

# 3

# Product development

## Aim

To detail the process of developing the food and beverage product to meet the needs of its target consumer.

## Objectives

This chapter is intended to support you in:

- Identifying key stages of product development
- Developing detailed knowledge of the meal experience factors
- Explore pricing methods
- Identifying and applying various approaches to the development of a consumer–product relationship
- Gaining an insight into service quality and quality management issues
- Setting standards for food and beverage operations
- Developing an integrated approach to service quality management
- Determining promotional channels
- Estimating profitability
- Developing approaches to sales promotion
- Developing the consumer–product relationship as a dynamic process.

## 3.1 The food and beverage product

In Chapter 2, the first stages of developing the consumer-product relationship were considered. These were market research, identifying potential markets, idea evaluation, concept development and setting goals and objectives. In order to progress from the concept development phase, the next requirement in developing a consumer-product relationship is to consider the nature of a food and beverage product. Within this phase, questions need to be addressed, and decisions made, in order to turn a consumer focus (the abstract concept that consumers purchase) into an operational focus.

Customers may view a food and beverage product as a quick snack, a night out, a celebration, an indulgent extravagance or an absolute necessity. The nature of the occasion and the expectations from the meal experience is varied. What is one customer's *dining out* is another's *eating out*. The concepts are what customers purchase, but the food and beverage product, as an amalgamation of the tangible and intangible elements, is what operators construct and provide in order to satisfy the customer requirements.

The marketing focus towards food and beverage service delivery tends to identify the product as: a central consumer concept known as the core concept; a surrounding layer of tangible features, and an outer layer of augmentation (see Section 1.3, p. 19 on product augmentation). Placing this framework on a food and beverage product might show that the core product is, for example, a wedding celebration, the tangible product is a full wedding banquet, and the augmented product includes the opportunity to pay by instalments. It is helpful to apply this type of product framework to the development of concepts. This is where frameworks such as the *meal experience* can be useful.

### ■ The meal experience

The concept of the *meal experience* was first put forward in the 1960s (Campbell-Smith, 1967). Others have developed the concept further with slightly different approaches. See for example, Jones (1988 and 1994), Wood (2000 and 2013) or the *Five Aspect Meal Model (FAMM model)* put forward by Gustafsson *et al.* (2006), orientated as "room, meeting, products, management control systems and making the meal an entirety (expressing an atmosphere)".

The *meal experience* concept was introduced in Chapter 1 as comprising the five factors: food and drink on offer; level of service; cleanliness and hygiene; value for money / price; and atmosphere (Cousins *et al.*, 2014b). These meal experience factors influence both the customers' choice of a food and beverage operation, and the potential enjoyment of a meal. Although the five factors can be identified for all operations, the relative importance of them, to the customer, is not the same for all occasions or all operations. Investigating the relative weighting given to the meal experience factors by the customer, can help guide the design of a new food and beverage operation, or the review of an existing one.

With five factors of the *meal experience* to consider, the inevitable question arises as to which one should be addressed first. Most food and beverage operators immediately explore the food and beverages, with the construction of a menu and beverage list being given the highest priority. However, it might be more appropriate to explore the price first, or the style and level of service that will be provided, the level of cleanliness and hygiene or the atmosphere and ambience to be created. The intended core, tangible and augmented concepts of the product, considered in the form of benefits to the consumer, will guide an operator when ranking the *meal experience* factors in order of priority to the consumer. Table 3.1 gives examples of how differing core concepts might change the order of importance, to the customer, of the *meal experience* factors.

**Table 3.1:** Possible meal experience factor ranking for different meal experiences

Core concept	Possible factor ranking
Night out	<ol style="list-style-type: none"> <li>1. Atmosphere</li> <li>2. Food and drink</li> <li>3. Service</li> <li>4. Price</li> <li>5. Cleanliness and hygiene</li> </ol>
Gourmet event	<ol style="list-style-type: none"> <li>1. Food and drink</li> <li>2. Service</li> <li>3. Atmosphere</li> <li>4. Cleanliness and hygiene</li> <li>5. Price</li> </ol>
Cheap meal	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Food and drink</li> <li>3. Cleanliness and hygiene</li> <li>4. Service</li> <li>5. Atmosphere</li> </ol>
State banquet	<ol style="list-style-type: none"> <li>1. Service</li> <li>2. Atmosphere</li> <li>3. Food and drink</li> <li>4. Cleanliness and hygiene</li> <li>5. Price</li> </ol>

When setting out to design a tangible product it is therefore appropriate to consider the core concept in order to establish the weighting of the meal experience factors and the priority given to them by the customer so that the operation can develop the product from this perspective.

Identifying the relative importance of the meal experience factors for differing type of operation is valuable because it considers the operation from the point of view of the customer. This approach also identifies that limitations in the operation in one part of the meal experience will create stronger expectations in the customers' minds for the other parts. For example a limited menu operation will find that customers are more concerned with value for money and the speed of service than they would be in an operation where the menu offered greater choice.