chef, Food and Beverage Manager, Sales Manager, Purchase Manager. Each and every factor like food cost, raw material price, competitor’s menu price, guest ability to pay, etc. are considered while fixing the price.



## CH: 4 PRICING OF MENUS

### FACTORS TO BE CONSIDERED WHILE FIXING THE SELLING PRICE-

Some factors involved in menu pricing include

- ❖ **ELASTICITY OF DEMAND-** It means that demand can fluctuate in response to other factors, such as change in pricing, food quality or environment
- ❖ **PERCEPTION OF VALUE-** It is what the customer believes the meal worth. You may offer the item at low cost but have relatively high selling price. Different geographical areas or classes of society can have a different perception of value. Value is sometimes expressed as quality per price and makes it possible to impose higher prices for prestige and price-sale appeal.



## CH: 4 PRICING OF MENUS

- ❖ **COMPETITION**- One should constantly aware of what prices are offered by your competitors for same services.
- ❖ **RELATIONSHIP BETWEEN MENU, PRICES AND VOLUME-**  
Two schools of thoughts are there you are trying to make a small profit per item by selling many items or high profit per item by selling fewer items.
- ❖ **PROFIT IN RUPEE, NOT PERCENTAGE-** Many operation stress percentages in their menu pricing. A menu item may very profitable on a percentage basis but because of lower sale, it might bring little profit.



## CH: 4 PRICING OF MENUS

- ❖ **TOTAL COST CONSIDERATION-** In setting their menu price, many operations concentrate primarily on the raw food price involved. Nowadays other cost is significant and should be considered
- ❖ **CONTRIBUTION TO PROFIT-** Selling price must provide an adequate share of fixed cost and other overheads and a good margin of profit.
- ❖ **LONG TERM IMPLICATION FOR PRICING-** If an operation has a reputation of high or low menu price, it can be difficult to change in short run of business. Some commercial operation creates financial difficulty for themselves when they try to raise their prices since they have low price reputation or vice- verse.



## CH: 4 PRICING OF MENUS

### PRICING METHODS

The menu price fixed should be acceptable to hotel/restaurant and guest. By reducing the price hotel tries to attract more guests and hence try to increase the sale. The large sale reduces the fixed cost per guest and hence hotel makes the profit in spite of having a low price. Some hotels may prefer to keep high price and look for high-income guests only who can sell more per cover, in spite of having low sale hotel may still make a profit. It is very difficult to fix the menu/dish price.



## CH: 4 PRICING OF MENUS

### THE FOLLOWING ARE THE COMMON PRICING METHODS:

- ❖ **THE FACTOR SYSTEM-** This is also known as a multiplier or mark up system. The raw food cost (RFC) is multiplied by pricing factor(Pf) to provide menu selling price( MSP). The pricing factor is determined by dividing desired food cost percentage into 100. If a 40% food cost is desired, dividing 0.40 into 100 will give pricing factor of 2.5.
- ❖ **THE PRIME COST FACTOR-** The prime cost system considers not only raw food cost but also direct labour cost. Direct labour cost includes those cost involved in preparation. It does not include service, sanitation or administrative labour cost then it is multiplied by pricing factor  
**Prime Cost ( PC) = Raw Food Cost ( RFC) + Direct Labour Cost ( DLC)**  
**Prime Cost ( PC) x Pricing Factor ( PF) = Menu selling Price (MSP)**





## CH: 4 PRICING OF MENUS

- ❖ **THE ACTUAL PRICING METHOD-** This method includes all the cost plus a desired profit to determine the menu selling price.
- ❖ **DEMAND ORIENTED PERCEIVED VALUE PRICING-** This method is based on the perception of guest and that means what the guest feels after seeing the dish. The price of food matching is perception of Value for money. Eg The guest in a silver service restaurant is ready to pay than in a self service cafeteria.
- ❖ **PRICE BASED ON COMPETITOR'S PRICE-** This is the simplest method of pricing. Here the caterer does not work on cost, profit etc and on the contrary caterer takes pricing of competitor's price as a guideline and fixes his price may be slightly higher or lower.



## CH: 4 PRICING OF MENUS

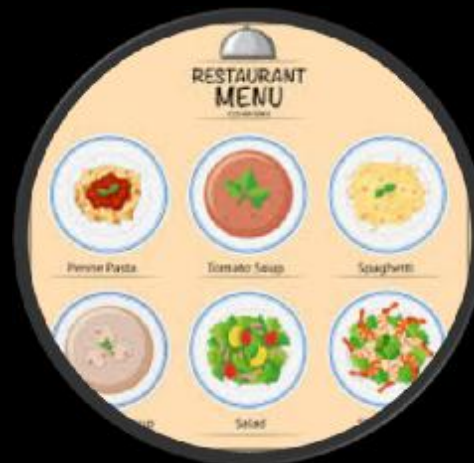
- ❖ **MARGINAL PRICING-** The cost can be divided into two categories fixed and variable cost. Usually caterer first aim at getting Break Even Sale. After the BEP any cost which occurs is known as marginal cost and cover the marginal cost and profit is marginal pricing.
- ❖ **GROSS PROFIT METHOD-** This method involves in finding gross profit per person and adding the price of an extra item to the main meal cost and arriving at the selling price of each menu items.

**Selling Price = Cost main item + Accompanying dish + other items cost + GP**

- ❖ **FOOD COST METHOD -** In India, it is the most common method of fixing price. Hotel decides to maintain a certain food cost. Before fixing the price, the portion size and the food cost of the dish are calculated. After knowing the food cost then the selling price is decided.



## CH: 5 TYPES OF MENUS





## CH: 5 TYPES OF MENUS

### **1. TABLE D HOTE MENU**

This is a French word which means food from the host's table. A table d hote menu offers a complete meal at an affixed price for the guest no matter how much food has been consumed. This menu can include appetizer.

- ❖ Banquets
- ❖ Buffets
- ❖ Coffeeshouses
- ❖ Cyclical menu



## CH: 5 TYPES OF MENUS

### 2. ALA CARTE MENU

An à la **carte menu** in a **restaurant** offers you a choice of individually priced **dishes** for each course.

- ❖ Breakfast menu
- ❖ Luncheon menu
- ❖ Dinner menu
- ❖ California menu
- ❖ Ethnic menu
- ❖ Speciality menu
- ❖ Room service menu
- ❖ Lounge menu



## CH: 5 TYPES OF MENUS

### 3. OTHER TYPES OF MENU

- ❖ Static menu
- ❖ Du jour menu
- ❖ Wine menu
- ❖ Dessert menu

CH: 6  
MENU AS MARKETING TOOL





## CH: 6 MENU AS MARKETING TOOL

Menus have a lot of sale value.

To make the best or most effective use of menus as a means of advertising and selling is a MENU MERCHANDISING. It is the piece of advertising which is sure to be read for this reason. Every detail of the menu deserves the closest Scrutiny. The menu must fit the market, the facility, the ability of employees if the operation is to succeed. The menu should have the merchandising effect it should help you sell what you want to sell more, and it should also help the guest to choose from the menu what he wants without much loss of time and due consideration should be given to the paper on which it is printed, format and layout etc.





## CH: 6 MENU AS MARKETING TOOL

### IN ORDER TO INCREASE THE MERCHANDISING VALUE OF MENUS, THE FOLLOWING POINTS SHOULD BE CONSIDERED WHILE DESIGNING A MENU.

**1. CLEAN:** The presentation of dirty, spotted, worn menu is the poorest way to start a meal. We all know that cleanliness is a must in our business. A soiled menu has a very poor merchandising value; it may raise doubt regarding the food being prepared hygienically.

**2. LEGIBLE:** This means that menus should be easy to read. The type selected should be attractive and easy to decipher. It should be of sufficient size so that most people, including the elderly or those with glasses, can read it with ease.



## CH: 6 MENU AS MARKETING TOOL

**3. MENU STRUCTURE / FORMAT:** The format of the menu should suit contents of the menu. As far as possible different formats should be used for different meals. (Breakfast, Lunch, Dinner etc). The format of the menu will also depend upon the type of establishment, its standards and nature e.g. hotels, cafeterias, clubs, etc.

**4. ORGANIZED:** A menu should be well organized. Similar items should be grouped together and attractive headings may be assigned to the groups. The purpose of a well-organized menu is that the customer should be able to find what he/she wants quickly without reading the entire menu.

**5. RESTRICTED MENUS:** The menu should be short as far as possible i.e. the number of dishes on the menu should be limited. Keeping long menus is a poor merchandising policy.



## CH: 6 MENU AS MARKETING TOOL

### **THE FOLLOWING ARE THE DISADVANTAGES OF VERY LONG MENUS**

- ❖ Confuse the customers and make the selection time longer for them.
- ❖ Overburden the kitchen and serving staff.
- ❖ Do not allow the attention of chef towards the presentation and making of the dish. Increased wastage as there will be more leftover.
- ❖ Slow service as a waiter has to wait for a very long time for the customer to make his selection.
- ❖ Create bottlenecks in the preparation and service area.
- ❖ Buying, receiving, storing, etc of the food becomes difficult and more space is required for storage.
- ❖ Hamper the effectiveness of control process.



## CH: 6 MENU AS MARKETING TOOL

**6. EASY TO CHANGE:** Even the most carefully planned menus must be changed from time to time. The change may be necessary because of change in prices, need to add or drop some items for a varied variety of reasons. If a menu is hard to change there may be temptations to mark out items with pencils or pen, write in items, or worst of all scratch out the old prices and write in the new. The changed prices on the menu have a poor merchandising effect. The menu format and design should be such so that it can be changed with the needs of the time.

**7. FIT THE OPERATION:** To serve good food with prompt service, you must have a menu designed to fit the place. It must match the size and types of equipment, their capacity, and also the skill of the personnel. Never blindly follow your competitors. Never include any item unless you can effectively prepare to sell it.



## CH: 6 MENU AS MARKETING TOOL

### 8. LANGUAGE

Many guests are embarrassed to ask what a foreign term means and will pass on to something that they understand where a menu is written in French, the English equivalents should be given. It is a good idea to describe the dishes in the language which is understood by the majority of guests.



## CH: 7 MENU AS MARKETING TOOL

### CONSTRAINTS OF MENU PLANNING

- ❖ Skill of staff.
- ❖ Facility Layout/Design
- ❖ Availability of ingredients.
- ❖ Availability of Equipment
- ❖ Type of target market
- ❖ Seasonality of business
- ❖ Quality Levels and Costs





Thank  
you.