



Front Office

by William D. Frye, Ph.D., CHE

Hoteliers can derive revenue from menu books for guests seeking F&B choices

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Maintaining food & beverage service in a hotel is an expensive proposition. With the exception of banquets and catered affairs, where the menu is limited and the expected guest count is known in advance, most hotels struggle just to break even on the bottom line for their a la carte restaurants and in-room dining. The sad truth is that many hotels do not break even and most ultimately end up subsidizing the F&B division's expenses with profits from guestroom sales, function room rentals and other non-F&B ancillary revenue.

Hotels have been faced with this dilemma for years, especially full-service and select-service hotels. They can't close their restaurants or they will risk violating their brand's standards and perturb those limited number of guests that may avail themselves of the hotel's food & beverage offerings. Plus, if a hotel closes its F& B outlets, can it sustain the needed equipment, facilities, and workforce to serve only catered events and meeting services functions and justify the investment in equipment that will sit completely idle?

Resultantly, many hotels have chosen to cut back but not eliminate various F&B services such as guestroom mini-bars, room service, multiple restaurants and lounges, early and late hours for outlets, fine dining restaurants, or extensive menus options. Many hotels are merely offering the basics in F&B and not much more; perhaps a breakfast buffet for three hours each day and a limited menu for dinner for another three or four hours. Just enough to provide limited food options to busy guests who may be arriving or departing, but nothing to get excited about. The advantages are a smaller foodstuff inventory to maintain, decreased spoilage and waste, fewer F&B employees to staff, reduced operating hours, and much less uncertainty.

Realizing that many guests will choose not to patronize these limited F&B offerings, many full-service and select-service hotels have prepared and placed in their lobby menu books of various restaurants. Printed in color on glossy card stock and laminated to prevent soiling, these view books display the menus, pictures of entrees and dining rooms, and in many cases prices of the area's selected restaurants. Indeed, a colorful picture of food and a descriptive menu may whet the appetite of any hotel guest.

The books are large, about the size of a "coffee table" book or a large, family photo album. Guests may conveniently view the various dining options available in the metro region while waiting to meet friends or associates or for the hotel's shuttle van to return. Front desk, bell staff, or the hotel concierge may show guests what the restaurant looks like and what the menu offers before booking a dining reservation for a guest. Guests will feel more confident and informed about their dining choice before arriving at their selected restaurant, as opposed to relying on recommendations from unknowledgeable third parties or picking a restaurant out of the guestroom phone directory.

The best part is that the hotel can generate revenue just by placing the menu book in its lobby. This is accomplished in one of two ways. Either the hotel can produce the book at its own expense but collect marketing fees from participating restaurants, or in larger metropolitan markets, a hotel can emplace a restaurant directory in its lobby published by a third party and collect a "rent" for doing so.

If the hotel chooses to publish a restaurant menu directory on its own, extensive marketing is required. A hotel representative will need to contact various restaurants and seek to sell them space in the directory. Publishing issues such as amount of allocated print space, menu placement, quality graphics and photography, and of course, participation and production fees all have to be negotiated with each participant. This can be time consuming and likely not cost effective for a busy hotel sales staff. For these reasons, seeking an outside company to both market and produce a menu directory on the hotel's behalf or contracting with a firm that already produces such a directory for your hotel's city may be more advisable and profitable. One



such company is Menu Master (www.restaurantpix.com). Either way, the smart hotelier can derive some unexpected revenue merely by providing a convenience for guests to make their dining choices.

Here are a few key points for menu directories:

- Limit the number of menus to only those that can fit easily into one book. Multiple menu books become too confusing for guests and do not convey a sense of exclusiveness or recommendation to them by the hotel.
- Use only high quality graphics, photography, and binding materials. The menu directory may be viewed and handled by thousands of guests during the course of just one year.
- Include a variety of restaurants across many types of cuisine, price points, and service levels.
- Ensure that the directory lays flat and its pages turn easily. Ideally, the directory can be mounted on a small pedestal, slanted downwards for easy viewing. The book should be moveable, not permanently fixed to one location. It should be large enough to offer detailed color photographs.
- Place the directory on a desk in the lobby or on a coffee table in front of a sofa. This will make it more comfortable for viewing. Ensure the area is well lit for viewing.
- Limit each participating restaurant to one page, front and back, so as not to appear to favor any single restaurant over another.
- Visit each restaurant on a regular basis to make sure that their décor, menu, and prices match what is conveyed in the directory. If it doesn't, either have the restaurant submit accurate pictures and menu or drop them from the directory.
- Update the directory on an annual basis. Remember that menu prices do increase in most restaurants annually. ✧



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