



Review

Slim by design: Menu strategies for promoting high-margin, healthy foods

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ARTICLE INFO

Keywords:
Menu design
Menu psychology
Behavioral economics
Consumer behavior
Visual cues
Healthier foods

ABSTRACT

In a world of rising obesity, restaurants have become a regulatory target. One profitable but overlooked solution may be for restaurants to focus on menu engineering strategies that could increase sales of relatively healthier, high margin appetizers and entrées and help diners become slim by design. Recent lab and field research in consumer psychology and behavioral economics offer promising solutions that responsible restaurants can use to profitably guide their customers to healthier decisions by using the three-step menu engineering process of (1) shifting attention, (2) enhancing taste expectations, and (3) increasing perception of value. A review of these studies provides key implications that can both increase the healthfulness of what customers order along with the profits of the restaurant.

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1. Introduction

Given the parallel growth of obesity and the success of the restaurant industry (Riehle et al., 2011; Flegal et al., 2010; Saslow, 2010; Zwillich, 2006), many critics and public health officials have partially blamed obesity on their marketing practices and their food (Nestle, 2002; Brownell and Horgen, 2003; Zwillich, 2006). As a result, regulatory action had been proposed or enacted that would reduce portion size, eliminate drive-throughs, limit soft drink sizes, and to include calorie information on menus (Brownell and Frieden, 2009; Kuo et al., 2009; Wisdom et al., 2013). These threats put

restaurants in a position where they might become either reactive or defensive. Yet there may be a more promising solution to the obesity problem – restaurants could profitably help customers make healthier selections (Chandon and Wansink, 2012).

Most restaurants offer a wide range of healthier, lower-calorie options – salads, calorie-free drinks, vegetarian side dishes – that are also equally or more profitable than some of the more frequently ordered menu items, and these healthier items are becoming increasingly popular – especially those which are “slightly healthier” versions of favorite recipes (Wansink, 2014a,b). In contrast to fighting against regulations, an overlooked solution would be for restaurants to more effectively guide consumers toward these healthier options while still giving them a wide range of choices (Reynolds et al., 2005). For instance, instead of hoping the display of nutritional facts will change ordering behavior, principles of psychology and behavioral economics can be used to engineer

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<p>High-Margin Star (High-margin and Popular)</p> <p>People are willing to pay much more for this item than it costs to make. Restaurants want to, and usually can, sell a lot of these items. Example: barbeque.</p>	<p>High-Margin Puzzle (High-margin but unprofitable)</p> <p>People are not willing to pay much more than it costs to make. Restaurants want to turn puzzles into stars. Example: seafood stew.</p>
<p>Low-Margin Favorite (Low-margin but popular)</p> <p>There is little to no profit made on these items. Restaurants want to minimize the consumption of these items or lower their cost to make. Example: ribs.</p>	<p>Low-Margin Forgotten (Low-margin and unpopular)</p> <p>These items are difficult to sell and produce little profit when they do sell. Restaurants often consider eliminating dog items. Example: spam sandwich.</p>

Fig. 1. Categorizing healthy menu items to target healthy, high-margin items.

restaurant menus so they can guide customers to make healthier choices by (1) shifting attention, (2) enhancing taste expectations, and (3) increasing perception of value (Just and Wansink, 2013; Wansink et al., 2014).

Using recent lab studies in restaurants and cafeterias, this research integrates many overlooked options that are available to restaurants and which could provide a profitable solution to what some believe is an unwinnable political stalemate (Laroche et al., 2014). One key objective is to encourage these healthier choices in a way that does not create negative perceptions of taste (that are often associated with “health”) and to do so in a way that does not create compensatory behavior, such as overeating during that meal (Wansink and Hanks, 2013) or at a later time (Chandon and Wansink, 2007).

This paper is structured as follows. After illustrating a procedure as to how restaurants can target the healthy high margin items on their menu, principles of psychology and behavioral economics are used to show how menus can be altered to (1) draw more attention to these items, (2) enhance taste expectations, and (3) increase the perceived value of these items. Implications for restaurants and for future research in this area are then outlined in a way that can guide promising future action in this key area.

2. The role of psychology and behavioral economics in menu engineering

Menu psychology – the way in which people perceive, interpret, and react to different menu elements – is already being used by many restaurants to increase profits (Rapp, 2013; Arnoult, 1998; Feldman and Mahadevan, 2011; Panitz, 2000). In order to better leverage menu psychology to encourage the purchase of healthier, high-margin items, a key initial step is to determine which healthy menu items should be targeted. One approach adopted by Nessel (2013) is to view menu items in four different categories: High-margin Stars, High-margin Puzzles, Low-margin Favorites, and Forgotten Foods (Fig. 1). After dividing the menu items into these four categories, restaurants work to continue to promote healthy items that are high-margin stars, turn high-margin puzzles into high-margin stars, nudge customers from the low-margin favorites to high-margin stars, and eliminate the forgotten foods.

Accomplishing this transformation can be done in three broad ways. The first method is to use consumer psychology and behavioral economic principles to focus attention on the healthier high margin foods, instead of on the usual items to which a customer would generally default. The second is to use the notions of priming and expectation building to enhance taste expectations. The

third is to increase perceptions that the price of these items is fair and that their value is high (Poundstone, 2010).

2.1. Shifting attention

In consumer psychology, a key principle in shifting choice is to first ensure that a target item is in the initial consideration set (Kershaw, 2009; Burton et al., 2006). Restaurant patrons often do not consider all alternatives on a menu before making a choice. Instead, they may often lean toward default choices and not consider others (Wansink et al., 2012a,b). Even at an unfamiliar restaurant, one patron might skim the options looking for beef options that come with French fries, and another might immediately focus on pasta dishes. In both cases, healthier options would not even be noticed (Kolodinsky et al., 2009). They would not enter into an initial consideration set, and therefore would never be narrowed down to the two or three finalists in the choice set, let alone be ordered.

An initial step in engineering a restaurant menu to guide healthier choices is to make certain those healthier items are more convenient to see and be considered (Hanks et al., 2012a). This could occur by drawing more attention to particular items, or shifting attention away from default items by using salience builders such as using a contrasting font, font color, or font size, or by using pictures, illustrations, or icons if appropriate (Zwicky and Zwicky, 1980). Graphics can serve as powerful motivators for ordering (Poundstone, 2010). Lohse (1997) found that, when viewing advertisements in the yellow pages, consumers paid more attention to ads with graphics, and they also noticed color ads before ads without color and looked at them more often and for longer lengths of time. Similarly, in lab studies, participants viewed 42% more bold listings than plain listings supporting the basic claim that using fonts, colors, or boxes, can draw consumer attention by separating the items from the rest of the menu (Kershaw, 2009).

When more subtlety is needed, such as with fine dining restaurants, more low-key approaches can be used to direct attention. This can be in the form of a notation that suggests a Chef’s Recommendation, House Specialty, or a Traditional Favorite. Such labels suggest to consumers that these items are popular and are consumption norms. Consumption norms such as these have been shown to increase sales by 28% (Wansink et al., 2005) and increase how much they eat of that item by 13% (Wansink et al., 2007). In other cases, an entire section can be separately boxed off to bring attention to these items. Recent studies, however, warn against explicitly labeling these items as “Healthy.” For many people, the word “healthy” connotes that it is less flavorful or indulgent (Raghunathan et al., 2006; Horgen and Brownell, 2002). One possible option, using “traffic lights” and other signposts on menus, might have potential and could be less likely to backfire (Hammond et al., 2013; Sonnenberg et al., 2013; Hawley et al., 2012; Heathcote and Baic, 2011).

Recent findings by Dayan and Bar-Hillel (2011) add to the growing evidence that one’s consideration of an item is also influenced by its placement on the menu (Rapp et al., 2013). If the most expensive item on the menu – the anchor – is in a noticeable place, customers are primed to believe this high price-range is the norm (Poundstone, 2010). Restaurants should place other expensive, high-margin items around the anchor. However, these items should be sufficiently lower in price than the anchor to make them seem like deals. Efforts have been made to determine where the anchor and other high-margin items should be placed on a menu, and one predictable conclusion is that consumers scan menus similarly as to how they scan magazines (Yang et al., 2009). Therefore, the first section of the menu and the beginning of each section are great places to feature expensive items. Indeed, it has been found that items placed in the top and bottom of columns increased in

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