

VICTORIA UNIVERSITY
OF BANGLADESH

FINAL EXAMINATION

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Question no 01

Define marketing of services. Explain the marketing environment that impact your F&B business internally and externally.

Answer to the question no 01

Marketing of services

Marketing of services refers to the activities and strategies employed to promote and sell intangible offerings such as hospitality, consulting, healthcare, or food and beverage (F&B) services. Unlike tangible products, services are experiences or performances that are consumed at the point of sale. Marketing for services involves addressing the unique challenges associated with intangibility, inseparability, variability, and perishability.

Now, let's discuss the marketing environment that can impact an F&B business both internally and externally:

The marketing environment

No business operates in isolation. In a large hotel, for example, there may be a number of different style catering operations - several bars, a coffee shop, a carvery, a specialty restaurant. Although initially they may appear to operate as self-sufficient units, they do, in fact, all have a cause and effect relationship with each other. They are subsystems operating within a much larger system - the hotel. A 'system' may be defined as an interaction of all parts or subsystems, with the whole not equal to but actually greater than the sum of its parts. The food and beverage department in a hotel consists of a series of closely linked subsystems - the kitchen, bars, restaurants, etc. - which, together, form the whole - the food and beverage system.

Often to understand the environment an organization will perform a PESTLE (Political, Economic, Social, Technological, Legal and Environmental issues) analysis. Which stands for Political (The current and potential influences from political pressures), Economic (The local, national and world economy impact), Sociological (The ways in which changes in society affect us), Technological (How new and emerging technology affects our business), Legal (How local, national and world legislation affects us) and Environmental (The local, national and world environmental issues) analysis. Looking closely at each of those components allows businesses to get a better understanding of the environment they operate in and thus gaining a better understanding of their business. One has to keep in mind that each of these factors are constantly changing and that can cause problems when trying to assess the external factors affecting your business.

Internal Marketing Environment:

Employees: The internal culture and attitude of employees play a crucial role in delivering quality service. Well-trained and motivated staff can positively impact customer satisfaction. Management: Effective leadership and management practices influence the overall service quality and customer experience. Strategic decisions made by management also affect marketing initiatives.

Operations: Efficient and smooth operational processes are essential for delivering consistent service. Any internal issues or disruptions can negatively impact the customer experience.

External Marketing Environment:

Customers: Customer preferences, expectations, and feedback significantly influence F&B marketing. Understanding customer demographics, behaviors, and trends is crucial for effective marketing strategies.

Competitors: Analyzing the competitive landscape helps identify strengths, weaknesses, opportunities, and threats. It also enables differentiation and positioning strategies to stand out in the market.

Suppliers: The reliability and quality of suppliers can impact the F&B business. Ensuring a stable and dependable supply chain is essential for maintaining consistency in service and product quality.

Economic Factors: Economic conditions, such as inflation, unemployment, and income levels, can affect consumer spending patterns. F&B businesses need to adapt their marketing strategies based on economic trends.

Technological Factors: Advancements in technology influence how F&B businesses interact with customers, manage operations, and implement marketing strategies. Embracing technology can enhance customer engagement and operational efficiency.

Legal and Regulatory Environment: Compliance with food safety regulations, licensing requirements, and other legal considerations is vital. Marketing efforts should align with and adhere to relevant laws and regulations.

Social and Cultural Factors: Social and cultural trends impact consumer preferences and behavior. Understanding cultural nuances and adapting marketing messages accordingly can enhance the appeal of F&B services.

In summary, the marketing environment for an F&B business encompasses internal factors related to the organization's structure and operations, as well as external factors influenced by customers, competitors, suppliers, economic conditions, technology, legal considerations, and societal trends. A comprehensive understanding of these elements is essential for developing effective marketing strategies and ensuring the long-term success of an F&B business.

Question 02

Elaborately describe the Table d'hote menus and A La Carte menus with proper example.

Answer to the question 02

Although there are many types of eating establishment offering many types of meal experiences, they are basically only two types of food menus: the table d'hôte; and the à la carte. From these two types of menus there are in practice many adaptations of each.

Table d'hote

Table d'hote means food from the hosts' table and may be identified by:

1. Being a restricted menu
2. Offering a small number of courses, usually three or four.
3. A limited choice within each course.
4. A fixed selling price.
5. All the dishes being ready at a set time.

This type of menu usually contains the popular type dishes and is easier to control, the set price being fixed for whatever the customer chooses, or being set depending on the main dish chosen and occasionally may offer an additional item at a supplementary price. It is common practice in many restaurants for a table d'hôte menu to be offered to a customer together with an à la carte menu.

Table d'hôte menus can be offered for breakfast, lunch and dinners. Their many adaptations are used for:

1. Banquets: A banquet menu is a fixed menu at a set price offering usually no choice whatsoever to the customers, unless the client informs the caterer in advance that certain guests require, say, a vegetarian or kosher type meal, and is available to all guests at a predetermined time.

2. Buffets: Buffet type meals vary considerably depending on the occasion, and the price paid, from the simple finger buffet, where all items prepared are proportioned to a small size so that the customer may consume it without the use of any cutlery, to the exotic fork buffets where hot and cold food is available and where many large dishes will be carved and portioned for the individual guest. Buffets are frequently prepared for such occasions as wedding receptions, press receptions, presentations and conferences. Buffets can be classified as a form of table d'hôte menu as they offer a restricted menu, a limited choice of only what is on the buffet; a predetermined set price and all the dishes are available at a set time.

3. Coffee houses: A coffee house menu is a more recent form of table d'hôte menu that is commonly used today in hotels and restaurants. This type of menu is characterized by:

- a. Being a set menu offered often for twelve to eighteen hours of the day.
- b. Being (reasonably priced, with often each dish or section of the menu individually priced.
- c. Offering a range and choice of items that are suitable for snacks, light meals, lunch or dinner.

d. Offering a limited range of foods that are either already cooked, are of the convenience type e. food category and require little preparation time, or are simple and quick to cook, for example omelet's, hamburgers, etc.

e. A simplified form of service being offered, for example plate service, counter service, etc.

- In some establishments the coffee shop menu may be replaced for two to three hours with a special breakfast menu offering a restricted choice when there is a need to serve a very large number of people in the shortest possible time.

4. Cyclical menus: These are a series of table d'hôte menus, for example for three weeks, which are repeated again and again for a set period of, for example, four months. These are often used in hospitals and industrial catering as an aid to establishing a pattern of customer demand for a menu item and as a result assist in purchasing, preparation of items and staffing requirements.

À la carte means

The term "À la carte" is also French and means "on the card" or "according to the card." In an À la carte menu, customers can order individual dishes separately from the menu, each with its own price. This type of menu offers more flexibility and allows customers to create their own custom meals.

À la carte means a Free choice from the card or menu and is identified by:

1. Being usually a larger menu than a table d'hôte menu and offering a greater choice
2. Listing under the course headings all of the dishes that may be prepared by the establishment.
3. All dishes being prepared to order.
4. Each dish being separately priced.
5. Usually being more expensive than a table d'hôte menu.
6. Often containing the exotic and high-cost seasonal foods.

Part of an à la carte menu may contain a plat du jour or 'speciality of the house' section. This consists usually of one or two main dishes, separately priced, which are already prepared and change daily. À la carte menus are, because of their size and the unknown demand of each item, more difficult to control than the typical table d'hôte menus.

A special promotion menu is a form of à la carte menu which is at times offered to the guest in addition to the à la carte menu. This type of menu is concerned with the selling of a particular part of a menu to increase the interest for the customer, to increase the average spending by the customer and in turn to increase the turnover and profit for the caterer.

Promotions may be made by specially printing attractive menus for such items as:

1. Shellfish, when an increased variety of shellfish and special dishes would be made available.
2. Soft fruits, when various types of berry fruits such as straw-berries, raspberries, loganberries, etc. would be featured in special dishes.
3. The game season, when pheasant, grouse, etc. would be featured in pâtés, soups and special main course dishes.
4. Dishes cooked or prepared at the table, for example crêpes Suzette, steak Diane, etc.
5. Dishes that utilize seasonal produce many of which are included in the items above.

Example of an À la Carte Menu:

Appetizers:

Shrimp cocktail
Caprese salad
Bruschetta

Main Courses:

Filet mignon with red wine reduction
Lobster ravioli with saffron cream sauce
Eggplant Parmesan

Sides:

Garlic mashed potatoes
Grilled asparagus

Desserts:

New York cheesecake
Tiramisu
Fruit sorbet

Beverages:

Wine list with individual bottle prices.

Question no 03

Explain the various types of beverage menus. Write down the general rules for the serving of wines.

Answer to the question no 03

Beverage menus

The criteria used to prepare a wine menu, or drinks list, are the same as those used when preparing a food menu as outlined earlier in this chapter. Wine menus and drinks lists fall under the requirements of licensing regulations some of which are described above and these can change from time to time and those operating licensed premises need to be aware of these changes. The use of the wine menu, or drinks list, as a selling tool cannot be emphasized enough. Customers eating in a restaurant do not have to, and will not feel embarrassed if they do not purchase a drink. It is the caterer's ability to interest and gain the confidence of customers that is likely to lead them to purchase a drink. Most beverages require fewer staff to process them and the profits from them is therefore higher than those from food and so it goes without saying that this is an area that requires time and attention from the caterer to obtain the full benefit. Beverage lists should be specifically prepared for the particular unit in which they are being sold, because

the requirements vary greatly. A restaurant themed to a country or region might offer both food and beverages from that area's wines and beers. To use a general- purpose wine menu may not be suitable but such is the power of brands' it might be prudent to include a few as these are likely to aid sales. What is also important with beverages is that there should be a follow-through with the correct serving temperature being adhered to and the correct traditional glassware used, particularly when available to make the brand. The sales of wines and cocktails in hotels and restaurants are generally lower than they should be for such reasons as poor selling, overpricing and the snobbery that goes with wines and cocktails which tend to put customers ill at ease.

The types of beverage menus

The types of beverage menus are numerous, but for simplicity they may be grouped as being of six kinds:

full wine menus, restricted wine menus, banquet/function menus, bar menus, room service beverage menus and special promotion beverage menus.

Within this general heading wine menus may be subdivided as follows:

1 Full wine menu or lists:

This kind of menu would be used in an up-market hotel or restaurant where the customers average spend would be high and where the time available to consume their meal would be likely to be in excess of one and a half hours. Like all menus, a full wine menu is difficult to design. Certain wines must be on the menu if a restaurant is of a particular standing; it is the question of the selection of wines within the various types based on the manager's experience and the analysis of customer sales that make it difficult to keep a correct balance and restrict the choice to reasonable limits.

The price range for this type of menu is high because of the quality of the products. The lay- out would usually be in the following order:

- (a) House wines
- (b) Champagnes and other sparkling wines
- (c) Red wines (d) White wines
- (e) Port, sherry, liqueurs
- f) Cognac, Armagnac, gin, vodka, vermouth, whisky
- g) beers, lagers
- h) mineral water, fruit juices

2. Restricted wine menus or lists:

This kind of menu would be used in a middle type market operation where the demand for a full wine menu is very limited. It is also likely to be used when a highly skilled wine waiter is not required and where the waiting staff serves all food and beverages. The planning of a restricted wine menu is difficult and can best be done by an analysis of previous wine sales. It is usual that this type of menu would feature a few well-known branded wines with which the majority of customers can identify. The price range for this type of menu would be lower than that of a full wine menu and would need to bear some relationship to the food menu prices. Another feature on a restricted menu is likely to be the sale of wine by the carafe and by the glass.

3. Banquet/function menus:

This type of menu is of the restricted type in that it will offer fewer wines than a full menu. The contents of the menu will depend very much on the type of banqueting being done, but in general it is usual to offer a selection of wines with a varying price range so that it will suit a wide range of customers and their tastes. Again, banqueting wine menus will usually list some well-known branded wines.

A point which must not be forgotten with branded wines is that customers frequently will know the prices charged for them in the local supermarket or wine store and therefore the caterer must be very careful as to the markup on these wines so as not to create customer annoyance.

4. Bar menus and lists:

This type of menu is basically of two types - the large display of beverages and their prices which is often located at the back of or to the side of a bar and is often a legal requirement in many countries; or small printed menu/lists which are available on the bar and on the tables in the bar area. The large display of menus and prices would be in a general type of bar where the everyday types of drinks are served; the small printed menus/lists being found in lounge and cock- tail bars. The cocktail bar menu/list usually contains cocktails (Martinis, Manhattans, etc.); mixed drinks (spirits with minerals); sherries and ports; liqueurs and brandies; wine (often by the glass; and minerals and cordials. The layout for a cock- tail bar menu/ list need not follow any set order, the emphasis for the layout being on merchandising specific items.

5. Room service beverage menu:

The size and type of a room service menu will depend on the room service offered. For a luxury type unit the menu will be quite extensive, being a combination of items from the full wine list and from the bar list. In a middle type market unit the menu is likely to be quite small, being a combination of items mainly from the bar list plus a few wines only from the restricted unit wine menu/list. Because of the high labor costs for room service staff, a practice today in many hotels is to provide a small refrigerator in each bedroom stocked with a limited quantity of basic drinks. There are many types of beverage units available specifically for use in bedrooms, some of which include a computer-based control system, which automatically records the removal of any item from the unit and records it as a charge to the customer.

6. Special promotion beverage menus:

This type of menu may take many forms from a free pre-function reception to promote a particular beverage, to the promotion of after-lunch and after-dinner liqueurs by the use of attractive tent cards, or to the promotion of the cocktails of the month. Fortunately the suppliers willingly give assistance with beverage promotional menus by providing free advertising and promotional material and by offering the particular beverage free or at a special purchase price.

The general rules for the serving of wines:

The practice of serving a different kind of wine with each food course is seldom observed today other than for the very formal occasion or for a special gastronomic event.

The choice of wine by a customer is highly individual and the once traditional rules of what wines should only be served with a particular food are not always observed today. Some aspects of the practice that have stood the test of time and are accepted and commonly practiced today are:

1. The progression of wines in a menu would be that light and delicate wines are served before fuller bodied wines, that simple wines are served before the higher quality wines and that young wines are served before the older wines.
2. When several wines are to be served with a menu the order of serving is normally accepted as being first a dry white wine followed by a red wine and finishing with a sweet white wine.
3. Wines from several countries may be served with a meal providing that there is an affinity between the different wines and that they are accepted partners with the food.
4. Champagne may be served throughout a meal with dry champagne being served with all courses other than with the sweet course when semi-sweet champagne would be better suited.
5. Rose wines may also be served throughout a menu although it would be unusual for a formal or special gastronomic occasion.
6. Dry white wines are normally served with fish, shellfish and white meats such as poultry, pork and veal.
7. Red wines are normally served with red meats, for example beef, and with game, for example all game birds, venison and hare.
8. Sweet white wines are normally served with the sweet course.
9. Port is accepted as being ideal for serving with cheese and dessert.

QUESTION NO 04

What do you mean by food and beverage control? What are the objectives of F&B control? Explain.

Answer to the question no 04

Food and beverage control

Food and beverage control may be defined as the guidance and regulation of the costs and revenue of operating the catering activity in a food beverage establishment. and A successful holistic food and beverage control is imperative for any type of food and beverage operation regardless of its size. The cost of food and beverage can range from 25% to up to 50% depending on the type of operation.

In restaurants, food and beverage can be the only source of revenue (e.g. merchandising and room hire can generate additional revenue). In the public sector catering, employee restaurants and similar operations, food and beverages are the main day- to-day expenditure, which is controlled by budgets and possibly a level of subsidy, either on a total company or on a per unit basis. The amount of control is related to the size of the operation. A large group operation would require a much more precise, detailed, up-to-date information, than a small operation. Additionally a larger operation will be able to support the control with a computerized system

when a smaller operation may not be able to afford it (however the cost of such technology has been greatly reduced in recent years so much so that even smaller operations can now afford such a system). In both instances the type and volume of data required needs to be selectively determined if control is to be meaningful and effective.

Two important parts that complete the circle of effective food and beverage control. It is important at this stage to clarify the limitations of a control system.

- A control system can only identify problem areas and trends in the business. The system can not automatically correct such problem areas.
- A control system will require constant management supervision to ensure that it functions efficiently.
- A control system will need management action to evaluate the information produced to act upon it.

The objectives of food and beverage control

The objectives of food and beverage control system may be summarized as follows:

Analysis of income and expenditure:

The analysis is solely concerned with the income and expenditure related to food and beverage operations. The revenue analysis is usually by each selling outlet, of such aspects as the volume of food and beverage sales, the sales mix, the average spending power (ASP) of customers at various times of the day, and the number of customers served. The analysis of costs includes departmental food and beverage costs, portion costs and labor costs. The performance of each outlet can then be expressed in terms of the gross profit and the net margin (i.e. gross profit minus wages) and the net profit (i.e. gross profit minus wages and all overhead expenses such as rent, rates, insurance, etc.).

Establishment and maintenance of standards:

The basis for the operation of any food and beverage outlet is the establishment of a set of standards which would be particular to an operation, for example, a chain of steak house restaurants. Unless standards are set no employee would know in detail the standards to be achieved nor could the employee's performance be effectively measured by management. An efficient unit would have the set standards laid down in manuals often known as SOPs (standard operational procedures) which should be readily available to all staff for reference. Having set the standards, a difficult problem always for the management of an operation is to maintain these standards. This can be aided by regularly checking on the standards achieved by observation and analysis and by comments made by customers, and when necessary, conducting training courses to re-establish the standards.

Pricing:

An important objective of food and beverage control is to provide a sound basis for menu pricing including quotations for special functions. It is, therefore, important to determine food menu and beverage list prices in the light of accurate food and beverage costs and other main establishment costs; as well as general market considerations, such as the average customer spending power, the prices charged by competitors and the prices that the market will accept.

Prevention of waste:

In order to achieve performance standards for an establishment, targets are set for revenue, cost levels and profit margins. To achieve these levels of performance it is necessary to prevent wastage of materials caused by such things as poor preparation, over-production, failure to use standard recipes, etc. This can only be done with an efficient method of control, which covers the complete cycle of food and beverage control, from the basic policies of the organization to the management control after the operation has been completed.

Prevention of fraud:

It is necessary for a control system to prevent or at least restrict the possible areas of fraud by customers and staff. Typical areas of fraud by customers are such things as deliberately walking out without paying; unjustifiably claiming that the food or drink that they had partly or totally consumed was unpalatable and indicating that they will not pay for it; disputing the number of drinks served; making payments by stolen cheques or credit cards. Typical areas of fraud by staff are overcharging or undercharging for items served and stealing of food, drink or cash.

Management information:

A system of control has an important task to fulfil in providing accurate up-to-date information for the preparation of periodical reports for management. This information should be sufficient so as to provide a complete analysis of performance for each outlet of an establishment for comparison with set standards previously laid down (e.g. budget standards).