Module 6: Menu Development and Analysis

The menu serves as the ultimate marketing piece for any operation. Today we will examine the concepts behind menu development and look for examples in application.

Menu Planning Strategies

- The menu must meet/exceed guest expectations
- 1. What are the guest's needs and wants
- 2. Define the appeal of your property
- 3. Examine the age & socioeconomic status of your customer base
Menus must attain the marketing objectives of the firm:

1. Product development (signature items)
2. Promotion of the theme and concept
3. Pricing
4. Positioning

Menus must support achievement of quality objectives

1. Preparation and holding times are considered
2. Balance is considered
3. Consumer preferences addressed
4. Nutritional, health and cultural concerns are examined

The menu must be cost-effective and support the financial strategies of the firm

- Are product costs within budgeted ranges?
- Are product costs minimized without sacrificing quality and nutritional integrity?
- Will you menu allow you to realize profit objectives?
Menu Accuracy: The menu must be informative, yet accurate...

- Products cannot be mislabeled!
- Never suggest frozen products are fresh
- Don’t refer to items as homemade when they are actually convenience items or oven-ready products
- Don’t use lower grades of meat than described on the menu, or short-change portion sizes

Inaccurate or confusing menus can result in:

- Loss of customers who feel cheated
- Negative word of mouth publicity
- Create confusion to the point of decreasing average checks and seat turnover
  - Result in fines and possible litigation

Menu Price and Economic Theory

- Large supplies typically create low prices
- Restrictions in supply chain can raise prices
- Differentiated products can create monopolistic conditions, producers can raise prices and restrict supply to support the increase
Menu Price and Economic Theory

- When elastic demand exists, raising prices just a little can drive away considerable business, yet lowering prices slightly can increase demand greatly.
- Competition must be considered when raising or lowering prices, why is this true?

Types of Menus

- Menu type is driven by market conditions and competitive strategies of the firm
- Some properties may have several types of menus offered in several different units
- Trend is to be more proactive in design, revision and updates

Types of Menus: Main menu types are:

- A la Carte (both static and dynamic)
- All Inclusive
- American Plan
- Banquet
- Table D' Hote
- Prix fixe
- Limited Menus
- Grazing