

# Do Descriptive Menu Labels Influence Restaurant Sales and Repatronage?<sup>\*</sup>

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## Abstract

How do descriptive menu labels influence customers? In a six-week field experiment involving 140 customers, descriptive menu labels (such as "Grandma's zucchini cookies" or "succulent Italian seafood filet") increased sales by 27% and improved attitudes towards the food, attitudes toward the restaurant, and intentions toward repatronage. Such labels did not, however, directly increase the amount a person is willing to pay for the labeled item. If descriptive labels are used sparingly and appropriately, they can improve sales and post-consumption attitudes of the food and the restaurant.

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## Do Descriptive Menu Labels Influence Restaurant Sales and Repatronage?

Do descriptive menu labels – such as Jack Daniels<sup>®</sup> Chicken, Psychedelic Sorbet<sup>®</sup>, or the Booming Onion<sup>®</sup> -- influence customers? The use of descriptive labels is an emerging trend in the hospitality industry,<sup>1</sup> but does simply changing the menu labels from generic, straightforward names to descriptive names impact sales, or make a customer actually believe the food tastes better? While there are indications that labels can influence taste,<sup>2</sup> most labeling studies have only focused on the effect of nutritional labels, health labels and warning labels, <sup>3</sup> not on descriptive marketing-oriented labels.

To learn more about the impact of descriptive labels, we conducted a six week field study of six menu items to answer three questions:

Do descriptive labels increase sales?

Do descriptive labels make customers believe the food tastes better?

Do descriptive labels influence restaurant attitudes and repatronage?

After showing how consumers evaluate descriptive labels, we describe a controlled field study that investigates how descriptive labels influenced the sales, post-consumption evaluation, and repurchase intentions of six menu items. Following this, we give suggestions that managers might use in generating descriptive labels and where they should draw the line in using them.

#### How Consumers Evaluate Descriptive Menu Labels

Selecting items from a menu entails more than simply the process of elimination.<sup>4</sup> Consumers scan menus looking for benefits they believe will satisfy their expectations at

<sup>&</sup>lt;sup>1</sup> See Restaurant Business, 1997a. Boutique Brands. Restaurant Business; Brand Power Supplement: 20-21. Restaurant Business, 1997b. Signature Dishes. Restaurant Business; Brand Power Supplement: 36-37. Restaurant Business, 1998. Pork: Cut to the Profits: Fruit of the Loin. Restaurant Business; Brand Power Supplement: 118-119.

<sup>&</sup>lt;sup>2</sup> Wansink, Brian, Se-Bum Park, Steven Sonka, and Michelle Morganosky (2000), "How Soy Labeling Influences Preference and Taste," <u>International Food and Agribusiness Management</u> <u>Review</u>, 3, 85-94.

<sup>&</sup>lt;sup>3</sup> DeTurck, M.A., and G.M. Goldhaber, 1989. Effectiveness of Product Warning Labels: Effects of Consumers' Information Processing Objectives. *Journal of Consumer Affairs*, Vol. 23: 111-126. Hackleman, E.C., 1981. Food Label Information: What Consumers Say They Want and What They Need. *Advances in Consumer Research*, Vol. 8: 477-483. Miller, Debra L., Victoria H. Castellanos, David J. Shide, John C. Peters, and Barbara Rolls, 1998. Effect of Fat-Free Potato Chips With and Without Nutrition Labels on Fat and Energy Intakes. *The American Journal of Clinical Nutrition*, Vol. 68: 282-290.

<sup>&</sup>lt;sup>4</sup> Huffman, Cynthia, and Michael J. Houston, 1993. Goal-Oriented Experiences and the Development of Knowledge.

that point in time.<sup>5</sup> Consider how consumers will evaluate "Grandma's homemade chocolate pudding." If they associate "Grandma's" with "a lot of flavor," they will adjust their beliefs about the characteristics of Grandma's cooking (flavorful) with the characteristics of chocolate pudding (sweet, smooth). They then apply the assumptions they have about Grandma's cooking to what they believe about the product.<sup>6</sup>

If the associations are favorable, the resulting halo should not only influence their purchase, but it should also influence their post-purchase evaluation of the product and possibly that of the restaurant also.<sup>7</sup> In short, we believe that descriptive menu labels will not only increase sales, but will also improve perceptions of quality and value, and will improve perceptions of the restaurant and repeat patronage.<sup>8</sup>

#### Testing the Impact of Menu Labels on Customer Satisfaction

Descriptive labels can be divided in to a number of categories (see Appendix B), such as geographic labels (Cajun and Italian), nostalgic labels (homestyle or Grandma's), or sensory labels (tender or satin). The general objective of this research was to test a mix of these to determine if the general use of descriptive labels was more effective than not using them.

To determine how consumers respond to descriptive labels, we conducted a six-week field experiment of six menu items (see Table 1) in a faculty cafeteria at a major Midwestern university. During the Tuesday and Friday lunch of each of the six test weeks, two of the items were presented with a regular or basic label; two items were presented with a descriptive label; and two items were not offered. The regular or descriptive labels were presented next to the items in the cafeteria line.

Regular Menu Item Names	Descriptive Menu Item Names	
Red Beans with Rice	Traditional Cajun Red Beans with Rice	
Seafood Filet	Succulent Italian Seafood Filet	

Table 1.Menu Items with Regular and Descriptive Labels

Journal of Consumer Research, Vol. 20 (2), September, 190-207.

- <sup>5</sup>Schellinck, Douglas A., 1983. Cue choice as a function of time pressure and perceived risk. *Advances in Consumer Research*, Vol. 10: 470-475.
- Steenkamp, Jan-Benedict E.M., 1990. Conceptual Model of the Quality Perception Process. *Journal* of Business Research 21 (August): 309-333.
- <sup>6</sup>Anderson, John R., G.H. Bower, 1973. *Human Associative Memory*, Washington D. C.: V. H. Winston & Sons.

<sup>7</sup> Olson, J.C., 1981. The Importance of Cognitive Processes and Existing Knowledge Structure for Understanding Food Acceptance. in: J. Solms & R. L. Hal (eds.), *Criteria of Food Acceptance: How Man Chooses What He Eats.* Forster. Zurich: 69-80.

<sup>8</sup> Fishbein, Martin, and Icek Ajzen, 1975. *Beliefs, Attitude, Intention, and Behavior: An Introduction to Theory and Research*. Reading, MA: Addison-Wesley Publishing.

Grilled Chicken	Tender Grilled Chicken
Chicken Parmesan	Homestyle Chicken Parmesan
Chocolate Pudding	Satin Chocolate Pudding
Zucchini Cookies	Grandma's Zucchini Cookies

At the cash register, anyone who selected a target item was given a questionnaire to complete. Approximately 56% of the customers in the sample had selected menu items with descriptive labels and 44% had selected their regular-labeled counterparts. In each questionnaire, customers were asked about their attitudes toward the target menu item and the restaurant. Most of the questions were asked in the form of Likert-scaled "strongly disagree" or "strongly agree" questions (strongly disagree = 1 and strongly agree = 9). Of those participating, 87% were faculty or staff, 9% were graduate students, and 5% were visitors from off-campus. The average age of the respondents was 43 years old.

#### The Impact of Descriptive Menu Labels

Recall it was expected that descriptive labels positively impact sales and postconsumption evaluation of the labeled menu item. This was supported by the results. When products were given descriptive labels, they sold 27% more, and customers who ate them consistently rated them as being of higher quality and a better value than did customers who rated those who ate products with regular labels (Table 2). In addition, customers who ate descriptively labeled products formed more positive attitudes toward the restaurant, and believed the restaurant kept up–to-date with the latest food trends. It is important to underscore that not only did descriptive labels increase sales by 27%, they also increased the likelihood that customers would repurchase these items on a upcoming visit.

Interestingly, despite the overwhelmingly positive impact descriptive labels had on sales, attitudes and intentions, they did not influence how much money customers would pay for the descriptively labeled item.<sup>9</sup> One possible explanation of this can be attributed to the anchoring effect that the purchase price had on their estimate of how much they would be willing to pay. Were the purchase price still salient, it would be the most prominent predictor of how a customer believes he or she <u>should</u> pay.<sup>10</sup> That is, if a customer recently paid \$3.99 for an entree, he or she is likely to say that \$3.99 is the most they would pay for that item, even if they would may more in another context.

<sup>&</sup>lt;sup>9</sup> Kelly, Thomas J., Nicholas M. Kiefer, and Kenneth Burdett, 1994, A Demand-based Approach to Menu Pricing, Cornell Hotel and Restaurant Administrative Quarterly, 35:1, 48-52. Kelly, Thomas J., Nicholas M. Kiefer, and Kenneth Burdett, 1994, Menu Pricing: An Experimental Approach, Journal of Business and Economic Statistics 12:3, 329-37.

<sup>&</sup>lt;sup>10</sup>Wansink, Brian, Robert J. Kent, and Stephen J. Hoch, 1998. An Anchoring and Adjustment Model of Purchase Quantity Decisions. *Journal of Marketing Research*, 35:1 (February), 71-81.

Table 2
How Descriptive Labels Influence Sales and Post-Consumption Attitudes <sup>1</sup>

	Labels	
	Regular Label	Descriptive Label
Increase in Unit Sales		
-Percentage increase	0%	27%*
Attitude towards Menu Item		
-"This is high quality"	6.2	6.9*
-"This is good value"	6.3	7.1*
Attitude towards Restaurant		
-"Up to speed with food trends"	5.7	6.5*
-Quality $\approx$ fine establishment"	4.8	5.8*
<b>Repurchase Intention</b>		
-"I would eat this again (2 wks)	5.9	7.1*
Willingness to Pay		
-"For this entree, I would spend a maximum of \$"	\$3.08	\$3.30

Attitude & Intention items are measured on a scale of 1 to 9 (1=strongly disagree; 9=strongly agree) \* = p < .05

What this means for managers is that descriptive menu labels can help stimulate firsttime consumption, and can help encourage repeat sales. When people have positive associations with a descriptive label, a chain reaction of positive attitudes and intentions follows. That is, after enjoying their meal, customers are more likely to give the meal a positive evaluation for quality and value and they are more likely to rate it as being of higher quality and of a better value. Interestingly, however, customers are not necessarily eager to pay more for food with descriptive labels.

#### **Discussion and Conclusion**

The name of a menu item is an important criterion for decision making. By providing additional cues, such as descriptive labels, restaurateurs not only enhance the perceived attractiveness of menu items, but they may favorably influence the actual consumption experience. Several conclusions from our findings can help managers improve their restaurants' reputations. Descriptive labels, such as "Grandma's zucchini cookies"...

Increased sales by 27%

Increased post-trial evaluations of quality and value

Increased restaurant-related attitudes

Increased restaurant repatronage intentions

There are a number of different ways to generate descriptive labels, including the use of geographic labels (Cajun and Italian), nostalgia labels (homestyle or Grandma's), or

sensory labels (tender or satin), or a mix. The type of label that would be most effective depends on the product it describes. Certain types of labels work better with certain foods than others.

In this study, the descriptive labels that were used had all been pretested to evoke favorable associations with the food. Clearly, using labels that have unfavorable associations with them would not be wise. It is less clear what impact labels would have if they had only neutral associations or if they had no associations (such as might be the case with foreign words).

All of the food used in this study was of reasonably high quality. If food of only average or below average quality was used, descriptive labels may have had less of an impact. By using descriptive labels, restaurateurs may raise customer expectations about the quality of the menu item.<sup>11</sup> These expectations need to be met. If a restaurateur is unable to do so, using an unmerited descriptive label might backfire and negatively influence customers' attitudes about the item and, ultimately, the restaurant.<sup>12</sup> Restaurant managers should monitor their use of descriptive labels in order to avoid unjustifiably inflating their customers' expectations. But beware of the temptation to label yesterday's goulash as "Royal Hungarian Top Sirloin Blend." It will generate first time sales, but they may be the last.

<sup>&</sup>lt;sup>11</sup>Schmitt, Bernd H., and Laurette Dubé, 1992. Contextualized Representations of Brand Extensions: Are Feature Lists or Frames the Basic Components of Consumer Cognition. *Marketing Letters*, 3:2, 115-126.

<sup>&</sup>lt;sup>12</sup> Oliver, Richard L., 1980. A Cognitive model of the Antecedents and Consequences of Satisfaction Decisions, Journal of Marketing Research, 17 (November): 460-469.

## Appendix A.

#### Methodology of the Study

To determine how consumers respond to descriptive labels, we conducted a six-week field experiment in a faculty cafeteria at a major Midwestern university. After reviewing the past sales of products in the cafeteria, we selected six products that were popular enough to offer twice a week and which represented a wide variety of foods (see Table 1). Descriptive labels included a mix of geographic labels, nostalgia labels, or sensory labels, that were presented next to the items in the cafeteria line.

During the Tuesday and Friday lunch of each of the six test weeks, two of the items were presented with a basic label (e.g., grilled chicken); two items were presented with a descriptive label; and two items were not offered. For the next two weeks, the items and the conditions were systematically rotated until all menu items were present in all conditions. In the fourth week, the rotation was repeated. The rotation was planned in order to minimize any unexpected variations that might affect either preferences or participation (such as blizzards, religious holidays, or Illini game days). During a six-week period, each item was available six times.<sup>13</sup>

Everyone who selected one of the six target menu items was asked to complete a questionnaire. Approximately 56% of the customers in the sample had selected menu items with descriptive labels and 44% had selected their regular labeled counterparts. Ninety-eight percent of our customers (140) completed and returned their questionnaires upon finishing their meal and leaving the cafeteria.<sup>14</sup> In each questionnaire, customers were asked single item questions about their attitudes toward the target menu item and the restaurant. We measured their attitudes about the target food by asking about their perception of the quality and their perception of the value of the menu item. The questionnaire also asked them to rate how well this restaurant followed trends and maintained quality of food compared to similar dining establishments. Most of the questions were asked in the form of Likert-scaled "strongly disagree" or "strongly agree" questions (strongly disagree = 1 and strongly agree = 9). The willingness to pay was measured based on the amount of money customers said would be the most they would be willing to pay for their menu item. Of those participating, 87% were faculty or staff, 9% were graduate students, and 5% were visitors from off-campus. The average age of the respondents was 43 years old.

<sup>&</sup>lt;sup>13</sup> Reasonable efforts were made to control the production of the items, and there was no reason to believe there were production variations across days or across conditions. In addition, since every product was offered at least six times, an unnoticed problem with quality control would have been moderated by the five serving occasions.

<sup>&</sup>lt;sup>4</sup> While it is not clear as to why three individuals did not hand in their questionnaires, past experience has indicated that this can largely be attributed to them forgetting to do so, or because they misplace either the survey or the pencil.

There were no differences between those who bought the descriptively labeled menu items and those who bought the regular labeled menu items. Both groups were analyzed on demographic characteristics (including age, gender, education), on the basis of the menu items they selected, on the basis of how healthy they perceived themselves to be, and on the extent to which they were watching their weight. Nothing was significantly different between the two groups (p<.05), and the only variable that remotely neared significance was that of dieting (p=.21). Consumers who purchased the descriptively labeled desserts (Grandma's Zucchini Cookies and Satin Chocolate Pudding) were directionally more likely to be on a diet than those who bought them under the regularly labeled versions of these products.

## Appendix B.

## What's in a Name? How Restaurant Managers can Revitalize Menus

Customers associate the descriptions on labels with their expectations of how the quality of the food will taste and make them feel. Vivid adjectives that portray geographich, nostalgic, or sensory themes can help trigger these anticipated feelings and expectations. Here are some suggestions that owners and managers in the hospitality industry can use to generate some of these themes.

**1.** *Geographic Labels:* Labels that claim to reproduce the same flavors that are specifically found in geographic areas have proven successful. The key is in deciding which region your spices or products fit in to, and then decide which adjectives create that image or ideology.

Southwestern Tex-Mex Salad Iowa Pork Chops "Real" Carolina Barbeque Country Peach Tart

**2.** *Nostalgia Labels:* Alluding to past time periods can trigger happy memories of family, tradition, and nationalism. Customers sometimes like the feeling of tasting something wholesome and traditional because "They sure don't make 'em like they used to."

Classic Old World Italian Legendary Chocolate Mousse Pie Ye Old Potato Bread Nana's Favorite Chicken Soup

3. Sensory Labels: If labels accurately describe the taste, smell, and mouth feel of the menu item, then customers will more able to picture themselves it. While ice cream shops accomplish this masterfully -- note names like "Chocolate Velvet" – this can also be found on other creative menus:

Hearty Wholesome Steaks Snappy Seasonal Carrots Buttery Plump Pasta

**4.** *Brand Labels:* Another category of labels involves a cross-promotion with a related brand that has important associations that can make the menu item more attractive. The idea of cross-promotions is not new, but it is catching on reasonably fast in the chain and franchise restaurant world. One drawback of brand labels is that the legal costs and licensing costs can be too expensive for single unit restaurants. The use of brands says to consumers, "If you love the brand, you'll love this menu item."

Black Angus<sup>®</sup> Beef Burgers Jack Daniels<sup>®</sup> BBQ Ribs Butterfinger<sup>®</sup> Blizzard

One method to generate ideas for descriptive labels is to sit down with a pencil and think of food-related associations that tie in to relevant places, memories, or descriptive adjectives. A second means for jump starting your descriptive labeling talent is to a take pen and paper and to physically note the variety of descriptive labels used at different restaurants. Two great places to start are at theme restaurants and ice cream stores.