# A Pop-up Restaurant Business Guide for Capstone Hospitality Entrepreneurship Education

# A POP-UP RESTAURANT BUSINESS GUIDE FOR CAPSTONE HOSPITALITY ENTREPRENEURSHIP EDUCATION

Pauline Milwood

Sarah Hartman-Caverly and Shawn Murray

# Contents

# PART 4 - Evaluation

# ACKNOWLEDGEMENTS

This pop-up restaurant business guide has been prepared to support educators and students engaged in high-level learning projects to successfully develop and implement restaurant hospitality experiences.

Designed primarily for the Advanced Food Production and Service Management (HM 430) capstone course at the Pennsylvania State University–Penn State Berks, the guide is organized around four parts, or modules, each of which is written to provide scaffolding support for the conceptualization, development, implementation, and evaluation of a real-life pop-up restaurant business idea. The guide provides a user-friendly format to meet undergraduate learning curriculum needs in designing and staging real-world hospitality experiences. Each chapter is organized around a set of learning objectives, chapter warm-up readings and exercises, chapter outlines, deeper learning sidebars, key terms, and knowledge check-and-review activities.

Opening each chapter is a set of learning objectives. These learning objectives guide both instructors and students toward important entrepreneurial knowledge and skills and provide insight into what will be addressed in the chapter.

A "Chapter Warm-Up" reading or exercise acts as an appetizer or prelude by immersing students in a task related to the chapter topic. Tasks might include watching a short interactive video activity, discussing a topical vignette, or responding to critical-thinking questions from a contemporary hospitality news feature.

Chapter outlines provide a bulleted list of subsections contained in each chapter and allow for easy navigation within chapters.

Chapters feature one or more "Food for Thought!" deeper learning sidebars. These sidebars provide an opportunity for students to extend their learning of a topic based on a historical or current trend in pop-up food service. "Food for Thought!" sidebars may also be used by instructors to prompt team discussion around how to embark on entrepreneurial problem identification, solution, and decision-making.

Concluding each chapter is a set of key terms and knowledge check-and-review activities. Key terms help reinforce areas of focus when reviewing chapters, while knowledge check-and-review questions link to templates, spreadsheets, or interactive videos—ideal for in-class or take-home assignment tasks.

At the end of each chapter is a "Pop-Up Project Task(s)" box. Each box contains applied learning assignments and activities, designed for students to follow a set of entrepreneurial steps toward the goal of launching a pop-up restaurant. The result of this organization is a high-quality, step-by-step guide for real-world hospitality entrepreneurship teaching and learning.

# RECOMMENDED CITATION

# PART 1 - PLANNING AND RESEARCH

Ideation, Concept & Design
Organization & Management
Market & Industry Analysis
Marketing & Sales Plan
Financial Plan

Ready. Set. *Flow*.
Pre-production, Receiving teams
Production, Service flows

PART 2 –Development and Design

PART 4 – Evaluation

PART 1 – Planning and Research

PART 3 – Implementation

Menu(BOH)
Recipes, Cost Management
Vendor selection, Purchasing
Venue (FOH), Layout, Reservations
Health/Safety Plan

Capturing and Valuing Feedback
Financial performance
Service performance
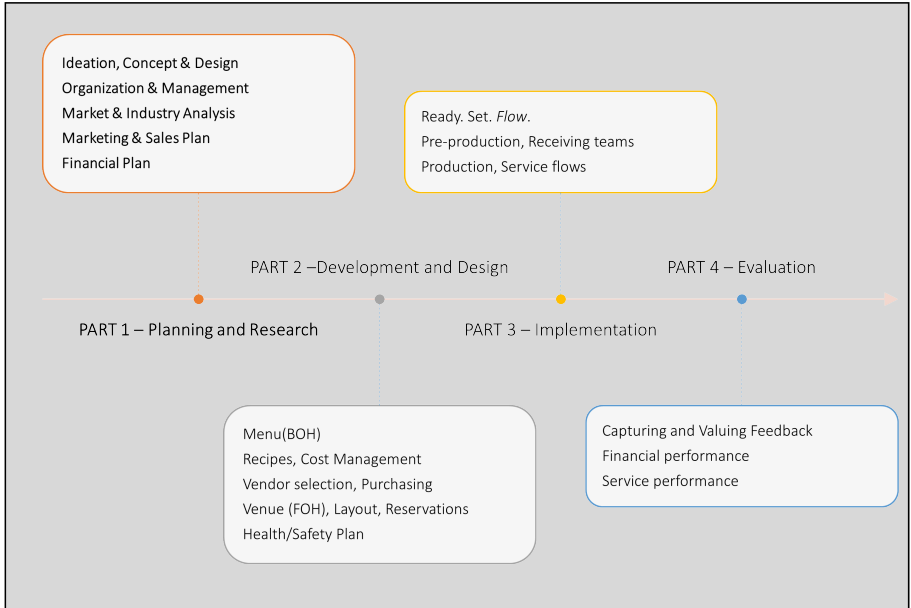
# CHAPTER 1 - IDEATION, CONCEPT AND DESIGN

## PAULINE MILWOOD AND SARAH HARTMAN-CAVERLY

*"She made it look like art."*
—Chef Shuchi Naidoo, *PopUp Republic*

## Learning Objectives

At the end of this chapter, students will be able to:

1. Define and explain the term, 'pop-up'
2. Describe how pop-up culture has been used in industry
3. Identify and explain the difference between pop-up restaurants and traditional restaurants
4. Identify and explain the unique issues and challenges associated with pop-up restaurants
5. Explain the concept of servicescapes and how they have been used in the hospitality industry
6. Differentiate between a pop-up restaurant and a ghost kitchen
7. Explain the role of ethics and sustainability in the pop-up restaurant industry.

## Chapter Warm-Up

## Prechapter Reading Materials

- "Choosing a Concept" (Baras 2015)
- "Framing the Local Food Experience: A Case Study of a Finnish Pop-Up Restaurant" (Aaltojärvi, Kontukoski, and Hopia 2017)
- "Shutdown of a Pop-Up Restaurant Shocked Chef" (Zavoral and Kawamoto 2018)
- "Pop-Up Restaurants: Everything You Need to Know" (Wimpsett 2021)

- Read the interview with Chef Shuchi Naidoo, founder of Twenty-Nine Calories Pop-Up Restaurant (Baras 2015, chap. 35). Imagine you had never heard the term pop-up before reading the interview. After reading the interview, a friend asks you what a pop-up is. How would you respond?

## Chapter Outline

- What Is a Pop-Up?
- Use of Pop-Up Culture in Hospitality
- Pop-Ups versus Traditional Restaurants
- Issues and Challenges Associated with Pop-Up Restaurants
- Servicescapes
- Research and Pop-Up Entrepreneurship

| Learning Objectives |
| --- |
| Pop-up concept and culture |

## WHAT IS A POP-UP?

The concept of pop-ups has been around since colonial times in the form of traveling salesmen and entertainment stages. More recently, lemonade stands, barber shops, food carts and stalls, attraction and entertainment circuses, festivals and shows have all at some time, reflected the temporary and local nature of pop-ups.

ARTS LEAGUE OF SERVICE TRAVELLING COMPANY AND CAR
ARTS LEAGUE OF SERVICE TRAVELLING THEATRE

THE ARTS LEAGUE OF SERVICE
1 ROBERT STREET, ADELPHI, LONDON

Pop-ups were confined not only to events but also to merchandise. One of the best ways to understand the concept of pop-ups—and perhaps among the earliest exemplars of pop-ups—is the pop-up storybook or greeting card. These items would contain multidimensional, foldable cutouts of images that accompanied text in a book or card. Upon opening the book or card, the pop-up section would emerge as a vertical standout in the item frame, helping to "bring to life" the story or text.

Pop-up concepts exist in and have influenced digitized platforms as part of online webpage communications and media messaging. Pop-up messages, for example, emerge as additional links to lower-level or external pages. Here, the use of pop-ups serves to provide additional information to the user of the page while aiding the navigation of an online platform. Whether in precolonial entertainment or contemporary media communication, the pop-up weaves a common thread: a temporary or extended phenomenon that exists as part of a larger, more developed, formal segment of a platform. The purpose serviced is largely supplemental and for as-needed purposes.

Historically, pop-up restaurant concepts developed from farmers markets, food trucks, and street food cuisine. Each of these concepts and prototypes of pop-up restaurants provides food production and food services to a specific locale, with the added benefit of mobility. A mobile pop-up, such as a food truck, provides added flexibility for taking advantage of the season, be it based on demand or weather. In addition to providing food production and services, pop-ups provide largely small-scale income for chefs and restaurateurs.

Australia and Britain have become hot spots for pop-ups, behind the US, where the concept first emerged. A host of cultural, social, and economic factors have led to the rapid development of the US pop-up industry. One factor concerns the level

of slack in real estate. Retail real estate has been severely impacted by the global pandemic. Landlords found themselves willing to engage in high-risk, short-term rentals to offset significant fallout from fleeing tenants. Simultaneously, the pop-up business model presented a lucrative alternative to restaurateurs. While inherently risky, it allowed pop-up entrepreneurs (also referred to as "popupreneurs") to pursue commercializable space without the burden of long-term leases and overheads.

Pop-ups may be combined with other elements (e.g., art, music, wine, gastronomy) to create unique experiences (see Pret a Diner 2013). This unique pairing adds to the novelty factor associated with pop-up restaurant experiences. Novelty, in this case, is achieved by combining more than one nonfood element with food service to create a unique dining experience. This combinative approach to conceptualizing and planning a pop-up has the potential to benefit the chef or restaurateur in several ways, including being able to charge premium rates for novel dining experiences, attract and entice new customers and a niche interest, and focus exclusively on a central thematic experience.

Novelty may also be created using location. Typically, any space not generally recognized as "traditional" for food production, dining, and service is ideal for a pop-up. Examples include unused factory floors, barns, garages, basements, classrooms, and even the London Eye (see McKenzie 2012)!

## USE OF POP-UP CULTURE IN HOSPITALITY

Within the past decade, pop-up restaurants, food trucks, playgrounds, retail shops, and markets have grown exponentially and have emerged as evidence that the pop-up concept is expanding in global popularity and economic significance. Globally, the pop-up industry is estimated to be approximately $95 billion, with approximately $14 billion of that represented in the US.

According to the National Restaurant Association (NRA), pop-up restaurants are minirestaurants that temporarily operate in parks, plazas, galleries, warehouses, event centers, and larger restaurants (NRA 2018). The temporary nature of the definition provided is an important characteristic that distinguishes pop-up restaurants from other hospitality establishments that operate 24/7. The concept, like food trucks, allows chefs and restaurateurs opportunities to test new food ideas and make use of underutilized spaces. They may also be used to highlight aspects of a specific culture or region that may otherwise be underpromoted or underemphasized.

Temporary duration could mean hours, days, weeks, or even months of operation at a time. The duration of the pop-up depends on a number of factors, including the purpose of the pop-up, the space/location available, and the local laws and regulations for operating food production and service enterprises.

*Jimmy's Pop-up Restaurant, Leeds, Australia*

## PURPOSE

Pop-up restaurants may be used by chefs for menu testing and discovery. This purpose allows customers to sample new flavors and try new dishes or cuisines while providing feedback. Chefs and restaurateurs operating 24/7, brick-and-mortar locations may also test existing menu items that exhibit low menu popularity. By sampling existing or modified versions of dishes, customers are able to provide operators with real-time feedback on specific items, which helps in decision-making for item discontinuation, item innovation, or marketing. Pop-ups may also be used to introduce a new chef or feature a seasonal ingredient to diners (see Aaltojärvi, Kontukoski, and Hopia 2017). In this case, the purpose of the pop-up determines the length of time needed to feature the chef's talents, skills, or in-season ingredients. Finally, the purpose of a pop-up could be to take advantage of underutilized resources such as restaurant or dining space. A pop-up whose purpose is to utilize resources such as kitchen equipment, dining rooms, or utensils for a restaurant closed on Mondays and Tuesdays may decide to stage a pop-up for a twenty-four-hour duration on the first and final Tuesday of each month.

## AVAILABLE SPACE/LOCATION

Space/location availability is a second important factor in determining the duration of the pop-up restaurant. If the purpose of the pop-up is to exploit underutilized space in a restaurant or dining hall, then availability will be limited to days and times when the operation is otherwise closed and the space is not being used or may coincide with low-traffic days for the establishment. Municipal locations that experience heavy traffic and high-use parking during weekdays may also be used to stage pop-ups. In these cases, the relaxation of zoning restrictions and the negotiation of requirements for the use of municipally controlled locales may become necessary.

## Local laws and regulations

Local laws, regulations, and permits play an important role in both determining the extent of the temporary duration of the pop-up restaurant and guiding whether and how the pop-up should be staged in keeping with public health and safety regulations. Operating within local guidelines is perhaps the single most important requirement of successfully staging a pop-up restaurant. Properly planning and conducting research on the requirements and regulations governing operating a pop-up restaurant allows the restaurateur to determine if the cost of temporary licensing and regulatory fees needed to host a pop-up is financially feasible and ensures the operator is in full understanding of and compliance with regulatory requirements (e.g., see Zavoral and Kawamoto 2018).

## Pop-ups vs. traditional restaurants

- "'Chick'N Out': A Pop-Up Restaurant like You've Never Seen" (News 8 WROC 2020)
- "Pret a Diner Berlin—Backstage, Pt. 2" (Pret a Diner 2017)

Pop-ups and traditional restaurants share several characteristics with traditional restaurants. Most of these characteristics relate to the purpose, design, and duration of the restaurant being staged. However, pop-ups differ from traditional dining in a number of ways too, with the primary difference being the temporary nature of the inputs that the restaurateur must plan for. Pop-ups may offer local, high-quality ingredients and raw materials, while traditional restaurants focus on sourcing the most cost-effective inputs. Pop-ups may infuse local culture and respond to food novelty, while traditional dining may respond to a specified, available market niche. Table 1.1 provides a summary of similarities and differences between pop-ups and traditional restaurants.

## Table 1.1 – Pop-ups vs Traditional Restaurants

| Characteristic | Pop-up restaurant | Traditional restaurant |
|---|---|---|
| Structure | temporary | permanent |
| Design | retrofit | brick and mortar |
| Duration | seasonal/temporary, mobile | permanent, fixed |
| Foods and flavors | local and non-local | local |
| Menu risk and innovation | novelty, creativity, frequent changes | traditional tastes, infrequent or as-needed changes |
| Marketing | introduce, inform | remind, build relationships |
| Investment risk | low, short-term | high, long-term |
| Design innovation | high | moderate |
| Staff hire | ad hoc | semi-permanent, permanent |
| Licenses, regulations | one-time | ongoing, renewable |

## Issues and challenges associated with pop-up restaurants

- "Pop-Up Restaurants in New Orleans Move beyond One-Day Wonders" (Clark 2012).

Given the somewhat unique characteristics of pop-ups, there are issues and challenges associated with the concept and design of pop-up restaurants. These include the following:

1. The temporary nature of pop-ups allows for small, limited windows for inefficient planning. Activities such as marketing cannot afford too wide a margin of error. Instant, direct marketing such as social media and internet marketing, direct messaging, and digital marketing are ideal ways to target specific groups with the highest likelihood of visiting the pop-up.
2. "Locality" in pop-up culture uniquely challenges the pop-up restaurant to support local vendors. Larger, ongoing restaurants have the benefit of time to develop and cultivate relationships with vendors over a longer period of time. As most pop-ups thrive on their ability to attract sustainable-minded diners for whom supporting local farmers, for example, may be a priority in deciding where to dine, this challenges a hospitality manager to "buy local" to win support from local community members.
3. The temporary nature of the pop-up restaurant requires a novel conceptualization to be able to attract customers in a time-sensitive time frame. Unlike traditional restaurants, and while not impossible, it may be a challenge for a pop-up to host a celebration birthday party, for example, given the likelihood of the birthday coinciding with the pop-up restaurant date.
4. The "eating as experience" characteristic allows for a pop-up concept to be created around a specific food-based theme. One example is the San Francisco–based Lazy Bear. This monthly pop-up has two seatings and offers guests an interactive experience, which could include visiting the production kitchen and engaging with the chefs and back-of-house (BOH) production team.

## Servicescapes

Successfully designed and implemented pop-up restaurants pay attention to the importance of servicescapes. Servicescapes describe the physical surroundings within which a guest or diner is immersed. The concept is linked to the stimulus-response model, which argues that the guest experience is impacted by the physical environment.

Restaurant in Bangkok, Thailand



Elements of a servicescape include lighting, décor, furniture, fixtures, wall covering, signage, ceiling appointments, and ambience. Heizer (2021) classifies elements of servicescape into three broad areas, as shown in Table 1.2.

Table 1.2 – Elements of Servicescapes (Adapted from Heizer, 2021)

| Servicescape Element | Examples |
| --- | --- |
| Ambient conditions | Background characteristics (lighting, sound, smell, and temperature) |
| Spatial layout and functionality | Includes layout characteristics (customer circulation path, aisle characteristics, production/service flows) |
| Signs, symbols, and artifacts | Building design characteristics (building of social or historical significance) |

## Pop-up restaurant concept and design

We have discussed the concept of pop-ups and pop-up culture in hospitality. There are special characteristics of pop-ups that make them a unique and feasible alternative for chefs and restauranteurs to test novel menu items, feature seasonal dishes, and make use of underutilized resources within a specified period of time. These characteristics play an important role in determining how a pop-up restaurant is conceptualized and designed and the importance of taking into special consideration design features when planning a pop-up restaurant.

When preparing to conceptualize and design a pop-up restaurant, a number of internal and external characteristics must be taken into consideration. Internal characteristics concern the pop-up concept's mantra mission, guiding values and principles, production design, service (servicescape) design, and theme and team characteristics. External characteristics concern physical environment/location; business and community stakeholders; and ethics, responsibility, and sustainability.

### Internal design characteristics.

- Business mantra and mission
- Guiding values and principles
- Production design
- Service design, servicescapes
- Theme and team characteristics

### External design characteristics.

- External environment/location
- Business and community stakeholders
- Ethics, responsibility, and sustainability characteristics.

## Research and pop-up entrepreneurship

Information resources for pop-up restaurant concept and design ideation include the National Restaurant Association's yearly Culinary Forecast trends report, and Trend Hunter.com's pop-up

According to entrepreneurship and strategy expert Vaughn Tan, the best cutting-edge restaurant teams in the world characterize their work as uncertain rather than risky. This uncertainty mind-set motivates high-performing teams to seek out information—in other words, research—and to innovate in order to shape the future of food and beverage service (Tan 2020).

Similarly, pop-up ventures provide an opportunity to exercise an entrepreneurial mind-set, which is characterized by "uncertainty, complexity, time pressure, emotionality, and identity-investment" (Shepherd and Patzelt 2018). Research, documenting information and

ideas, evidence-based planning, a sense of humor, and self-efficacy—the belief that you are capable of succeeding in a new venture—will help you maintain a resilient entrepreneurial mind-set!

During the planning and research module, you will gather and document evidence and develop ideas for your restaurant concept and design and marketing and sales strategy, informed by your knowledge of the local market and industry and broader dining trends.

## KEY TERMS

- Ethics
- Locality
- Pop-up culture
- Pop-up restaurant
- Responsibility
- Restaurant dining
- Servicescapes
- Sustainability

## REVIEW QUESTIONS

1. Open your favorite web browser on your mobile or another device. In your search bar, type "pop-up restaurant near me." What does your search return? Take turns sharing with your class or a small team.
2. How has pop-up culture influenced hospitality?
3. Review the similarities and differences between pop-ups and traditional restaurants in table 1.1. What are some key considerations for hospitality managers conceptualizing a pop-up?
4. What is meant by the term servicescapes? What elements for a pop-up restaurant concept will impact the pop-up restaurant servicescapes? Provide specific examples.
5. What role does ethics play in planning and implementing a pop-up restaurant?
6. What role does responsibility play in planning and implementing a pop-up restaurant

## REVIEW ACTIVITY

1. Watch the Chick'N Out and the Pret a Diner videos. Note what you observe about the characteristics of pop-up restaurants in the videos and how these pop-up concepts are similar to (or different from) the pop-up restaurant you will create for your semester project. Be prepared to share your notes with your classmates.

2. Browse the culinary and pop-up trends from the National Restaurant Association and TrendHunter.com, and choose at least one example of a pop-up restaurant as a social enterprise: "London Restaurant Employing Immigrant Women in Need" (Vines 2015), "LA Chefs Turning Waste into Gold" (Choco 2021), or "Pop-Up Cafes Offer New Skills for Deaf" (via Cottell 2017). Combine culinary, pop-up, and social enterprise trends to brainstorm a concept for a social enterprise pop-up restaurant.

3. Watch the video "Singer Kelis Opens Pop-Up Restaurant in London." Prepare to discuss the following in class: What are the pros and cons of a celebrity opening a pop-up restaurant?

---

*One or more interactive elements has been excluded from this version of the text. You can view them online here: https://psu.pb.unizin.org/popuprestaurantbusinessguide/?p=5#oembed-1*

---

## POP-UP PROJECT TASK

Create a one-page concept statement or vision paper for a restaurant concept you would find appealing.

---

### CHAPTER REFERENCES

Aaltojärvi, Inari, Maija Kontukoski, and Anu Hopia. 2017. "Framing the Local Food Experience: A Case Study of a Finnish Pop-Up Restaurant." British Food Journal 120 (1): 133–45. https://doi.org/10.1108/BFJ-12-2016-0613 (Penn State–authenticated link).

Baras, Jeremy. 2015. PopUp Republic: How to Start Your Own Successful Pop-Up Space, Shop, or Restaurant. Hoboken, NJ: Wiley. https://learning.oreilly.com/library/view/popup-republic/9781119145912/ (Penn State–authenticated link).

Choco. 2021. "LA Chefs Turning Waste into Gold." Last modified January 11, 2021. https://choco.com/us/stories/waste-is-gold-campaign-los-angeles.

Clark, Maria. 2012. "Pop-Up Restaurants in New Orleans Move beyond One-Day Wonders." New Orleans CityBusiness, October 18, 2012. ProQuest US Newsstream (Penn State–authenticated link).

Cottell, Colin. 2017. "Pop-Up Cafes Offer New Skills for Deaf." Recruiter, April 20, 2017. https://www.recruiter.co.uk/depth/2017/05/pop-caf%C3%A9s-offer-new-skills-deaf.

Heizer, Jay, Barry Render, and Chuck Munson. 2021. Principles of Operations Management: Sustainability and Supply Chain Management. London: Pearson.

Lazy Bear. n.d. "Field Guide to Lazy Bear." Accessed April 13, 2022. https://www.lazybearsf.com/.

McKenzie, Max. 2012. "Chef Max McKenzie—Pop-Up Restaurant." Last modified November 29, 2012. YouTube video, 4:29. https://youtu.be/-hP2eBphJww.

National Restaurant Association (NRA). n.d. "Research Reports." Accessed January 17, 2022. https://restaurant.org/research-and-media/research/research-reports/.

News 8 WROC. 2020. "'Chick'N Out': A Pop-Up Restaurant like You've Never Seen." Last modified January 10, 2020. YouTube video, 3:51. https://youtu.be/U8CzalkK4qU.

On Demand News. 2016. "Singer Kelis Opens Up Pop-Up Restaurant in London." Last modified July 1, 2016. YouTube video, 2:13. https://youtu.be/Tomv-kx4-eA.

Pret a Diner. 2013. "Pret a Diner Berlin—Backstage, Pt. 2." Last modified February 22, 2013. YouTube video, 3:11. https://youtu.be/oFSbwCNxfcc.

———. 2017. "Pret a Diner | Opening Frankfurt 2017." Last modified September 19, 2017. YouTube video, 3:16. https://youtu.be/_a1phs_cl70.

Shepherd, Dean A., and Holger Patzelt. 2018. "Introduction." In Entrepreneurial Cognition, 1–5. Cham: Palgrave Macmillan. https://doi.org/10.1007/978-3-319-71782-1_1.

Tan, Vaughn. 2020. The Uncertainty Mindset: Innovation Insights from the Frontiers of Food. New York: Columbia University Press. http://cup.columbia.edu/book/the-uncertainty-mindset/9780231196895 (Penn State–authenticated link).

Trend Hunter. n.d. "Pop-Up Trends." Accessed January 17, 2022. https://www.trendhunter.com/tags/pop-up.

Vines, Richard. 2015. "The London Restaurant Employing Immigrant Women in Need." Bloomberg, April 27, 2015. https://www.bloomberg.com/news/articles/2015-04-27/london-pop-up-restaurant-company-mazi-mas-employs-immigrant-women-in-need-i9oh03kv.

Wimpsett, Emily (Elder). 2021. "Pop-Up Restaurants: Everything You Need to Know." QSR Automations. Accessed April 13, 2022. https://www.qsrautomations.com/blog/restaurant-management/pop-up-restaurants/.

Zavoral, Linda, and Jon Kawamoto. 2018. "Shutdown of a Pop-Up Restaurant Shocked Chef." East Bay Times, September 5, 2018. ProQuest US Newsstream (Penn State–authenticated link).

# CHAPTER 2 - ORGANIZATION AND MANAGEMENT

### PAULINE MILWOOD

*"People make the place."*
—Benjamin Schneider, *The People Make the Place*

## Learning Objectives

At the end of this chapter, students will be able to:

1. Understand and apply the concept of pop-up to management planning
2. Understand and apply the concept of pop-up to staffing needs, volunteers, and training
3. Identify gaps and opportunities in personnel planning for pop-ups
4. Create a protocol for team engagement and handling conflict for pop-ups
5. Apply the concept of bootstrapping to personnel planning for pop-ups
6. Create an organization structure for a pop-up restaurant.

## Chapter Warm-Up

### Prechapter Reading Materials

- "Building Innovation Dream Teams" in The Uncertainty Mindset: Innovation Insights from the Frontiers of Food (Tan 2020, 126–28)
- "Are You a Good Candidate to Host a Pop-Up?" (Baras 2015)

### Prechapter Exercises

- Think of a time or situation where you (or someone you know) were part of a team involved in achieving a specific goal or objective but were

unsuccessful in completing the goal. Describe how not achieving the goal impacted the team and what was learned from the experience.

- In teams, play the "Alone Together: Two Player Puzzle Game." Game instructions are found on the web page.

## Chapter Outline

- Management Planning for Temporary Occurrences
- Planning for and Handling Conflict in Pop-Up Teams
- Team Organization and Planning for Pop-Ups
- Gaps and Opportunities in Personnel Planning for Pop-Ups
- Organizing Pop-Up Teams

## Management planning for temporary occurrences

One of the most impactful decisions for planning for a pop-up is the formation of a core management and staff team to oversee activities and decision-making related to planning, organizing, implementing, and evaluating the pop-up restaurant. In fact, labor and staffing needs for the pop-up are just as important for permanent food-service operations. The temporary nature of the pop-up as well as the variation in what appeals to customers seeking a pop-up experience will influence how plans are made for organization and management. For example, pop-ups are short term, and position needs may invariably be filled with volunteers, family members, friends, students, interns, persons seeking part-time or "gig" employment, or other forms of temporary work.

### Food for thought!

"Hey, I only need a couple of people to work for a day or maybe a week, so I don't need to look for anyone with a lot of experience or relevant skills,' that should not be your attitude when wanting to pull off a

The temporary nature of the event may therefore not create opportunities for workers to establish and foster long-term service relationships with diners as traditional restaurants are able to do. This reality creates a need for teams to be organized, knowledgeable, and able to handle conflict when it does arise.

## Planning for and handling conflict in pop-up teams

Conflict, whether good or bad, is bound to arise within the pop-up management team, as creative or tactical differences often exist within talented and diverse teams. Often, hospitality managers will be responsible for handling conflict among team members who may be working together for the

first time. Conflict management is the application of strategies to settle opposing ideas, goals, and/or objectives in a positive manner (Walker 2021). To effectively manage conflict, hospitality managers must delicately navigate objective (facts) and subjective (emotions) realities surrounding the conflict case.

successful pop-up"

(Baras 2015).



Manager helping to resolve conflict between two team members

Walker (2021) suggests a five-step conflict management process:

- *Step 1: Analyze*. Managers and team members should analyze the conflict by asking:
    1. Who is involved?
    2. How did the conflict arise?
    3. Can a positive spin be put on the situation?
    4. Are there any secondary issues?
    5. Have positions been taken?
    6. Is negotiation plausible?
    7. Is there a way to serve all interests at hand?
    8. Are there external constraints/influences?
    9. Is there a previous history of conflict?

- *Step 2: Strategize*. Determine the type of strategy or approach that will be employed:
    ◦ Collaboration. Parties agree to consider the other party's point of view, and work together to resolve the issue.

- Compromise. Parties agree to a resolution which partially addresses concerns of both parties.
- Competition. Parties could seek team input or 'votes' to determine how an issue should be resolved.
- Accommodation. One party agrees to give 'space' to the other party's concerns at the potential detriment of their own concerns.
- Ignorance/Avoidance. As the name suggests, ignore or avoid the conflict in the hope that the situation will 'go away' or resolve itself.
- Step 3:*Pre-negotiate*. This step involves bringing together the parties to agree on the key negotiable and non-negotiable issues central to the conflict; how the conflict will be resolved; and the possible need for a conflict mediator (e.g., course instructor, manager).
- *Step 4: Negotiate*. This step involves discussing the issues leading to the conflict, determining a feasible set of possible solutions, and deciding to accept and commit to the solution most universally acceptable to all parties.
- Step 5: *Implement and Monitor*. The parties involved should actively pursue the solution agreed to. Managers should continue to monitor the situation to ensure follow through by all parties.

---

### Food for thought!

"It is tempting as a manager to ignore conflict, or to just tell your employees to get along. If you discourage reports of friction, you might shut off a crucial flow of information that could lead to innovation" (Walker 2021).

Effective conflict management leads to happy and motivated restaurant teams.

## Team organization and planning for pop-ups

Assembling a well-rounded mix of hospitality student or hospitality manager talent is a core part of planning and a critical ingredient to the successful implementation of the pop-up restaurant. An effective team organization plan will result in a more efficient and effective planning process. Similar to traditional restaurants, pop-up managers are responsible for the basic leadership roles associated with planning, organizing, communicating, decision-making, motivating, and control.

It is generally a good principle to organize team members according to their individual strengths, skills, and abilities. For example, a student manager who is comfortable with numbers and figures may be key to budget planning and control during the development stage of the project. A student manager with significant BOH experience may be key to production management and working in the kitchen on the night of the event, while a student manager who loves interacting with guests and is comfortable resolving service concerns may be key to communicating and motivating front-of-house (FOH) team members.

Food production (BOH) and food service (FOH) managers must communicate to plan and deliver high-quality dining experiences.

## Gaps and opportunities in personnel planning for pop-ups

Whatever the goal of the pop-up restaurant experience being planned, there is always the possibility of insufficient human resources to effectively plan and execute the event. Insufficient human resources can create gaps and opportunities in the planning for the pop-up event. For example, the absence of a permanent, in-house chef affords an opportunity to reach out to local chefs interested in engaging in a community-based project. Depending on the frequency or duration of the pop-up restaurant, new dishes, cuisines, and culinary talents may be featured across the same or multiple "visiting" chefs. A personnel planning gap for culinary talent also provides an opportunity for industry partnership. For example, a hospitality management degree-granting program at a public university or college might want to reach out to a neighboring hotel or restaurant to partner for the use of the hotel's executive chef at the pop-up restaurant. These forms of public-private partnerships (PPPs) are both a great way to strengthen relationships between the industry and academia and key to gaining support from potential diners who want to support sustainable community partnerships while experiencing high-quality dining.

Due to the temporary nature of the event, the use of easily accessible and least-cost resource alternatives (e.g., volunteers, student interns) should be pursued. The

term bootstrapping is an entrepreneurship-based term that describes starting up or launching a new business using existing or minimal resources. Effective bootstrapping for pop-up restaurant human resource needs is critical to overcoming some of the challenges associated with pop-up restaurants. First, the temporary nature of pop-up events means that the owner/managers will not necessarily have the ability to offer employee benefits (e.g., health insurance, vacation time) to attract workers. Second, local laws and regulations may require food safety–certified workers. Depending on prevailing unemployment trends, freelance and "gig" workers may be in great supply. It is, however, the responsibility of the pop-up management team to ensure these individuals are certified to safely handle food being served to the public. A third challenge associated with personnel gaps is the likelihood of team conflict, given that the need for short-term work may lead to volunteers, students, and interns working together for the first time.

Understanding small group dynamics and effectively managing the five stages of small group development are therefore critical to managing personnel gaps within the pop-up restaurant team. In addition, providing necessary training for FOH and BOH team members is critical to successfully implementing the pop-up event. Table 2.1 shows key positions of production (BOH) and service functions (FOH) and the supporting roles across the four phases of planning, developing, implementing, and evaluating a pop-up restaurant project.

## Table 2.0 – Management functions and roles in pop-up restaurant planning

| Topic | Production (BOH) | Service (FOH) |
|---|---|---|
| Planning & Research | Budget/Financial manager<br>• prepare, monitor budget<br><br>Hospitality manager<br>• concept, share vision<br>• guiding value principles | Researcher<br>• data analytics<br>• market, industry research<br>• marketing research<br><br>Hospitality manager<br>• key performance indicators (KPIs) |
| Development & Design | Food & beverage manager/Chef<br>• menu development<br>• recipe management<br>• food safety plan<br>• kitchen layout<br><br>Human resource manager<br>• manpower needs<br>• training | Dining room/Service manager<br>• venue planning and décor<br>• guest feedback system |
| Implementation | Budget/Financial manager<br>• monitor budget<br>• approve budget<br><br>Food & beverage manager/Chef<br>• set-up/pre-prep (BOH)<br>• taste test session<br>• production<br>• food safety, sanitation<br>• clean-up (BOH)<br><br>Purchases manager<br>• vendor ID, request<br>• inventory management | Dining room/Service manager<br>• set-up (FOH)<br>• breakdown (FOH)<br><br>Reservations manager<br>• manage reservations<br>• training<br><br>Social media and marketing<br>• create brand ID materials<br>• promote event<br>• engage customers<br>• sponsorship |
| Evaluation | Budget/Financial manager<br>• income & expenditure report<br>• invoice, receipt management | Dining room/Service manager<br>• guest feedback report<br>• thank you, courtesies |

## KEY TERMS

- Bootstrapping
- Conflict management
- Organization plan
- Personnel gaps
- Team

## REVIEW QUESTIONS

1. What are some of the characteristics of successful pop-up management teams?
2. Discuss the pop-up concept from the perspective of Taylor, DiPietro, and So (2018). What are the key features of pop-ups that require critical management planning?
3. How does planning for management and staffing needs differ between a pop-up versus traditional dining?
4. What are the unique issues and challenges to personnel planning for a pop-up restaurant?

## REVIEW ACTIVITIES

1. Assemble in teams of two members each. Select one strip of paper from a bowl provided by your instructor. Sitting opposite and facing your team member, open your internet browser and navigate to "Alone Together: Two Player Puzzle Game." Read the tips and instructions provided. If your strip of paper reads "Player 1," click "Start Player 1." If your strip of paper reads "Player 2," click "Start Player 2." Each team has one hour to solve the puzzle. At the end of the session, reassemble as a class. Appoint a scribe to take a poll on which teams were successful and which teams were unsuccessful in completing the puzzle. Discuss similarities and differences between successful and unsuccessful teams.

2. Reflect on the ten-minute read "Are You a Good Candidate to Host a Pop-Up?" (Baras 2015). Share your response to this question with your team members.

### POP-UP PROJECT TASK

1. Using your knowledge of conflict resolution and discussions in this chapter, create a policy statement for how your pop-up management team will make decisions and handle conflict when it arises among team members.
2. Design an organizational plan for your pop-up team, identifying clearly production (BOH), service (FOH), and support flows. Note: a thoughtful plan will identify personnel gaps and ways to address them (e.g., by hiring volunteers).

CHAPTER REFERENCES

Baras, Jeremy. 2015. PopUp Republic: How to Start Your Own Successful Pop-Up Space, Shop, or Restaurant. Hoboken, NJ: Wiley. https://learning.oreilly.com/library/view/popup-republic/9781119145912/ (Penn State–authenticated link).

Schneider, Benjamin. 1987. "The People Make the Place." Personnel Psychology 40 (3): 437–53. https://doi.org/10.1111/j.1744-6570.1987.tb00609.x.

Tan, Vaughn. 2020. The Uncertainty Mindset: Innovation Insights from the Frontiers of Food. New York: Columbia University Press. http://cup.columbia.edu/book/the-uncertainty-mindset/9780231196895 (Penn State–authenticated link).

Taylor, Scott, Jr., Robin B. DiPietro, and Kevin Kam Fung So. 2018. "Increasing Experiential Value and Relationship Quality: An Investigation of Pop-Up Dining Experiences." International Journal of Hospitality Management 74:45–56. https://doi.org/10.1016/j.ijhm.2018.02.013 (Penn State–authenticated link).

Walker, John R. 2021. The Restaurant: From Concept to Operation. Hoboken, NJ: Wiley.

West Chester University. 2020. "Tuckman's Stages of Group Development." https://www.wcupa.edu/coral/tuckmanStagesGroupDelvelopment.aspx.

# SUPPLEMENT: FLOW EXPERIENCE

### PAULINE MILWOOD

*Flow—joy, creativity, the process of total enjoyment with life.*
—Mihaly Csikszentmihalyi, "***Flow, the Secret to Happiness***"

## LEARNING OBJECTIVES

At the end of this chapter, students will be able to:

1. Understand the concept of flow
2. Role-play as student-manager/team member in an online game.

## CHAPTER WARM-UP

## PRECHAPTER READING MATERIALS

- "Flow, the Secret to Happiness" (Csikszentmihalyi 2008)
- "Mihaly Csikszentmihalyi: U. of C. Professor Developed Concept of 'Flow' Frame of Mind" (Goldsborough 2021)
- "Happiness and the Art of Innovation" (Rodrigues 2006)

## PRECHAPTER EXERCISES

- Review the eight-channel model of flow (FightMediocrity 2015).
  - Can you think of a course (or project) you have completed at Penn State Berks that has caused you to experience the "High Skills / Low Challenge" ("Boredom") quadrant? Explain.
  - Can you think of a course (or project) you have completed at Penn State Berks that has caused you to experience the "Low Skills / High Challenge" ("Anxiety") quadrant? Explain.
- Read this quote from Rodriguez (2006): "Think about a new work assignment. How complex and challenging is it relative to what you've

done before? Are the goals clear? If it's too complex and too fuzzy, and if you're at all like me, you'll end up sitting around scared out of your gourd, your IQ will drop by 100 points, paralysis will set in, and not much will get done. On the other hand, if you've done it a dozen times before, you're likely to do it in a bored, rote way. Either scenario leads us away from innovative behaviors and outcomes." Reflect on this quote as it relates to your HM 430 project. Identify two conditions that will help your creativity and innovation in the next several weeks as you plan and implement a real-world pop-up restaurant.

## FLOW

The psychological concept of flow was developed by Hungarian-American social theorist Mihaly Csikszentmihalyi and describes a state of heightened focus and immersion in activities such as art, play, and work. It is a state in which team members are so involved in an activity that nothing else seems to matter. Csikszentmihalyi's theory argued that individuals are happiest when they are in a state of concentration or complete absorption with an activity or situation. Importantly, a state of flow is an optimal state of intrinsic motivation where a person is so fully immersed in a task at hand that they experience great absorption, engagement, fulfillment, and skill, sometimes referred to as "being in the zone." Scientists, athletes, authors, and persons who engage in meaningful work tend to experience flow from a continued state of hyperfocus and complete engagement with their projects.

**Food for thought!**

Ever heard the reference that someone "lost track of time"? That condition of being so absorbed with a task that you can work for hours without even remembering to eat is the experience of flow!

According to Nakamura and Csikszentmihalyi (2014), there are five factors that contribute to the experience of flow:

1. Intrinsically rewarding process and outcome
2. Clear goals and a sense of progress
3. Clear and immediate feedback
4. Match of challenge and skill
5. Intense focus on the present

The achievement of a flow state is not a conscious decision or set of actions. By its very nature, flow necessarily occurs without conscious effort. Consequently, it is the role of team leaders (student manager, hospitality manager) to create conditions conducive to members' experience of flow.

### FLOW AND REAL WORLD PROJECTS

You may be wondering why this business guide began with a chapter on the psychological concept of flow. The idea of being completely absorbed with a task or situation is important when it comes to planning, developing, and implementing a

successful pop-up restaurant. Team members should be fully absorbed in the very experiences or conditions of hospitality that they are designing for guests. This level of immersion can, however, lead to challenges in the design process, due mainly to diverse and strongly held ideas.

Commitment to the conditions associated with a flow experience will help keep a deliberate and purposeful focus on project goals a healthy challenge. These challenges, in turn, become associated with the team process and keep members, individually and collectively, motivated toward successful completion.

Because planning a pop-up restaurant can be a time-consuming and challenging project, flow theory suggests that it is important that team members have the following:

1. A shared passion for the project
2. A shared and clear understanding of desired goals/outcomes
3. Skill sets appropriate to and matching assigned tasks
4. An ability to focus on and take ownership of work to be completed
5. Desire for team over individual wins



Restaurant kitchen team experience flow, as they engage in production tasks.

## KEY TERMS

- **Eight-channel model of flow**
- **Flow**

## REVIEW QUESTIONS

1. Based on your reading of this chapter, what is meant by the term flow?
2. What are some characteristics one might observe from a person experiencing flow?
3. How can flow contribute (positively or negatively) to a team's function?
4. Review the eight-channel model of flow. Based on your understanding of

the concept of flow, why does flow occur at "high-skill, high-challenge" levels?

## ACTIVITY ACTIVITIES

1. Form small team(s) of five to eight members. Log in to Canvas. Click on the "Sweep the Pineapple Suite" page. Follow the instructions and complete the activity. Notify the instructor once you have successfully completed the exercise.
2. You will receive a reflection sheet from your instructor. Based on your understanding of the flow experience discussed in this chapter, describe your and your team members' behaviors. Do you think you experienced flow while performing this activity? Explain.

### CHAPTER REFERENCES

Csikszentmihalyi, Mihaly. 2008. "Flow, the Secret to Happiness." Posted October 2008. TED video, 18:55. https://www.ted.com/speakers/mihaly_csikszentmihalyi.

FightMediocrity. 2015. "Flow by Mihaly Csikszentmihalyi | Animated Book Summary." Last modified June 19, 2015. YouTube video, 5:20. https://youtu.be/8h6IMYR0CZw.

Goldsborough, Bob. 2021. "Mihaly Csikszentmihalyi: U. of C. Professor Developed Concept of 'Flow' Frame of Mind." Chicago Tribune, November 25, 2021. https://www.chicagotribune.com/news/obituaries/ct-mihaly-csikszentmihalyi-obituary-20211123-dcp7dfmkbnf3zo66lr25vhxi2a-story.html (Penn State–authenticated link).

Nakamura, Jeanne, and Mihaly Csikszentmihalyi. 2014. "The Concept of Flow." In Flow and the Foundations of Positive Psychology, 239–63. Dordrecht: Springer. https://doi.org/10.1007/978-94-017-9088-8_16 (Penn State–authenticated link).

Rodriguez, Diego. 2006. "Happiness and the Art of Innovation." Businessweek, March 6, 2006. (Penn State–authenticated link).

Spencer, John. 2017. "What Is Flow Theory? What Does This Mean for Our Students?" Last modified December 3, 2017. YouTube video, 4:47. https://youtu.be/iUsOCR1KKms.

Wikipedia. n.d. "Mihaly Csikszentmihalyi." Accessed April 13, 2022. https://en.wikipedia.org/wiki/Mihaly_Csikszentmihalyi.

WiserEveryDay. 2020. "Flow Theory by Mihaly Csikszentmihalyi (1975)." Last modified December 4, 2020. YouTube video, 3:41. https://youtu.be/oGJi7i1Ife0.

# CHAPTER 3 - MARKET AND INDUSTRY ANALYSIS

## PAULINE MILWOOD AND SARAH HARTMAN-CAVERLY

*Planning your pop up may seem dull when you just want to get your teeth into putting on your event, but this part of the process is the way you iron out problems and pitfalls before making them—don't shy away from it!*
—Abigail Alldis and William Alldis, *How to Run a Pop-Up Restaurant or Supper Club*

### Learning Objectives

At the end of this chapter, students will be able to do the following:

1. Explain important market segmentation considerations for pop-up restaurants
2. Explain key market, industry, and positioning issues related to pop-up restaurants
3. Explain the role social media marketing plays in pop-ups' promotion strategies

## Chapter Warm-Up

## Prechapter Reading Material

- Discover emerging consumer trends with this guided exploration of TrendHunter.com. You will have the option to email yourself your results for personal reference.

## Prechapter Exercise

- Take a moment and review the IBISWorld database in the research guides (log-in may be required). Identify three key market trends and three key industry trends that characterize the following:
    - global full-service restaurant industry

## Chapter Outline

- Planning and Researching Your Pop-Up Restaurant
- Market Segmentation and Demand Analysis
- Budget and Pricing Decisions
- Duration
- Bootstrapping
- Planning for Success

## Planning and researching your pop-up restaurant

Conducting research to identify gaps in the market and trends in the industry is a critical step before deciding on and finalizing a restaurant concept. Locating and understanding market gaps, or areas of unmet need in the market, allows for a meaningful and targeted response with a concept that not only excites but entices demand for products and services with seasonal or infrequent availability to diners. To ensure a sound understanding of market gaps and industry trends, it is important for the pop-up restaurateur or hospitality manager to access a wide cross-section of data sources that can provide valuable insight into the market and industry.

Data may be divided into primary and secondary sources. Primary data are data collected directly by the researcher from a respondent. Secondary data are data collected by another source and made available to the researcher. Examples of data-collection methods include surveys, interviews, questionnaires, polls, observation, reviews, and publicly accessible reports.

When planning and researching a pop-up restaurant, there are a number of sources of data available to the hospitality manager. These include locals, residents, food magazines, food critics, local chefs, restaurateurs, big-city "foodie" venues, trade and professional association publications, future competitors, online reports, and research databases.

Resources for analyzing the restaurant and dining industry include research from professional organizations and market research firms. The National Restaurant Association reports a range of industry metrics, including an annual culinary trends forecast. The Pennsylvania Restaurant and Lodging Association offers news about the hospitality industry in the state, including in their quarterly magazine aimed at industry professionals. The market research firm Richard K. Miller & Associates publishes a yearly Restaurant, Food and Beverage Market Research Handbook.

It is also useful to understand the local restaurant and dining market. Dining guides from destination marketing organizations / convention and visitors bureaus (DMOs/CVBs), such as the Pennsylvania Americana Region dining guide or VisitPA "Foodie Fun" guide, provide information about food and beverage establishments in the region. DMO/CVB dining guides reveal the local culture, including culinary events and traditions; regional cuisine, flavors, and ingredients; and an understanding of market demographics and price points.

Demographic data from the US Census Bureau, including median household income, age distribution and family characteristics, and race, ethnicity, and country of origin information can also support consumer profiling to inform restaurant concept design and marketing strategies.

## Market segmentation and demand analysis

Among the most important principles of accessing and using data is ensuring that the "voice" of future customers is heard. This is the single most important stage before deciding on your pop-up concept. Market and industry knowledge will help the restaurateur or hospitality manager gauge food tastes, preferences, and trends in popular culture and, in turn, develop a pop-up concept relevant to these realities. Learning from other restaurateurs will also help you avoid problems and pitfalls. To this end, food blogs, social media sites (e.g., Instagram, Twitter, Snapchat, Facebook), and other social networking sites are used by restaurateurs and their followers to not only learn from a variety of sources but also inform and engage members of the target audience about pop-ups when implementing the pop-up's marketing and sales plan (chapter 4).

Social media is an important tool for learning about and understanding your pop-up restaurant target market.

Walker (2021) suggests two factors which can help popupreneurs assess market demand:

1. Population in the catchment area (the area around the pop-up restaurant from which people would normally be drawn to the restaurant).
2. The demographic split of this population by nationality, race, age, sex, religion, employment, education, and income.

To help determine the market potential for your pop-up restaurant, Walker (2021) suggests asking, How many people in the market area are potential customers? What is the potential for breakfast, lunch, or dinner? Will your pop-up restaurant attract guests from outside the immediate market area? Is your market the tourist, the businessperson, the highway traveler, the person in the neighborhood, or some combination of these? Use of the above factors and questions helps ensure a more accurate estimate of the potential market demand for your pop-up restaurant and provides a basis on which to target specific segments of the market.

Market segmentation (discussed in chapter 4) involves grouping customers into smaller "subsets" based on needs and behaviors. This allows the pop-up manager to better understand the needs of their specific customer group. Segmenting the market helps the pop-up manager better position the pop-up ("product positioning") and integrate limited marketing resources with other marketing variables, such as place, price, and promotion.

Market segmentation may be conducted across four variables:

1. Geographic variables
2. Demographic variables
3. Psychographic variables
4. Behavioral variables

Understanding market and industry conditions includes an analysis of competitors. A competitor profile matrix (CPM) is part of the external assessment and helps

identify and rank your pop-up restaurants against potential competitors. The CPM identifies major competitors relative to a firm and its particular strengths and weaknesses relative to the sample firm's position. These rankings are based on key success factors (KSFs), such as product/service quality, customer loyalty, advertising, management, market and financial position, and price competitiveness. In the case of a pop-up restaurant, competing forces may include nearby restaurants, events (e.g., festivals, concerts), attractions (e.g., cinemas, theater performances), and seasonal food services (e.g., food trucks, ghost kitchens). Each factor is weighted and ranked according to its comparative high/low position relative to the focal pop-up business. Results should reflect which factors the pop-up is able to more effectively use to compete against rivals.

A SWOT analysis is part of an internal assessment and rates a focal pop-up business in terms of its strengths, weaknesses, opportunities, and threats. Key internal factors for a pop-up restaurant include managerial skills/talent, financial stability, highly skilled personnel/team, brand recognition, and high-quality product/service. Key external factors for a pop-up restaurant include high disposable income target market, low unemployment, availability of seasonal ingredients, support for the local economy, and desire for novel dining experiences. Matching key internal strengths with external opportunities can lead to the creation of a successful marketing and sales strategy (chapter 4).

## BUDGET AND PRICING DECISIONS

As the researcher becomes familiar with market and industry trends, other aspects of the restaurant concept become clearer to design. A feasible pop-up restaurant concept must consider critical budget and pricing factors related to direct (e.g., food, beverage, labor) and indirect (e.g., rent, licenses/permits, decór, marketing) expenses and further, evaluating these expenses against the best estimates for sales and revenue. (Budgets and pricing is further discussed in Chapter 5).

## DURATION

Perhaps the single most important step to determining a budget for expenses and revenues relates to the duration of the pop-up. Will the pop-up run for one evening? Three days? One week? Three times per quarter? The duration of the pop-up establishes financial limits for projecting the number of covers (i.e., plates, guests) to be served and the accompanying revenue associated with the number of covers. The second most important step is determining the budget of the location, or capacity, of the pop-up. Will the pop-up be held in a small, medium, or large venue? To achieve sales targets, a smaller venue will require "turning over" covers at a higher rate than

the larger venue. For example, let us compare a thirty-seater capacity venue with a six-seater capacity. To achieve a sales target of one hundred covers, the thirty-seater venue will have to turn over covers at a rate of approximately 3.4 times the venue capacity (30 * 3.4 = 102). On the other hand, the sixty-seater venue will have to turn over covers at a rate of approximately 1.75 times the venue capacity (60 * 1.75 = 105) to achieve a sales target of one hundred covers. Understanding the relationship between venue capacity and the number of covers will also help the restaurateur make critical pricing decisions.

## Bootstrapping

Restaurateurs are always reviewing budget plans to see how they can reduce costs. Cost reduction is an important component of planning for the pop-up restaurant given the temporary nature of the experience. Taking steps to borrow equipment, engage informal labor (e.g., qualified family or friends), or market in-house are all examples of a concept known as bootstrapping.

Bootstrapping helps the hospitality manager offset otherwise costly, long-term investments with temporary, short-term cost alternatives. Renting kitchen equipment for a nominal or zero-cost fee instead of purchasing new equipment is an example of bootstrapping. Cross-training current employees instead of hiring new ones is another example of bootstrapping, as is engaging special groups of individuals such as students seeking to earn internship hours. Obtaining permission to utilize a venue for free or for a nominal rent provides a further bootstrapping example. In the case of pop-up restaurants, venues must be flexible and have the ability to be retrofitted and dismantled with relative ease, thereby supporting the temporary nature of the event.

There are, however, major elements of budget and pricing decisions that may not be bootstrapped. Examples include specialty foods and beverages and expert talent and skills, such as those provided by an executive or master chef, sommelier, or specialty-trained service persons.

## Planning for success

- What is success? (Baras 2015)

Planning for success is a crucial part of the concept and design phases of the pop-up restaurant. Knowing what a successful outcome looks like and understanding how to measure this outcome form an important part of planning and doing research. Key success factors (KSFs) or key performance indicators (KPIs) provide a basis on which to conduct a focused evaluation of whether the pop-up restaurant achieved its project goals. KPIs may be related to service quality or financial return.

## KEY TERMS

- Budget
- Competitor profile matrix
- Key success factors (KSFs) or Key performance indicators (KPIs)
- Market analysis
- Market segmentation
- Planning
- Pricing
- Research

## REVIEW QUESTIONS

1. What are primary and secondary data sources? How are they different?
2. What are the benefits and pitfalls of using primary data?
3. What are the benefits and pitfalls of using secondary data?
4. Why is it important to undertake research before deciding on a pop-up restaurant concept?
5. Having a pop-up run over two or more evenings, is generally favorable to setup costs. Why?
6. What have you learned about your target market that you did not know before? How will this influence changes to your pop-up restaurant concept, if any at all?
7. Why is social media marketing most favored in advertising and promoting pop-up restaurants?

## REVIEW ACTIVITY

1. Read the Market Summary (pp. 16-18) and Dining Out – Demographics (pp. 31-33) sections of the Restaurant, food & beverage market research handbook 2022by RKMiller (ebook, requires PSU authentication). Compare this information to what you find in the Pennsylvania Americana Region Dining guide, VisitPA Foodie Fun guide, and Census Profile for Reading city, Pennsylvania. What restaurant and consumer trends do you suggest incorporating into your pop-up plan?
2. Using hashtags (e.g., #popuprestaurant, #popup, #foodie) perform an information search on *Twitter* or other social networking site. What can you tell about the market for pop-up dining? Share your findings with the class.

## Chapter References

Alldis, Abigail, and William Alldis. 2015. How to Run a Pop-Up Restaurant or Supper Club: Turn Your Passion for Food or Drink into Profit. London: Robinson.

Baras, Jeremy. 2015. PopUp Republic: How to Start Your Own Successful Pop-Up Space, Shop, or Restaurant. Hoboken, NJ: Wiley. https://learning.oreilly.com/library/view/popup-republic/ 9781119145912/ (Penn State–authenticated link).

Commonwealth of Pennsylvania, Department of Community and Economic Development. 2021. "Foodie Fun." VisitPA. Accessed April 13, 2022. https://www.visitpa.com/foodie-fun.

Miller, Richard K., and Kelli Washington. 2021. Restaurant, Food, and Beverage Market Research Handbook 2022. Miramar, FL: Richard K. Miller & Associates.

National Restaurant Association. n.d. "Research." Accessed January 17, 2022. https://restaurant.org/research-and-media/research/.

Pennsylvania Restaurant & Lodging Association. n.d.-a. "News Center." Accessed January 17, 2022. https://prla.mynewscenter.org/.

———. n.d.-b. "Pennsylvania Restaurant & Lodging Matters." Accessed January 17, 2022. https://www.prla.org/magazine.html.

Pennsylvania's Americana Region. n.d. "Dining." Accessed April 13, 2022. https://visitpaamericana.com/dining/.

US Census Bureau. n.d. "Reading City, Pennsylvania." Accessed April 13, 2022. https://data.census.gov/cedsci/profile?g=1600000US4263624.

Walker, John R. 2021. The Restaurant: From Concept to Operation. Hoboken, NJ: Wiley.

# CHAPTER 4 - MARKETING AND SALES STRATEGY

### PAULINE MILWOOD AND SARAH HARTMAN-CAVERLY

*"Every event is a learning experience, and each better than the last."*
—Chef Shuchi Naidoo, **PopUp Republic**

## LEARNING OBJECTIVES

At the end of this chapter, students will be able to:

1. Explain important market segmentation considerations for pop-up restaurants
2. Identify and describe key market, industry, and positioning issues related to pop-up restaurants
3. Explain the role social media marketing plays in advertising and promotion strategies for pop-up restaurants
4. Create a marketing and sales plan based on an understanding of the seven Ps of marketing

## CHAPTER WARM-UP

## PRECHAPTER READING MATERIALS

- "How to Manage It All" (Baras 2015)
- "Eminem Has a Mom's Spaghetti Pop-Up at Coachella" (Harris 2018)
- Food and Beverage Cost Control (Dopson and Hayes 2019, 38–41)

## PRECHAPTER EXERCISE

- Read the interview with Chef Shuchi Naidoo, founder of Twenty-Nine Calories Pop-Up Restaurant (Baras 2015, chap. 35). What do you think accounts for Chef Naidoo's increasing success with each staging of her pop-ups?

## Market segmentation

**Market segmentation** involves grouping your customers into smaller "subsets" based on needs and behaviors. This allows management to better understand the needs of specific customer groups, position and use limited marketing resources, and integrate other variables (e.g., product, place, price) seamlessly. Markets may be segmented according to several variables. Regardless of the variable or variables selected, the objective of segmentation will always focus on defining traits associated with specific customer groups in an effort to identify and target niche groups of customers likely to respond to marketing stimuli.

SimplyAnlaytics is a demographic and market research database that supports market segmentation. SimplyAnalytics provides various data tables, including ring studies, and also maps data points by location. See the SimplyAnalytics Data Cookbook for examples.

Geographic segmentation groups customers according to their physical location or region. Geographically segmented factors include region (e.g., the South, the Midwest, the East Coast), density (e.g., urban, rural, suburban), and climate (e.g., northern, southern). Geographic segmentation allows the marketer to determine an optimal strategy for reaching customers in a precise locale or design and develop dining experiences based on seasonal factors (e.g., fall vs. summer menu). Pop-up restaurant marketers may find geographic segmentation helpful in identifying and attracting potential diners located in nearby and surrounding neighborhoods and communities or target diners likely to be part of larger groups visiting an area for a festival or event.

Demographic segmentation groups customers based on factors such as age (baby boomer, millennial, Gen Xer, Gen Yer, Gen Zer), gender (male, female, other), or income (<$10k, $15k–$20k, >$50, $50k–$100k, >$100k).

Demographic segmentation allows marketers to target groups best matched to product and service offerings. Examples include targeting individuals with an annual income of between $65,000 and $95,000 for a haute cuisine dining experience or targeting college students for a pop-up food truck on game day. Other demographic segmentation variables include education and nationality.

Psychographic segmentation groups customers based on various psychological or social factors. Examples include social class and personality. Psychographic segmentation is especially valuable in the internet and social media era, where marketing is heavily geared toward "leader/follower" and "celebrity/stan" identities. Influencer marketing has grown significantly in the past decade, and brands seeking to identify their pop-up with a certain name or personality will find psychographic segmentation helpful (see Harris 2018).

Behavioral segmentation groups customers based on factors such as status, attitudes and values, and motivation for purchase. Attitudes and values include food enthusiasts ("foodies") or novelty-seeking factors of segmentation. In the case of an educational institution marketing a pop-up, examples could be to segment and target alumni, donors, and other individuals with existing levels of "loyalty" to the institution.

**7 PS OF MARKETING**

Depending on who you ask, various schools of marketing identify 4- or 5- or 7-P's of marketing, commonly referred to as the marketing mix, to include any or all of the following:

1. **Price**
2. **Promotion**
3. **Place**
4. **Product**
5. People
6. Physical environment
7. Process

For purposes of this text, we will discuss the first four factors, considered most relevant to a pop-up restaurant business. Price can act as a signaling mechanism for your pop-up restaurant. As the only revenue-impacting factor, price points should reflect perceived benefits or value in the mind of the diner. Common approaches to pricing are cost-based and contribution margins, where the former considers input costs and the latter considers the desired profit level as a starting point.

Promotion refers to the collective effort to attract and retain repeat customers. The very nature of a pop-up restaurant is promotional—whether it features new menu items, new chef talents, or new ingredients. Advertising and promotional activities have become increasingly sensitive to customer needs in the post-COVID-19 era. For example, in the face of rising prices and disrupted supply chains, several restaurants have had to increase their prices. To counter negative perceptions, especially among

loyal customers, promotional specials (e.g., conversion to a prix-fixe, use of tasting menus) have been employed to attract and retain business. Promoting a pop-up restaurant is facilitated by the novelty factor that appeals to customers.

Place encompasses the physical location of the pop-up and is reflected in both the nature of the pricing and the promotion strategies employed. More than any other factor, place has been impacted by COVID-19, as at the time of this writing, patrons remain hesitant to dine out in public spaces. To enhance appeal, pop-up restaurants employ servicescape strategies to create a memorable experience—for example, pairing food with art in a local gallery, pairing food with music in a local jazz house or garden, utilizing rustic food ingredients that feature locality in a barn or farmhouse, and pairing food with the arts in a theater.

Product or service offerings represent both tangible and intangible parts of the pop-up experience. The physical food, ambience, and service quality amount to the delivery of a hospitality experience. For this reason, popupreneurs must consider the holistic experience of customers rather than discrete and separate components. According to Taylor, DiPietro, and So (2018), pop-up restaurants draw the experiential diner—an individual who craves an exciting dining experience and not just an amazing meal.



A successful pop-up restaurant creates a winning Place strategy as part of its marketing and sales mix.

## Market positioning

Market or product positioning involves the placement of a product or service relative to rivals and competitors and is associated with much of the image-based marketing currently seen on social and other media. Effective positioning of a product/service

leads to a greater likelihood of success in reaching the target customer. **Perceptual mapping** involves the placement of the product or service based on how it is seen by the consumer. Marketers base their product-positioning decisions on where vacant niche (unmet need) may exist in the market. The use of product-positioning maps helps pop-up marketers determine the optimal placement of a pop-up. This may be determined by (consumer) affordability, luxury, innovativeness, or conservative-versus-traditional market variables.

## Sales forecasting

A plan or forecast for sales helps with the projection of key inputs such as food, beverage, labor, and space (layout). Restaurants typically use historical sales data for forecasting. However, in the absence of data, what options exist? Let's look at an example: Given the following historical data on pop-up restaurant dinner sales at Penn State Berks, what insight could be derived to help forecast 2022 sales (total number of dine-in and takeout guests)?

| Year | Name of pop-up Restaurant | Dine-in (#) | Takeout (#) |
|------|---------------------------|-------------|-------------|
| 2018 | The Lion's Gate | 80 | 1 |
| 2019 | The Golden Lion | 110 | 3 |
| 2020 | n.d. | n.d. | n.d. |
| 2021 | The Daylight Bistro | 101 | 23 |
| 2022 | ? | ? | ? |

### ADVERTISING AND PROMOTION

Promoting the pop-up restaurant. The advertising and promotion of the pop-up restaurant involve understanding key components of the event budget, the target market, and the desired positioning strategy. Given the nature of the pop-up dining experience, the role of nontraditional marketing media—in particular, social media—is important to the marketing strategy.

Social media and internet marketing. Chapter 1 discussed the benefits of pop-up restaurants' use of social and internet marketing strategies. Social media marketing (SMM) is a form of digital marketing that directly engages existing and potential customers. Popular examples of SMM platforms include Instagram, Meta (formerly Facebook), and Twitter. Whereas traditional marketing heavily utilizes print media

> The eMarketer database provides reports on market segments, industries, and advertising & marketing trends. The Balance Small Business offers a restaurant advertising and marketing guide.

(e.g., billboards, newspapers) or broadcast media (e.g., radio, television), SMM provides a real-time mass exchange of digital ads and marketing messages between marketers and individuals in their target market. Traditionally, a restaurant would advertise its menu and location. Today, they may opt to engage customers by posting images of prepared plates, posting recipes, or having their chef demonstrate a cooking technique on their social media page.

SMM is critical to strategically marketing a pop-up restaurant and is more a matter of engaging rather than informing the customer. The online community is similar to the offline community, with the exception that engagement is faster, cheaper, and more effective. SMM is far more dynamic, as it can reach a wider audience, spur dialogue, and create relationships. In addition, SMM levels the playing field among small and large competitors and can significantly reduce marketing budgets.

## KEY TERMS

- Influencer
- Market positioning
- Market segmentation
- Perceptual mapping
- Sales forecasting
- Seven P's of marketing
- Social media marketing

## REVIEW QUESTIONS

1. What are the four Ps of marketing? How does applying the four Ps differ between traditional and pop-up restaurants?
2. What is market segmentation? Which segmentation variables might be most important to identifying your pop-up restaurant's primary target market?
3. What is perceptual mapping? Identify two advantages and two disadvantages of applying perceptual mapping to pop-up restaurant marketing.
4. How does the COVID-19 pandemic impact the ability to forecast sales? What factors or trends should you consider for staging a pop-up restaurant?
5. How does marketing in the digital age differ from traditional marketing?

## REVIEW ACTIVITIES

1. In teams of 3, identify what you think would be important social media marketing platforms for your pop-up restaurant. Justify your selection(s).
2. In SimplyAnalytics, use the Related Data Tableto createa view

for Reading, PA using the data variable % SEGMENTATION SOLUTIONS | FOOD LIFESTYLE SEGMENTATION | TRUE FOODIES, 2019. (Hint: search for "true foodies" in the Data menu. Review the SimplyAnalytics Data Cookbook for more tips on using SimplyAnalytics.) Simply Analytics will populate your table with similar data variables. How would you characterize the Food Lifestyle Segmentation of Reading, PA?

3. What are the key considerations for segmentation, placement, and positioning your pop-up?

## Pop-up Project Task

1. Provide a marketing and sales strategy for your pop-up restaurant.

## Chapter References

Balance Small Business. n.d. "Advertising & Marketing." Accessed May 13, 2022. https://www.thebalancesmb.com/restaurant-marketing-4161539.

Baras, Jeremy. 2015. PopUp Republic: How to Start Your Own Successful Pop-Up Space, Shop, or Restaurant. Hoboken, NJ: Wiley. https://learning.oreilly.com/library/view/popup-republic/9781119145912/ (Penn State–authenticated link).

Dopson, Lea R., and David K. Hayes. 2019. Food and Beverage Cost Control. Hoboken, NJ: Wiley.

eMarketer. n.d. Accessed January 17, 2022. https://www.emarketer.com/ (Penn State–authenticated link).

Halula, Wes. 2012. "Advertising in the Digital Age." Accessed May 16, 2022. Academic Video Online video. https://video.alexanderstreet.com/watch/advertising-in-the-digital-age (Penn State–authenticated link).

Harris, Jenn. 2018. "Eminem Has a Mom's Spaghetti Pop-Up Restaurant at Coachella." Chicago Tribune, April 14, 2018. https://www.chicagotribune.com/la-et-entertainment-coachella-2018-eminem-has-a-mom-s-spaghetti-pop-up-1523755084-htmlstory.html (Penn State–authenticated link).

SimplyAnalytics. 2022. Accessed January 17, 2022. https://simplyanalytics.com/ (Penn State–authenticated link).

Taylor, Scott, Jr., Robin B. DiPietro, and Kevin Kam Fung So. 2018. "Increasing Experiential Value and Relationship Quality: An Investigation of Pop-Up Dining Experiences." International Journal of Hospitality Management 74:45–56. https://doi.org/10.1016/j.ijhm.2018.02.013 (Penn State–authenticated link).

# CHAPTER 5 - FINANCIAL PLANNING

## PAULINE MILWOOD

### LEARNING OBJECTIVES

At the end if this chapter, students will be able to:

1. Understand and apply key assumptions for the financial plan of a pop-up restaurant
2. Understand and apply internal and external considerations for the pop-up restaurant's budget and profitability
3. Prepare a budgeted revenue and expense statement for the pop-up restaurant
4. Manage financial planning for the pop-up restaurant

## CHAPTER WARM-UP

## PRECHAPTER READING MATERIALS

- "Planning Your Pop-Up Business Expenses" (Baras 2015)
- Food and Beverage Cost Control (Dopson and Hayes 2019, 14–18)

## PRECHAPTER EXERCISE

- Watch the video below and provide the best response to the questions.

An interactive H5P element has been excluded from this version of the text. You can view it online here:
https://psu.pb.unizin.org/popuprestaurantbusinessguide/?p=36#h5p-1

## ALIGNING BUDGETS WITH PROCESSES

Important to developing the pop-up restaurant is the alignment of budgets with processes. This means that planning for the pop-up involves having a thorough understanding of food and beverage operations pre-, during, and postproduction. Examples of operational considerations are identifying local and reputable vendors who will be able to provide high-quality food items, finding available storage facilities, and having adequate personnel for FOH service and BOH production on the event day. A useful way to plan for financing the pop-up is by viewing positional requirements via a food-service flowchart.

## FOOD-SERVICE FLOWCHARTS

Figure 1 shows a simple **foodservice flowchart**. In this simplified model, cash inputs are used to purchase raw materials and acquire labor needed for the event. These inputs are transformed into production elements capable of producing finished goods and services for consumers. In exchange for these services, consumers will provide a reward for enjoying the finished good (i.e., a dining experience), usually in the form of cash or cash equivalents. These receipts generate revenue adequate to reproduce supplies or add to cash reserves. Using this basic chart, the popupreneur is able to engage in financial planning or budgeting for the pop-up event.

**Food for thought!**

Ruth Fertel, founder of the Ruth's Chris Steak House chain, mortgaged her house in 1965 to raise the money to start her first restaurant. This was against the will and wisdom of her brother, lawyer, and banker. She was warned that she would not be able to handle the hard work and that she would lose her home because she didn't have any experience in the business. *What do you think is the single most important characteristic a popupreneur should have for success?*

Figure 1.0 – Sample Foodservice Flowchart

## BUDGETS AND THE POP-UP

The basic elements of a pop-up budget, or projected income statement, include:

- *Revenue* – The amount of dollars an operation takes in.
- *Expenses* – The costs of the items required to operate the business.
- *Profit* – The Reward for Service. The amount of dollars that remain after all expenses
  have been paid.

The basic formula for calculating profit is:

$$Revenue - Expenses = Profit$$

Using the profit formula, popupreneurs are able to prepare estimates of their budgeted revenue and expense for their event (table 5.1). The preparation of the budgeted revenue and expense statement is among the first steps in planning financially for the restaurant.

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://psu.pb.unizin.org/popuprestaurantbusinessguide/?p=36

FIGURE 5.1 – SAMPLE BUDGETED REVENUE AND EXPENSE STATEMENT

Key considerations in assembling your pop-up restaurant budget include the following:

- Time/duration of pop-up
- Trends
- Outgoing costs (expenses)

Be as detailed as possible when working out your budget. This helps mitigate being hit with hidden costs that could potentially wipe out profits. Revenue makes up the top line of the statement and, in the case of a pop-up restaurant, may include dinner sales, beverage sales, and sale of branded paraphernalia. Other forms of (noncash) revenues include donations, sponsorship, and small business grants.

Expenses inform the pricing of your menu items and may include venue rental, menu item ingredients (food and beverage), labor, food safety training, utilities, insurance, marketing and print costs, cleaning materials, and kitchen and dining equipment.

## FORECASTING SALES

Forecasting or projecting sales allows the popupreneur to assess the scenarios needed to support revenue generation projected for the pop-up restaurant. Sales forecasting is dependent on two key variables: average check and the number of guests expected. When combined, these variables produce a sales forecast that helps determine financial limits related to ensuring profitability and optimal spending. A sample sales forecast is shown in table 5.2.

> *One or more interactive elements has been excluded from this version of the text. You can view them online here: https://psu.pb.unizin.org/popuprestaurantbusinessguide/?p=36*

## FIGURE 5.2 – SAMPLE SALES FORECAST

A popular approach to forecasting sales comes by way of using historical data. However, the nature of pop-up restaurants may not allow for historical data to be readily available. In such a case, popupreneurs must look to other data to guide sales forecasting.

> **Food for thought!**
>
> In the absence of historical data, what are sources of data which could be used to forecast sales?

When forecasting sales, another consideration may be seat turnover, or the number of times a seat turns over in an hour. This number roughly indicates the volume of sales and is also an index of efficiency for the entire operation. For example, let's say that a restaurant has a forty-seat capacity. The owners project that they will be able to serve one hundred guests or cover a two- to three-hour lunch period. With only forty seats, this means that the seat turnover rate would need to be 2.5 (i.e., 100 / 40). To achieve this target, production and service teams would need to possess adequate resources to serve between two and three guests per hour.

## Planning for profit

Alongside the sales forecast, popupreneurs must understand their restaurant's **break-even point**, if they are to generate a minimum level of profitability.

> The formula for calculating break-even point is:
>
> Fixed costs / [Selling price – Variable cost] = Break-even point (# guests)

In the sample break-even analysis shown in Figure 1.3, the given a variable cost of $4.50, average check of $35.00, and fixed costs of $550.00, the break-even number of guests is between 15 and 20 guests, specifically 18 guests ($550/[$35 – $4.5] = 18).

> One or more interactive elements has been excluded from this version of the text. You can view them online here: https://psu.pb.unizin.org/popuprestaurantbusinessguide/?p=36

Figure 5.3 – Sample break-even analysis

## KEY TERMS

- **Break-even analysis**
- **Budget**
- **Expenses**
- **Financial planning**
- **Foodservice flowcharts**
- **Profits**
- **Revenue**
- **Seat turnover**

## REVIEW Questions

1. What is the difference between a budget and an income statement?
2. What is the difference between revenue and profit?
3. What is the relationship between a food-service flowchart and a budget?

Should one be prepared before the other when undertaking financial planning for a pop-up restaurant?

4. What is meant by the term break-even analysis? Why is it important when undertaking financial planning for a pop-up restaurant?

5. What is the break-even number of guests for a restaurant with variable costs of $7.75 per person, a selling price of $20.00, and fixed costs of $9,625.00 per month?

6. What is meant by the term seat turnover? What is the seat turnover for a restaurant that seats 60 and served 175 guests last Friday night?

## Review Activities

1. Read "Pop-Up Restaurants in New Orleans Move beyond One-Day Wonders" (Clark 2012). From your reading of the article, identify factors that influence the following:

- The SWOT analysis for a pop-up restaurant
- Revenue
- Food and beverage expense
- Labor expense

2. How does the Clark (2012) reading inform the budget and design of your own pop-up restaurant concept? (Hint: the duration of your pop-up will likely impact the design of one or multiple stagings.)

### Popup Project Task

1. Prepare an income and expenditure statement using the template provided
2. Prepare a sales forecast for your pop-up restaurant
3. Prepare a break-even analysis chart for your pop-up restaurant.

### Chapter References

Baras, Jeremy. 2015. PopUp Republic: How to Start Your Own Successful Pop-Up Space, Shop, or Restaurant. Hoboken, NJ: Wiley. https://learning.oreilly.com/library/view/popup-republic/9781119145912/ (Penn State–authenticated link).

Clark, Maria. 2012. "Pop-Up Restaurants in New Orleans Move beyond One-Day Wonders." New

Orleans CityBusiness, October 18, 2012. ProQuest US Newsstream (Penn State–authenticated link).

Dopson, Lea R., and David K. Hayes. 2019. Food and Beverage Cost Control. Hoboken, NJ: Wiley.

# SUPPLEMENT: SUSTAINABILITY

SHAWN MURRAY



*"Sustainable development is that which meets the needs of the present without compromising the ability of future generations to meet their own needs."*
—UN General Assembly, **Report of the World Commission on Environment and Development**

## LEARNING OBJECTIVES

At the end of this chapter, students will be able to:

1. Understand the triple bottom line theory and concept
2. Understand how restaurants apply sustainable practices
3. Identify key sustainable hospitality terminology
4. Articulate waste management systems

## CHAPTER OUTLINE

- Introduction to Sustainable Restaurant Management
- Sustainable Restaurant Theory and Practices
- Sustainable Restaurant Development Terminology
- The Six-Stage Blueprint for Sustainable Restaurants
- Restaurant Waste Management
- Restaurant Water Management
- Restaurant Energy Management

## Introduction to Sustainable Restaurant Management

In recent years, with the emergence of the consumer behavior perspective of Gen Zers and with the COVID-19 global pandemic and its economic disruption, sustainable hospitality has emerged as a critical factor when developing food-based businesses.

Have you ever thought about how the restaurant industry and its products, service, and supply chain systems are changing and will operate in the future? Do you take time to think about the role that food currently plays in our lives and how it impacts the environment?

The reason we are asking these questions is because this is exactly what sustainable restaurant management is. Sustainability in restaurants can be defined as ensuring that the same experiences, companies, and products that human beings enjoy and have access to today can be ensured for future generations.

Sustainable restaurant management and operations are complex and are intertwined with interactions with consumer behavior and various additional systems within our ecosystems. The term ecosystem is defined as the community of living and nonliving organisms in an environment.

As we continue to explore how sustainable systems impact restaurants and food service, the triple bottom line is a key concept that connects the dots to how we think about introducing and maintaining sustainability-based practices. The triple bottom line has three pillars: economics, environment, and society, which refers to the circumstances in which people are impacted by these systems. Each of these

pillars is important to consider and leads to why sustainable restaurants are so complex.

## Sustainable Restaurant Theory and Practices

The stakeholder theory expresses how all members of an ecosystem interface and impact other components within its environment. This theory is important to consider when designing pop-up restaurants because of the numerous stakeholders who are involved when planning, developing, and executing services for customers. Each of these circumstances has intended and unintended consequences in regard to the business's triple bottom line. Pop-up restaurants need to consider how the following various key players interact and how they impact businesses.

Economics. Is expressed as the overall finances of the business, job development, and the financial well-being of local, regional, and national communities. It also is critical to ensure that business in general is designed, planned, and positioned to be successful long term, which will increase the overall economic viability of the geographical destination.

Social. Local residents, employees, neighborhoods, investors, supply chain systems, manufacturing, owners, operators, and customers.

Environment. Nature, decreasing climate change, flora, fauna, and ecosystems. Pop-up restaurants, in order to be sustainable, must consider how their overall business model, the equipment they use, and their service model impact the environment. Each of the elements represented in the environment is also considered its biodiversity.

Collaboration and participation. The methodology used when establishing sustainable systems within pop-up restaurants, bringing together different stakeholders to establish and execute shared interests and goals. Opportunities emerge when working with members, and this can also enhance communities, stakeholders, and social entrepreneurship. Philadelphia, due to various social and economic circumstances in recent years, has produced several sustainable restaurants and food concepts that are positively impacting its communities. Two of these businesses that we will examine are Honeysuckle Provisions and Down North Pizza.

Honeysuckle Provisions is a community-based business system that embraces how restaurants demonstrate collaboration and participation. Honeysuckle Provision, created and designed by Chefs Omar and Cybille St. Aude-Tate, is a community-focused grocery store and café. Based in the West Philadelphia community, which is considered a food desert, this market provides a space for chefs to introduce healthy dining options, grocery stores, and collaborative spaces to impact positively the quality of life for community members. An additional component of Honeysuckle Provisions is working with urban farmers, which produces jobs and food for these community-based businesses and partnerships.

A great example of how restaurants can approach and collaborate with

communities from a job-creation perspective is Down North Pizza. Down North Pizza, located in the Strawberry Mansion neighborhood in Philadelphia, is a pop-up restaurant with the mission to reduce recidivism rates in the community. As a mission-led for-profit business, Down North Pizza exclusively employs formerly incarcerated men and women, providing career training and preparing them for employment in the restaurant industry. Support with housing, legal representation, transportation, and additional services better ensure the short- and long-term success of their employees and the overall community.

We would think that the restaurant industry would embrace and encourage, in theory, sustainable practices. As we are learning, sustainability is not that easy, and these systems in many cases require investments that restaurants normally will see not immediately but in the future. The three major categories that impact the sustainability of restaurants are waste, energy, and water management. Before we explore each of these systems, let's take a look at the psychology and stages of sustainable restaurant development.

## Sustainable Restaurant Development Terminology

**Trade-offs**: a situational decision that involves losing or diminishing an aspect for returns or gains.

**Scenarios**: strategic links between planning, forecasting, and execution.

**Prisoner's Dilemma**: circumstances in which two rational stakeholders in an ecosystem do or may not cooperate when it is in both of their best interest to do so.

**Tragedy of Commons**: situations in which members of an ecosystem process and make decisions independently according to their own self-interest.

**Cradle-to-Cradle**: business production systems that are efficient and decrease waste.

**Externalities**: side effects and consequences of industrial activities that impact communities.

Each of these definitions is key to how restaurants think through and make decisions as to how sustainable systems will impact their business along with their strategic planning. It is important to consider the return on investment as to how sustainable-based systems are planned in restaurants.

## Sustainable Restaurant Six-Stage Blueprint

For restaurants when planning sustainable practices and systems using the six-stage blueprint is a good practice for operations. These stages are:
1. Pre-compliance
2. Compliance
3. Compliance Planning
4. Integrated Strategy

5. Strategic Purpose
6. Assessment & Valuation

The six-stage blueprint for restaurants creates and provides an economic model that drives the growth and success of the business.

## Restaurant Waste Management

Restaurant waste has various environmental- and health-based impacts on communities. Waste contributes to increased greenhouse gasses; attracts pests, including vermin; and produces toxic substances. Waste can be formally defined as materials in which the holder intends or is required to discard the products.

Food waste, overall product packaging, and designing systems to positively impact the environment are the largest areas that restaurant operators must be concerned with.

Strategies to decrease restaurant waste include the following:
- Creating systems to decrease the overall transportation of products needed
- Designing menus that decrease the packaging of prefabricated foodstuffs and the delivery of products to the consumer
- Reducing the use of commercial chemicals, replacing them with environmentally friendly products
- Using local food and beverage products
- Implementing seasonal menu programs and collaborating with local farmers and food producers

When developing an overall sustainable waste management plan, the leadership must decide the approaches the restaurant desires to take. The types of products being used and the movement of products in relation to the economic goals of the restaurant are key factors in how waste management occurs.

## Restaurant Water Management

Water management is defined by how water is supplied and processed. In restaurants, there are various opportunities to influence and decrease water usage and management and positively enhance the environment.

Water footprints can be defined into three categories: green, blue, and gray. Green water footprints are defined as water sources that are found underground. Blue water footprints are sourced through rain and other bodies of water. Gray water footprints have been exposed to chemicals at some point during their lifecycle.

For restaurants, finding opportunities to decrease the amount of gray water and not using water for the thawing of food items are sustainable strategies. Additional water management systems include the following:

- Understanding overall water usage for a business
- Defining and decreasing the cost of water
- Conserving and establishing a water management strategy
- Taking a holistic approach to planning the overall use and execution of water at restaurants

## Restaurant Energy Management

The two largest areas in restaurants that consume energy are kitchen equipment and the heating and cooling of spaces. The climate in which a restaurant is located will influence how energy usage is needed. Degree days are used to measure the amount of cooling (cooling degree days, or CDD) and heating (heating degree days, or HDD) necessities at a restaurant. When the temperature is above sixty-seven degrees, it is assumed that most restaurant operators need to use their HVAC units to cool their businesses, and when the temperature is under sixty-three degrees, most restaurant operators need to heat the business.

This is all subjective based on the temperature outside and the overall environment itself. Some additional sustainable options include solar wind, hydro, ocean, geothermal, and biomass.

Sustainable restaurant management is complexly integrated, but with precise planning and integration into the business plan, it can assist operators with being more profitable and can attract customers and sales, which can be part of the overall sales and marketing strategy.

Finally, how restaurants approach sustainability will be determined based on several factors, such as business models, geographical locations, and capital available for investment.

## KEY TERMS

- **Triple bottom line**
- **Climate change**
- **Biodiversity**
- **Ecosystems**
- **System dynamic**
- **Cascading effects**
- **Trade offs**
- **Return on investment**
- **Forecasting**
- **Indicators**
- **Prisoner's dilemma**
- **Tragedy of commons**
- **Cradle-to-cradle**
- **Collaboration & participation**

## Review Questions

1. What are the three components of the triple bottom line?
2. Why is it important to embrace collaboration and participation when developing sustainable systems for restaurants?
3. What are the final two stages when designing sustainable restaurant blueprints?
4. Why is it important for restaurants to create strategies to decrease waste?
5. What are the three water footprint categories?
6. Do customers have influence to assist restaurant operators in regard to planning energy management?

## Chapter References

UN General Assembly. 1987. Report of the World Commission on Environment and Development: Our Common Future. A/42/427. https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf.

# PART 2 - DEVELOPMENT AND DESIGN

Ideation, Concept and Design
Organization and Management
Market and Industry Analysis
Marketing and Sales Plan
Financial Plan

Ready. Set. *Flow*.
Pre-production, Receiving teams
Production, Service flows

PART 2 – Development and Design

PART 4 – Evaluation

PART 1 – Planning and Research

PART 3 - Implementation

Menu Engineering and Design
Recipes and Cost Management
Purchasing and Receiving
Venue , Layout, and Reservations
Health/ and Safety Action Plan

Capturing and Valuing Feedback
Financial performance
Service performance

# CHAPTER 6 - MENU ENGINEERING AND DESIGN
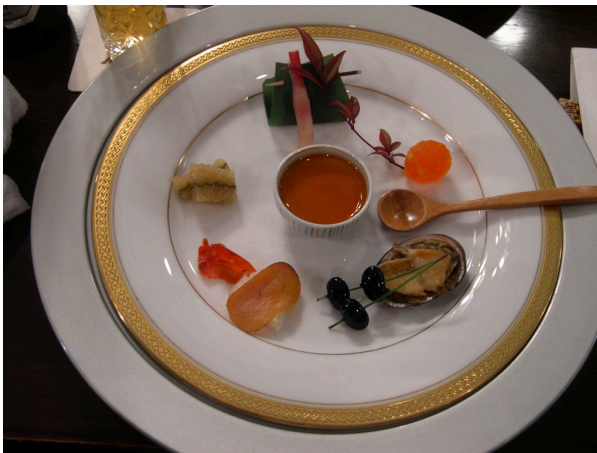
## PAULINE MILWOOD

*It is fair to say that the menu is the single most important document in the business. Purchasing, production, sales, cost accounting, labor management, even the kitchen layout and equipment selection of a new facility—all are based on the menu.*
—Lea R. Dopson and David K. Hayes, *Food and Beverage Cost Control*

## LEARNING OBJECTIVES

At the end of this chapter, students will be able to:

1. Understand the principal types of menus for pop-up dining
2. Understand what is meant by the term menu engineering
3. Understand and apply the principles of ethics, responsibility, and sustainability to menu design
4. Develop high-quality menu ideas for a five-course pop-up dinner experience

## Prechapter Reading Materials

- "Basic Kitchen and Food Service Management" (BC Cook Articulation Committee 2015)
- "Menu Analysis (Engineering)" (Egan n.d.)
- "How to Make Your Menu a Money-Maker Using Restaurant Menu Design" (Duyne n.d.)
- Food and Beverage Cost Control (Dopson and Hayes 2019, 198–215)
- Professional Cooking (Gisslen 2018, 64–75)

## Prechapter Exercise

The **menu-recipe-ingredient** triad depicts the important relationship between the pop-up restaurant's menu items, recipes, and expertise required to produce them and the availability and sustainability of key ingredients. Why is understanding the relationship among these three terms important to successful pop-up restaurant menu planning?



## CHAPTER OUTLINE

- Menu Forms and Function
- Menu Types
- Menu Engineering
- Key Consideration for Pop-Up Menus

## Menu forms and function

Menu planning must be undertaken with one fundamental principle: menus are planned for the people eating the food. It is easy for popupreneurs to fall into the trap of planning and designing menus attractive to them without remembering that the pop-up diner is the focal point of determining menu success or failure. Following

food trends related to cultural preferences, tastes, healthy eating, and wellness helps popupreneurs plan and implement menu ideas successfully.

Other factors, such as seasonality, locality, restaurant theme/concept, and duration, are important considerations in pop-up menu planning. For example, countries that experience heavy seasonal fluctuations must limit their menu item consideration to seasonally available ingredients. A fall-themed pop-up restaurant will utilize significantly different menu items and ingredients, such as smoked tomatoes or preserved fruit, than, say, a summer-themed pop-up restaurant, which may have readily available vine-ripened tomatoes and fresh fruits and vegetables.

Support for local ingredients and industry has also increased. Diners today have a preference for food grown, reared, and produced locally. Not only does food served closer to the point of its original source taste better, but it provides the added benefit of supporting the local community. These types of menu-planning considerations support sustainability in the local food supply chain and provide the added benefit of better-tasting food. This trend has been around for some time and is commonly referred to as **farm-to-table or farm-to-fork.**



An example of a farm-to-table dinner.

Most menus are based on the classical menu format, which features a series of hot/cold appetizers, hot/cold soups, hot/cold entrées, and hot/cold desserts, with the option to have palette cleansers (e.g., sorbet) in between courses. Below is an example of a classical twelve-course menu (though menus can go up to fifteen courses or more!):

**Classical Menu Format**

1. Cold hors d'oeuvres
2. Soup
3. Hot hors d'oeuvres
4. Fish
5. Main course
6. Hot entrée
7. Cold entrée
8. Sorbet
9. Roast
10. Vegetable
11. Sweet
12. Dessert.

Menus function as a signaling mechanism to prospective diners. Menus can communicate aspects of the pop-up restaurant, such as its locality, theme, seasonality, formality, and extent of luxury. While other aspects of the pop-up restaurant are key to shaping guests' appeal, it is generally the menu that most guests turn their attention to when deciding whether to eat in a particular restaurant or not. Popupreneurs must therefore give careful consideration to their target audience (see chapters 4 and 5) when designing menus. For example, millennials have preferences to experience new cultures and diversity when dining out. They are also interested in sustainably grown, ethically sourced, and environmentally friendly food practices, and they support establishments that promote these values and activities. Seniors and retirees, on the other hand, may have higher disposable income and may be open to a pop-up dining experience that includes a bottle of high-quality wine paired with novel menu items.

## MENU TYPES

Several variations of the classical menu are in use in restaurants today, with more modern twists being placed on most. These are discussed below.

**À la carte menu**. When managers use an à la carte menu, guests select individual menu items. Each menu item is priced separately. With the à la carte menu, guests choose individual items they want and are charged only for the items they select. Characteristics include itemized choice and itemized price. Here is an example: https://parc-restaurant.com/.

Several variations of the classical menu are in use in restaurants today, with more modern twists being placed on most. These are discussed below.

**Autumn Menu**

Lemon
Caramelised Amalfi lemon tart

Praline
Guanaja chocolate and hazelnut praline crunch,
iced lime

Pears
Deep fried William pears, salted caramel ice cream,
sweet wine and vanilla

Tiramisu
Coffee honeycomb, Kahlúa jelly, espresso granita

White truffle
White truffle crème brûlée, hazelnut praline,
white chocolate
(£15.00 supplement)

Pine Nut
Pannacotta, mandarin curd, pine nut tuile

Soufflé
Pistachio soufflé, warm chocolate sauce
and macaroon

Formaggio
Artisanal cheeses from La Fromagerie
(£8.00 supplement)

Sample a la carte dessert menu

**prix fixe menu.** The prix fixe (pronounced "prefix") menu is the most common style of menu. With the prix fixe menu, guests choose from a predetermined list of items presented as a multicourse meal. The items included in the meal are then sold at one set price. This is among the most popular pop-up menu formats. Here is an example: https://amorette.com.

Sample prix fixe menu

**table d′ hôte menu.** The table d′hôte menu format contains fixed menu items served plated or buffet style. It is often the case that this menu form offers diners the option to select from a list of items within each course for a predetermined price. The table d′hôte menu format is frequently used in banquet-style events, where some degree of menu flexibility or guest choice is desired. This menu format, however, does require the hospitality manager and their production and service teams to carefully balance accommodating diner variations and monitoring menu-item profit margins.

Sample table d′ hôte menu

**tasting menu**. An increasingly popular menu type, the tasting menu derives its name from the French term degústation, referring to a collection of small portions served as a single meal. Tasting menus usually comprise eight or more courses. Portion size and cost become secondary factors, as the goal is usually to showcase the culinary talents of a chef. Tasting menus have been extended to beverage tasting rooms, featuring wines, beers, and spirits. Here is an example: https://amorette.com.

Sample tasting menu

## Menu Engineering

Menu engineering uses psychology, food cost, and design principles to improve diner satisfaction and profitability (WebstaurantStore.com). It is a way to evaluate a restaurant's menu pricing by using sales data and food costs to guide which dishes to feature and their menu price in such a manner as to maximize revenue. Menu engineering seeks to understand the profitability of menu items so that high-profit items can be positioned for higher demand among guests and low-profit items can be positioned for lower demand among guests. This allows the popupreneur to maximize menu-item profits based on the strategic positioning of high-popularity and high-profitability items within the so-called golden triangle of the menu page. The golden triangle describes how diners' eyes roam, or view, areas of a restaurant menu—typically beginning in the center of the page, moving to the top right, and then to the top left. Studies suggest that listing key menu items at the center or top right of the page will maximize the visibility of those items. Other steps include training waitstaff on seasonal specials, using imagery or other highlights, and making modifications to portion sizes to increase the intake of specific ingredients, such as vegetables, starters, or other seasonal menu items (Reinders et al. 2017).

Rankin (2020) identifies five specific steps in the menu-engineering process:

1. Identify a time period (breakfast, lunch, dinner).
2. Analyze your food cost for each menu item.
3. Reorganize/classify menu items based on popularity and profitability.
4. Redesign and restructure your menu:

      a.   Choose the ideal menu configuration.
      b.   Write appealing menu descriptions.
      c.   Emphasize high-popularity and high-profitability items.
      d.   Consider eye movements.
      e.   Be aware of the burden of choice.
      f.   Train team members.
5.   Measure performance.

## Key consideration for pop-up menus

Given the unique characteristics of a pop-up restaurant (duration, seasonality, lack of historical data, and general uncertainties surrounding in-person dining), certain key design considerations should be given to menu ideas. The lack of a permanent restaurant facility means the absence of a carry-over facility. Unused food items will need to be discarded, and this could lead to a higher-than-normal food-cost percentage. While the absence of historical data may make accurate guest-count projections difficult, understanding local tastes and meal preferences will help ensure high-quality service due to having an appropriate sales mix. This will also help minimize closing inventory and food waste at the end of the event, which will contribute to a higher food cost.

Other key considerations include the availability of human and technical skills and resources. The expertise (human effort and talent) needed to produce the menu items should also be considered. A Moroccan-themed pop-up restaurant, for instance, will need to ensure that the chef is knowledgeable of specialty Mediterranean/Moorish cuisine, including spices and cooking methods that help create an authentic dining experience. Often, convenience foods such as concentrated bases and bread rolls may be used instead of preparing stocks from scratch. Based on available resources, popupreneurs must perform make-or-buy decision-making to determine whether to outsource or prepare an item in-house for the pop-up.

Most pop-ups will be located within spaces already equipped with basic kitchen equipment. However, it is important that popupreneurs plan for menu items for which adequate preparation and production equipment are available. For example, cooking and cooling equipment will be needed for food preparation, but if there is no accessible fryer, considerations should be given to either avoiding fried foods on the menu or outsourcing a fryer for the pop-up. Consideration should also be given to foods containing allergens and other potentially hazardous foods.

Menu accuracy is another key consideration that relates to the ethical responsibilities of the popupreneur. In addition to ensuring authenticity, menu accuracy ensures that the correct representation of local and global food culture is preserved. It is also the responsibility of the popupreneur to engage in ethical menu pricing to ensure that guests are not being over- (or under)charged for their dining experiences. For example, stating the availability of a Faroe Islands salmon dish on

your menu means that salmon must have been sourced from the Faroe Islands and not the Atlantic.

## KEY TERMS

- à la carte menu
- classical menu
- farm-to-table or farm-to-fork
- menu engineering
- prix fixe menu
- sales mix
- static menu
- table d' hôte
- tasting menu

## REVIEW QUESTIONS

1. What are the differences between a menu for a traditional restaurant and one for a pop-up restaurant?
2. Oftentimes, dessert menu items will have to be outsourced if there is no in-house pastry/dessert chef. What are some ways to minimize food costs if dessert must be outsourced?
3. How can popupreneurs engage in ethical menu planning and design practices?

## REVIEW ACTIVITIES

1. In your favorite browser, search for "pop-up restaurant menu examples". Which types of menu are most popular, if any?
2. Watch the video, *The Economics of Pop-up Restaurants*, and answer the questions.

> *An interactive H5P element has been excluded from this version of the text. You can view it online here: https://psu.pb.unizin.org/popuprestaurantbusinessguide/?p=44#h5p-2*

## Pop-up Project Task

- Based on the materials covered in this chapter, and in pre-requisite courses, create a four- to five-course fine dining menu for your pop-up restaurant.

## Chapter References

Amorette. 2022. Accessed January 17, 2022. https://amorette.com/.

BC Cook Articulation Committee. 2015. "Basic Kitchen and Food Service Management." BCcampus. https://opentextbc.ca/basickitchenandfoodservicemanagement/.

Dopson, Lea R., and David K. Hayes. 2019. Food and Beverage Cost Control. Hoboken, NJ: Wiley.

Duyne, Allie Van. n.d. "How to Make Your Menu a Money-Maker Using Restaurant Menu Design." On the Line. Accessed January 17, 2022. https://pos.toasttab.com/blog/on-the-line/menu-engineering-menu-design.

Egan, Beth. n.d. "Menu Analysis (Engineering)." In Introduction to Food Production and Service. State College, PA: Affordable Course Transformation: Pennsylvania State University. https://psu.pb.unizin.org/hmd329/chapter/ch9/.

Gisslen, Wayne. 2018. Professional Cooking. Hoboken, NJ: Wiley.

Parc. n.d. Accessed January 17, 2022. https://parc-restaurant.com/.

Rankin, Sebastien. 2020. "Menu Engineering: How to Make a Profitable Restaurant Menu." Lightspeed, April 8, 2020. https://www.lightspeedhq.com/blog/menu-engineering/.

Reinders, Machiel J., Marlijn Huitink, S. Coosje Dijkstra, Anna J. Maaskant, and Joris Heijnen. 2017. "Menu-Engineering in Restaurants—Adapting Portion Sizes on Plates to Enhance Vegetable Consumption: A Real-Life Experiment." International Journal of Behavioral Nutrition and Physical Activity 14 (41): 1–11. https://ijbnpa.biomedcentral.com/articles/10.1186/s12966-017-0496-9.

Wall Street Journal. 2012. "The Economics of Pop-Up Restaurants." Last modified March 22, 2012. YouTube video, 3:26. https://youtu.be/QtPZj9ssKEU.

WebstaurantStore. 2022. "Menu Engineering: How to Create a Profitable Menu." Last modified August 19, 2019. https://www.webstaurantstore.com/article/89/menu-psychology-the-science-behind-menu-engineering.html.

# CHAPTER 7 - RECIPES AND COST MANAGEMENT

### PAULINE MILWOOD

*Collectively, and at street level, these trucks are indeed "magical urbanism on four wheels", a powerful affirmation of "pop-up urbanism" and of cultural placemaking.* (Ageyman)
—Julian Agyeman, Caitlin Matthews, and Hannah Sobel, **Food Trucks, Cultural Identity, and Social Justice**

## LEARNING OBJECTIVES

At the end of this chapter, students will be able to:

1. Collaborate with industry experts to identify and source quality, cost-efficient local ingredients
2. Create standardized and instructional recipes for approved pop-up restaurant menu items
3. Understand and apply the principles of ethics, responsibility, and sustainability to ingredient sourcing
4. Calculate food cost per plate for approved pop-up restaurant menu items

## CHAPTER WARM-UP

## PRECHAPTER READING MATERIALS

- "Common Product Yields" (US Foods n.d.)
- "Produce Yield Chart" (Chefs Resources 2022)
- Food and Beverage Cost Control (Dopson and Hayes 2019, 64–69, 153–157)
- Professional Cooking (Gisslen 2018, 74–77)

## CHAPTER OUTLINE

- Recipe Management
- Cost Management
- Yields

## Recipe Management

A **recipe** is a set of instructions for producing a certain dish that contains a precise record of ingredients, their amounts, and the way they are combined and cooked. A written recipe will never tell you everything—judgment is important. A standardized recipe is a set of instructions describing the way an establishment prepares a particular dish. The use of standardized recipes helps ensure consistent quality and portions and enhances food and beverage projections and cost control.

A professionally developed standardized recipe will contain the following:

1. Menu item name
2. Total yield (number of servings)
3. Portion size
4. Ingredient list
5. Preparation/method section
6. Cooking time and temperature
7. Special instructions, if necessary
8. Recipe cost (optional)

Standardized recipes help describe the way an establishment prepares a particular dish and ensures consistency regardless of the day, time, or season the guest visits. Recipe standardization also assists with portion and cost control. By ensuring the same quantities of ingredients, preparation methods, and cooking techniques are used, food and beverage cost control is likely to remain within budget while supporting minimum waste or leftovers. Standardized recipes also assist with quality control, ensuring high-quality customer service experiences within and across production and service times.

There are, however, disadvantages to using standardized recipes, as they can inhibit creativity, slow production, and inhibit judgment. In addition, the use of standardized recipes does carry some degree of risk, in that "family" or "secret sauce" recipes could be made public, thereby weakening a brand's competitive advantage. Still, the advantages of using standardized recipes do outweigh the disadvantages.

There are two approaches to standardizing recipes: the factor method and the percentage method. The factor method identifies a number or factor based on old and new yield quantities. That number is then used to multiply each old ingredient quantity to arrive at the new ingredient quantity. The percentage method is helpful for large-batch items like soups, chilies, and baked goods. This method allocates a total quantity (e.g., number of ounces) of all ingredients in a recipe and multiplies the percentage represented by each ingredient by the new yield amount to arrive at the standardized quantities for all ingredients.

**Food for thought!**

Your best friend overhears you reading about standardized recipes for your pop-up restaurant project and remarks, "Why do you need to standardize recipes anyway? It seems like a lot of work for just one night! After all, doesn't the chef have all the recipes in their head?" Explain to your friend why standardized recipes are important for a

## Cost Management

A well-planned menu will contribute to controlling food costs if ingredients are planned for and used efficiently. When finalizing pop-up menu design, cost management considerations should do the following:

- Use all edible trimmings
- Avoid adding an item to the menu trimmings
- Plan the production to avoid leftovers
- Plan ahead for use or donation of leftovers
- Avoid minimum-use perishable ingredients (e.g., mushrooms) by changing the recipe, updating the menu, or adding substitutes

**Food for thought!**

Ethical sourcing of ingredients: What are some ethical considerations for the standardization of recipes and the use of ingredients in pop-up restaurants?

## Yields

Understanding and applying **yield management** an important part of standardizing recipes for production and service management. Having BOH and FOH teams who are knowledgeable of yield management principles helps ensure adequate products (no excess or shortage) and meeting agreed-upon service standards for guests and diners.

### YIELD FORMULAS

Yield percentage = [Edible portion (EP) / As purchased quantity (AP)] * 100

Yield cost test = AP ($) / Yield %

Recipe conversion factor = New recipe yield / Old recipe yield

## KEY TERMS

- Ethical sourcing
- Standardized recipes
- Yields
- Yield management

# Review Questions

1. What are examples of *local Pennsylvania* ingredients and flavors in the following categories?
   - Meats and Game
   - Legumes and Grains
   - Plants and Root vegetables
   - Pastries, Desserts and Baked Goods

2. What is a conversion factor, and how is it used in recipe standardization?

   3. What are the following produce quantities expressed in cups? (Use the produce yield chart provided to convert from pounds to cups.)
   - Three pounds of broccoli to cups, chopped
   - Five pounds of carrots to cups, grated
   - Seven pounds of cabbage to cups, shredded
   - Ten pounds of potatoes to cups, grated
   - Twelve pounds of Swiss chard to cups, cooked.

   4. Using the common product yields chart, calculate the following:
   - Fresh Brussel sprouts have an AP weight of 12 kg and a trimmed yield of 90 percent. If the AP cost of Brussel sprouts is $2 per kg, what is the new trimmed yield test cost per kg for the item?
   - If the price of a whole chicken is $8.50 per kg, what is the cooked yield test cost per kg if the yield of a 2.8 kg chicken is 2.5 kg?
   - A recipe for chili yields twenty liters. What is the portion size in milliliters if this batch of chili is for eighty guests?
   - How many (AP) pounds of ribeye steak (LO) will you need to purchase to yield fifteen pounds EP?
   - What is the yield on veal flank if you purchase twenty pounds?
   - How many ounces of slivered almonds will you get from one-half of a cup?
   - How many ounces of ice cream does a number 8 scoop yield?

# Review Activities

1. Consider the BOH or FOH role you will be playing in your pop-up restaurant. Using your knowledge of the principles of ethics and sustainability, explain the role of the following teams in promoting ethical and sustainable food production and service at your pop-up restaurant:
   - BOH: Chef and kitchen-production team when
     a. designing menus
     b. developing recipes

   c. preparing dishes
  ◦ FOH: Maître d' and dining room service team when
   a. receiving reservation inquiries
   b. planning for service
   c. serving dishes

2. Open your favorite browser. Using your knowledge of pop-up menus and recipes, find a recipe for the food and beverage items below. Create standardized recipes for each item for twenty-five portions.

- appetizer (brie cheese | apricot jam | walnuts | thyme sprig | crostini)
- entrée (sautéed veal medallions | mash potatoes | asparagus)
- dessert (meringue cakes | figs | chocolate cream | raspberries)
- mocktail (ginger ale | grenadine syrup | lemon-lime soda | ice)

## Pop-up Project Task

Using the template provided, complete standardized recipes for all appetizer, soup, entrée, and dessert items on your pop-up menu.

## Chapter References

Agyeman, Julian, Caitlin Matthews, and Hannah Sobel. 2017. Food Trucks, Cultural Identity, and Social Justice: From Loncheras to Lobsta Love. Cambridge, MA: MIT Press.

Almanac. 2022. "Measuring Vegetables for Recipes: Pounds to Cups." November 12, 2021. https://www.almanac.com/content/measuring-vegetables-recipes-pounds-cups.

Chefs Resources. 2022. "Produce Yield Chart." Accessed April 14, 2022. https://www.chefs-resources.com/produce/produce-yields/.

Cooking Outdoors. 2014. "How to Convert Recipes Using a Conversion Factor | Easy Cooking Tips." Last modified February 11, 2014. YouTube video, 1:34. https://youtu.be/asbjOiF̲Ybw.

Dopson, Lea R., and David K. Hayes. 2019. Food and Beverage Cost Control. Hoboken, NJ: Wiley.

Gisslen, Wayne. 2018. Professional Cooking. Hoboken, NJ: Wiley.

Miyashiro, Lauren. 2021. "Best-Ever Beef Chili." Delish. Last modified October 25, 2021. https://www.delish.com/cooking/recipe-ideas/recipes/a58253/best-homemade-chili-recipe/.

US Foods. n.d. "Common Product Yields." Accessed January 17, 2022. https://www.usfoods.com/

content/dam/dce/pdfs/Your-Business/Easy-Ordering/MPP_Online-Common_Product_Yields_and_Conversions.pdf.

# CHAPTER 8 - PURCHASING AND RECEIVING

### PAULINE MILWOOD

*Pop-up gamble: in the absence of historic sales, how does one effectively forecast food and beverage purchases for the pop-up restaurant?*
—Pauline Milwood

## Learning Objectives

At the end of this chapter, students will be able to:

1. Forecast food and beverage sales
2. Collaborate with industry experts to identify and select food and beverage vendors
3. Create product specifications and purchase orders for approval
4. Purchase food and beverage items for cost control and management
5. Receive food and beverage items for safety control and management

## Chapter Warm-Up

## Prechapter Reading Materials

- "Managing Inventory Control and Procurement" (Egan n.d.)
- Food and Beverage Cost Control (Dopson and Hayes 2019, 70–86)

## Prechapter Exercise

- In chapter 1, the concept of "locality" was discussed as a key characteristic of pop-up restaurants. How can popupreneurs introduce and support locality through food and beverage purchase management?

## Chapter Outline

- Forecasting Food and Beverage Sales
- Product Specification for Food and Beverages
- Vendor Selection
- Penn State University Policy BS14
- Purchasing Ethics
- Scheduling and Receiving Food and Beverages

## Forecasting food and beverage sales

The purchasing-management function begins with forecasting food and beverage sales. The proper amount of menu items produced minimizes the chances of running out of an item before a meal period is over, and it minimizes the chances of having excessive amounts unsold when the meal period is completed. A key component of this process involves setting portion size standards (see chapter 7) for production teams. Sales histories and menu popularity indexes may be used to predict quantities for food production. Sales histories provide quantities of food and beverage items previously ordered from a menu by guests. A **popularity index** is defined as the percentage of total guests choosing a given menu item from a list of alternatives. The predicted number to be sold is the quantity of a specific menu item likely to be sold given an estimate of the total number of guests expected.

The following factors influence the number of guests to be served and the amount of product to be purchased:

- Competition
- Weather
- Special events in the area
- Holidays
- Facility occupancy
- Advertising and promotions
- Competitor advertising
- Quality of service
- Changes in operating hours
- Operational consistency

A similar process is used to determine the order quantities of alcoholic and nonalcoholic beverages. This process is referred to as purchasing, the process of determining what is to be ordered, the quantities of the items, and the best price to pay for the items.

# Product specification for food and beverages

A product specification (spec) is a detailed description of an ingredient or menu item. A spec communicates, in a very precise way, with a vendor so that an operation receives the exact item requested every time. Each menu item or ingredient should have its own spec.

A professionally developed spec includes the following:

1. Product name or specification number
2. Pricing unit
3. Standard or grade
4. Weight range/size—count
5. Processing and/or packaging
6. Container size
7. Intended use
8. Other information such as product yield

# Vendor selection

Pop-up restaurants may not have the benefit of long-standing relationships with vendors owing to the new and temporary nature of their pop-up business model. This presents several challenges in selecting the best vendor for the pop-up event. These include limitations related to an inability to negotiate favorable rates, uncertainty surrounding consistent quality standards of food ingredients, and risks associated with the reliability of vendor services. Several steps do exist for how popupreneurs might overcome these challenges. These include the following:

Leveraging local networks. Pop-ups possess the advantage of being proximate ("close to") to the local community. Taking advantage of relationships among local chefs, restaurateurs, and food vendors can provide contacts to facilitate short-term vendor relationships.

Engaging in sponsorship opportunities. Sponsorship opportunities provide an avenue for vendor selection for pop-ups. Featuring locally themed inputs as part of the event design can lead to the incorporation of locally known vendor products and services.

Building locality into menu design. This is especially relevant with themed pop-up restaurants that seek to feature art, wineries, and ingredients endemic to the local region.

Early product specification decisions. The earlier decisions are made regarding pop-up design elements, the greater the lead time between development and implementation. This lead time can allow for more favorable negotiations with suppliers.

# Penn State University Policy BS14

Penn State University has specific restrictions on purchases of goods and services with a university purchasing card ("p-card") issued to select employees. These restrictions include specific inclusions and exclusions of goods and services that may be purchased using the p-card and are stated in the policy document as "conditional" or "prohibited" uses. For a list of the conditional and prohibited uses of the p-card, please see Policy BS14 Penn State Purchasing Card—Specific Restrictions of Goods and Services.

## Purchasing Ethics

Ethics have been defined as the moral choices of appropriate conduct made by an individual in their relationships with others. Ethical questions to guide purchasing decisions include the following:

| Food for thought! |
| --- |
| Based on the five guiding questions for ethical purchasing decision-making, what are some local resources you might consult to determine whether your purchase action is legal or illegal? |

- Is it legal?
- Does it hurt anyone?
- Am I being honest?
- Would I care if it happened to me?
- Would I publicize my action?

## Scheduling and receiving food and beverages

In proper ordering and receiving, one individual places the order, while another individual is responsible for verifying the delivery and acceptance of the product. Auditors are individuals responsible for reviewing and evaluating proper operational procedures. They can determine the potential for fraud or theft.

| Helpful Templates |
| --- |
| Check out this helpful template for organizing your purchasing and receiving plan:<br><br>• Pre-Production Support Guide for Food and Non-food Orders |

# Requirements for effective receiving management include proper:

1. Location—appropriately designating spaces for safe storage, access, and retrieval of food and nonfood items (e.g., safe inventory storage for chilled products)
2. Tools and equipment—ensuring product specifications match available human and machine capabilities (e.g., fabricated, single-portioned meat cuts)
3. Delivery schedules—synchronizing delivery times to optimize quality and quantity checks (e.g., aligning afternoon deliveries and kitchen-prep team schedules)
4. Staff training—ensuring FOH and BOH receival staff knowledgeable of product specifications (e.g., posting vendor spec sheets for designated receival staff)

## KEY TERMS

- Auditors
- MOVE (Menu_Orders_Vendors_Extras) Form
- Penn State University Policy BS14
- Pre-production Support Guide
- Purchase specification
- Purchase order
- Purchase requisition
- Purchasing ethics

## REVIEW QUESTIONS

1. What are some of the factors that affect forecasting food and beverage purchases? Identify and briefly explain at least three (3) factors.
2. What role does a product-specification sheet play in purchasing food and beverage items for a pop-up restaurant?
3. Your team member shares that they can get significant quantity discounts from the local produce vendor if the team agrees to purchase produce needed for the pop-up from the vendor. In exchange, the vendor requests four complementary dinners for him and his family. What might be some of the ethical considerations the team should make before deciding on a produce vendor?

## Review Activities

1. Review Policy BS14 using the link provided. Is the purchase of goods via Amazon.com a conditional or prohibited use of a p-card?
2. Review Policy BS14 using the link provided. Is the purchase of wearable technology a conditional of prohibited use of a p-card?
3. Review Policy BS14 using the link provided. Under "Meals—Catered" in the conditional-use table, what may the p-card be used for? What may the p-card not be used for?

### Pop-up Project Task(s)

1. Complete the MOVE (Menu_Orders_Vendors_Extras) Form using the template provided.
2. Complete the Pre-production Support Guide (food, nonfood) using the template provided. Note: items listed are based on a sample menu and may be modified or deleted.

### Chapter References

Dopson, Lea R., and David K. Hayes. 2019. Food and Beverage Cost Control. Hoboken, NJ: Wiley.

Egan, Beth. n.d. "Managing Inventory Control and Procurement." In Introduction to Food Production and Service. State College, PA: Affordable Course Transformation: Pennsylvania State University. https://psu.pb.unizin.org/hmd329/chapter/ch10/.

# CHAPTER 9 - VENUE, LAYOUT AND RESERVATIONS

## PAULINE MILWOOD

*Whenever you enter into the planning process for an event—whether a corporate function, wedding or fundraiser—it's very important to identify not only your objectives and goals, but also the type of setting where you envision your event taking place. The most perfectly executed plan may get lost if the location doesn't function properly both aesthetically and logistically.*
—Wendy McCool, *The Art of Event Planning*

---

### LEARNING OBJECTIVES

At the end of this chapter, students will be able to do the following:

1. Understand and apply the venue-layout-reservations relationship to the pop-up management plan
2. Understand and observe venue operating laws and guidelines for pop-up events
3. Conduct effective venue audits of production areas for pop-ups
4. Conduct effective venue audits of service areas for pop-ups
5. Understand venue and layout types for venue management
6. Create a reservation or booking system for receiving dinner requests
7. Create venue layout plans for production and service areas for staging a pop-up restaurant

---

## CHAPTER WARM-UP

## PRECHAPTER READING MATERIALS

- "Pop-Up Restaurants: Seasonality, Types of Spaces, and Other Factors" (Baras 2015)
- "Event Venue Satisfaction and Its Impact on Sponsorship Outcomes" (Michelini, Iasevoli, and Theodoraki 2017, 322–23)

- Consider the following quote from Michelini, Iasevoli, and Theodoraki (2017) on the concept of the "plurality" of event venues: "Some event venues are temporarily erected,...and then transported to other spaces, or dismantled and discarded after use, or leased to another event. Furthermore, event venues can refer to different contexts, such as hospitality, tourism, leisure, and sport." In groups of two to three persons, discuss the concept of "plurality" and its implications for venue planning for your pop-up restaurant.
- Conduct a walk-through of the locations where previous pop-up restaurants have been staged on the Penn State Berks campus. What are some advantages and disadvantages of each of these spaces?

## Chapter Outline

- The Venue-Layout-Reservations Relationship
- Conducting a Venue Audit
- Types of Venue Layout
- Reservation Systems and the Role of Technology

## The Venue-Layout-Reservations Relationship

There is an important relationship between the venue, layout, and reservation characteristics associated with the development of the pop-up restaurant plan. Venue capacity, referred to as the legal limit of the amount of per-person space (in sq. ft.) designated to an area, determines the maximum number of guests allowable per sitting. This number will impact directly the number of reservation requests allowable for dine-in guests based on the layout selected (e.g., ballroom-, banquet-, cocktail-, theater-style seating). Figure 9.1 shows the relationship among venue, layout, and reservations.
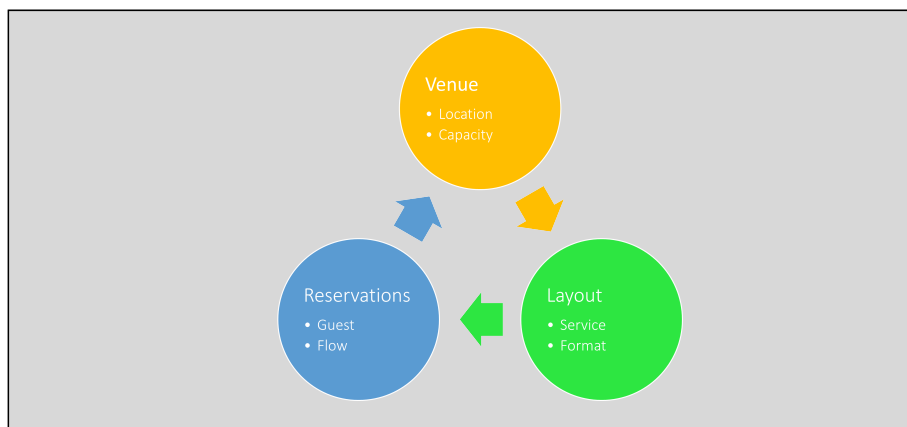
*FIGURE 9.1 – THE VENUE-LAYOUT-RESERVATIONS TRIAD*

It is important for the hospitality manager to conduct a physical walk-through—in fact, several walk-throughs—of the proposed pop-up restaurant venue as part of putting together a venue layout plan. The venue layout plan will include production (BOH) and service (FOH) considerations.

Venue planning involves giving consideration to BOH, FOH, and exchange paths that will be utilized to ensure the smooth and seamless flow of production and service functions on the night of the pop-up experience. While each area is run by separate management teams during production and service, a thorough understanding of BOH, FOH, and planning for exchange paths is critical for the proper overall functioning of production-service processes. Giving consideration to how the venue can be used across all three functions ensures an efficient flow of service for diners as well as a safe workflow for both diners and workers.

## CONDUCTING A VENUE AUDIT

When conducting a venue audit, the following considerations should be evaluated for both availability and accessibility.

- Production areas of the venue
  - Food and beverage receival and storage
  - Food and beverage preparation
  - Plating and expediting
  - Food-production equipment (capacity, capability)
  - Employee restrooms
- Service areas of the venue
  - Food and beverage service

> **Food for thought!**
>
> What are some key differences between venue planning for a pop-up restaurant and venue planning for a traditional restaurant?

- ◦ Guest pathways (entry, exit)
- ◦ Guest restrooms
- ◦ Employee pathways
- ◦ Table settings
- Other factors
  - ◦ Accessibility
  - ◦ Emergency and support facilities
  - ◦ Licenses
  - ◦ Maintenance and operations
  - ◦ Permits

---

### Exercise 9.0: Restaurant-within-a-Restaurant (*Adapted*, Baras 2015)

Most restaurants tend to operate during shortened daytime hours. A restaurant that specializes in dinner rarely is open for breakfast and lunch as well. Conversely, a restaurant that is open for breakfast and lunch is often closed for dinner. Additionally, many restaurants are closed one to two days a week—for example, a restaurant that caters to the daytime office crowd is often closed during the weekends. Many restaurants that specialize in dinner are closed on Mondays, customarily the slowest day of the week for dining out. And many restaurants close by no later than 10 p.m.

But the clock keeps ticking when it comes to the restaurateur's fixed costs, whether the restaurant is open or closed. Each second of the day costs the proprietor rent, insurance, license fees, and other attendant costs.

Second, from the perspective of the pop-up restaurant merchant, there are more complexities for an entrepreneur who is looking to host a pop-up restaurant than for one wanting to open a pop-up store. A pop-up dining host needs kitchen-prep facilities and cooking equipment. He needs tables, chairs, linens, and even dishes and flatware. Perhaps most challenging of all, he needs to have a space that is compliant with local health department ordinances.

These are all challenges from two opposite perspectives, but they can be met by a restaurant-within-a-restaurant arrangement.

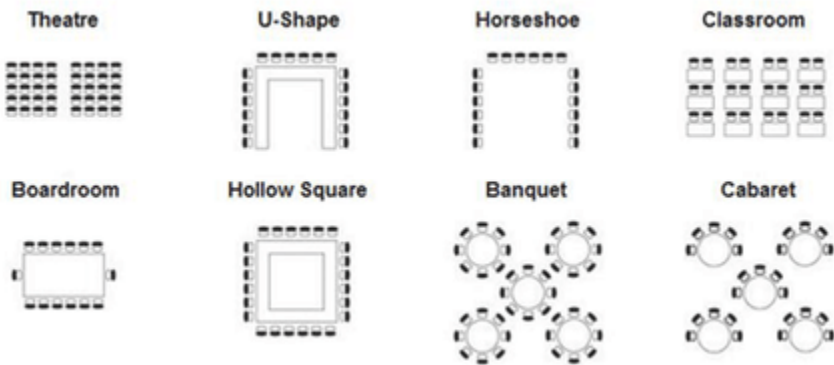#### CRITICAL THINKING QUESTIONS

1. How can a restaurant-within-a-restaurant strategy help with finding an appropriate venue for a pop-up restaurant?
2. What are some challenges associated with a restaurant-within-a-restaurant strategy?
3. What are some benefits associated with a restaurant-within-a-restaurant strategy?

# Types of venue layout

As discussed above, the venue for your restaurant will directly influence the layout style and format of your pop-up restaurant. Figure 9.2 provides examples of venue layout options. Which layout(s) do you think are popularly used in food-service settings?

| Theatre | U-Shape | Horseshoe | Classroom |
|---------|---------|-----------|-----------|
| Boardroom | Hollow Square | Banquet | Cabaret |

Typically, restaurants follow banquet or cabaret layouts. However, other layouts are widely accepted and are driven by the tastes, budget, and creativity of the popupreneur. In the chapter warm-up, we read of Chef Ludo Lefebvre's out-of-this-world pop-up dinners, some of which are staged (quite literally) thousands of feet aboveground! The venue layout appropriate for Lefebvre's pop-up in the sky might be referred to as a hollow square and is an appropriate layout for the small number of diners at any given time as well as the novel logistic of being suspended by cable thousands of feet aboveground

Popup dinner in the sky in Brussels, Belgium

Other layout styles may be driven by efficiency, break-even points, available seat hours, and capacity limits. Capacity limits have become increasingly important in the post-COVID-19 era. Another consideration may be related to the overall theme of the event. For example, a pop-up restaurant featuring dinner theater or the performing arts might be best suited for a classic banquet-style, U-shaped, or theater-style layout. Another pop-up restaurant that features art may be themed around tasting plates and bistro-style seating/standing combination layouts.

## RESERVATION SYSTEMS AND THE ROLE OF TECHNOLOGY

Reservation systems can vary from a simplified logbook used to enter reservations received via telephone or email to a fully automated system such as a mobile application that facilitates the placement and receipt of reservations. Recently, technology-mediated platforms have increased exponentially in popularity. These platforms facilitate intermediated communication and engagement with potential customers. In the case of a pop-up restaurant, prospective diners are able to place reservations via technological or nontechnological systems. It is up to the hospitality manager to determine which medium best suits the target market of potential customers, though restaurants will usually provide more than one way for customers to place reservations in the event one system collapses.

The rise of mobile technology has revolutionized the way in which hospitality service providers such as restaurateurs are able to communicate and engage with current and prospective customers. Mobile telephones, supported by ubiquitous technology platforms, apps, and Wi-Fi, allow direct communication between restaurants and customers and between customers and other customers. For example, online rating systems allow customers to view what other customers have to share about their experiences at a particular service establishment without having to rely on the establishment's website. In the same manner, restaurants are able to reach and hear from their target market because of direct-channel mobile technology platforms and social media. (Social media marketing is further exploredd in chapter 4.)

There are several ways in which restaurateurs can facilitate guest reservation requests by the use of technology. One example is a QR code. A **QR code** is used to embed information safely and conveniently for use by customers, guests, or other stakeholders. Presented as a square-shaped box of black-inked pattern markings, a QR code carries bidimensional information that, when accessed with a camera or other scanning device, opens links to embedded content. Another example is the use of **URLs**, or uniform resource locators, which redirect users to a prespecified location of web-based information. Presented as hyperlinked text, guests are able to access this information by being redirected to its source, normally housed on the internet.

## KEY TERMS

- Venue layout
- Landlord licenses
- Liquor license
- Permits
- QR code
- Reservation systems

## REVIEW QUESTIONS

1. How can your understanding of the venue-layout-reservations relationship be applied to a single-night pop-up restaurant event?
2. What are three advantages of using an automated reservations system?

3. What are three disadvantages of using an automated reservation system?
4. Why would (production) kitchen layout/location be an important consideration for FOH planning? Why would (service) dining layout/location be an important consideration for BOH planning?

## Review Activities

1. Using your camera phone or another appropriate scanning device, scan the following QR code. What message is embedded in the code?
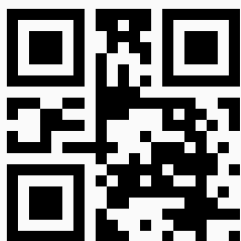


2. Using the link to the QR Code Generator, practice creating your own QR code.
3. Read the article in exercise 9.1. Using your favorite internet browser, search for a restaurant in your local community that serves only breakfast and/or lunch. Could any of these restaurants serve as a venue for a pop-up restaurant? Share your results with the class.

## Pop-up Project Task(s)

1. Provide an overview of your plan for gathering guest feedback.
2. Provide an overview of your venue, layout, and reservations plans.

## Chapter References

Banquet Tables Pro. 2021. "Banquet Setup Diagrams Setup & Capacity Guidelines." Accessed April 14, 2022. https://www.banquettablespro.com/banquet-table-setup-diagrams.

Baras, Jeremy. 2015. PopUp Republic: How to Start Your Own Successful Pop-Up Space, Shop, or Restaurant. Hoboken, NJ: Wiley. https://learning.oreilly.com/library/view/popup-republic/9781119145912/ (Penn State–authenticated link).

Feingold, Jeff. 2018. "The Art of Successful Event Planning." New Hampshire Business Review 40 (18): 22. https://www.nhbr.com/the-art-of-successful-event-planning/ (Penn State–authenticated link).

Michelini, Laura, Gennaro Iasevoli, and Eleni Theodoraki. 2017. "Event Venue Satisfaction and Its Impact on Sponsorship Outcomes." Event Management 21 (3): 319–31. https://doi.org/10.3727/152599517X14942648527536 (Penn State–authenticated link).

# CHAPTER 10 - HEALTH, SAFETY AND SECURITY

## PAULINE MILWOOD

*The way organizations deal with their customers, their employees, and the broader community in a crisis is likely to leave lasting memories in customers' minds.*
—Rachel Deibner, Elizabeth Silliman, Kelly Ungerman, and Maxence Vancauwenberghe, "*Adapting Customer Experience in the Time of Coronavirus*"

---

### LEARNING OBJECTIVES

At the end of this chapter, students will be able to do the following:

1. Understand and apply University Policy AD26 guidelines for the sale and serving of food and beverages at university locations
2. Understand and apply state and local food safety and sanitation guidelines for implementing pop-up restaurants
3. Understand and apply health and food safety practices for managers and employees in the post-COVID-19 (SARS-CoV-2) pandemic era
4. Create a food health and safety plan for operating a pop-up restaurant

---

## CHAPTER WARM-UP

## PRECHAPTER READING MATERIALS

- "Torn between Safety and Environmental Concerns, Restaurants Stick with Disposable Serveware" (Hartke 2020)
- "AD26 Sale and Serving of Food and Beverages at University Locations" (Penn State University 2013)
- "Best Practices for Re-opening Retail Food Establishments during the COVID-19 Pandemic: Food Safety Checklist" (US Food and Drug Administration 2020)
- "Covid-19 Operating Guidance" (National Restaurant Association 2021)

- "Responding to COVID-19 in Pennsylvania" (Commonwealth of Pennsylvania 2022)

## Prechapter Exercises

- Conduct a short interview about safety and dining out with the person seated to your immediate right or left. In your interview, please include the following three questions:
    1. Have you dined out since the start of the pandemic?
    2. How do you feel about current health and food safety standards and practices since the COVID-19 pandemic?
    3. As a hospitality management student preparing to graduate, how will you help dine-in guests feel comfortable if they decide to attend your pop-up restaurant?

- Review the 2022 State of the Restaurant Industry report. In groups of two to three persons, identify and discuss key aspects of consumer sentiments and intentions as they relate to dining out.

## Chapter Outline

- Background
- COVID-19 (SARS-CoV-2) and Implications for Food Production and Service
- Penn State University Policy AD26
- Implications for Managers and Employees

## Background

Historically, the focus of food safety within the restaurant industry has been almost exclusively on how to avoid an outbreak of a foodborne illness. To this end, commercial food establishments have designed food safety and management training programs around preventing food hazards, cross-contamination, and time-temperature abuse of potentially hazardous foods. The National Restaurant Association is an umbrella organization representing the interests of some four hundred thousand restaurants and is perhaps the foremost organization for food safety training, which it administers through its ServSafe education program. More recently, food safety has expanded its focus to person-to-person contact, which traditionally occurs in service encounters.

## COVID-19 (SARS-COV-2) AND IMPLICATIONS FOR FOOD

## PRODUCTION AND SERVICE

In the wake of the 2020 global COVID-19 pandemic and in an effort to mitigate the spread of the disease caused by the novel coronavirus, additional layers of safety protocols have been introduced. Requirements put in place by several restaurants include guests wearing masks except while actively dining, the admittance of only guests who can show evidence of vaccination, social distancing, and capacity limits.

Restaurants also implemented business models and operational changes in response to the pandemic. Some of these changes included contactless payment and delivery, curbside pickup, and the rise of ghost or virtual kitchens.



10.1 A customer pays their bill using near field communication (NFC) technology



10.2 A curbside pickup slot at McDonald's

In addition to the reopening guidance provided by the National Restaurant Association, food-service managers should also do the following:

1. Ensure their team leads are ServSafe manager certified
2. Provide ServSafe food handler training
3. Provide technology-supported systems
4. Follow all applicable guidelines provided by local, state, and federal regulatory agencies

## Penn State University Policy AD26

The Advanced Food Production and Service Management (HM 430) requirement for staging a pop-up restaurant at Penn State Berks is governed by Penn State University's Policy AD26. Soon-to-be graduating seniors should familiarize themselves with the policy to ensure that all planning and implementation activities abide by the university's guidelines for the sales and service of food and beverage at campus locations. The policy is summarized below:

> The purpose of Policy AD26 governing Sale and Service of Food and Beverages at University Locations is to outline the responsibilities of the University in providing and approving food and beverage services, as well as recognize the contractual responsibilities and limitations of the University for the provision of beverages and vended products on University owned and leased property. The Director of Housing and Food Services (or their designee) or The Director of Business Services (or their designee) can authorize an exception in advance of the event if University Food Services does not have the culinary arts expertise required for the successful execution of the event.

## Implications for Managers and Employees

1. The COVID-19 pandemic brought about several new health and safety implications for hospitality workers, particularly for those working in restaurants and commercial food-service establishments. While some of these implications have been favored by the industry as a whole (e.g., business model innovations, improved working conditions), others have resulted in the departure of millions of hospitality workers from the industry, part of a global trend largely referred to as the "Great Resignation."Other implications for student managers, team members, and the volunteers and community partners supporting their pop-up restaurant projects include the following:
     1. Conflict-resolution training. Be prepared to encounter and resolve conflicts with angry or resentful pop-up diners who do not agree with mask-wearing policies or vaccine requirements as a method of mitigating COVID-19 spread.

2. Entrepreneurial mind-set. Employ dynamic approaches to venue layout and design to adhere to capacity and/or operating restrictions as well as to ensure social distance among diners.
3. Shared service design. For larger, mixed audiences, consider menu portions and plating designs that minimize guests engaging in shared-plate services and self-help food-service styles.
4. Venue and servicescape innovations. Take advantage of nontraditional use spaces such as outdoor green space during warmer months, indoor garages, barns, unutilized factory spaces, and underutilized kitchen spaces.

## KEY TERMS

- **Contactless**
- **COVID-19**
- **Curbside to-go**
- **SARS-CoV-2**
- **University Policy AD26**

## REVIEW QUESTIONS

1. In mid-2020, Tripadvisor began displaying COVID-19 safety protocol information for restaurants. A cursory check of restaurant websites suggests the practice has become less popular. Do you think this information is/was helpful to customers? Why or why not?
2. When planning and designing a pop-up restaurant, what are some environmental concerns that should be considered? How might these concerns conflict with safety concerns?
3. Describe any experience with or observation of a difficult situation in your workplace arising from differences in patron or employee sentiment on mask wearing or other COVID-19 guidelines.
4. What are some of the implications of University Policy AD26 for implementing a safety plan for a campus-based pop-up restaurant?
5. How has COVID-19 impacted the

### Hospitality and Conflict-resolution?

Ellis also says that restaurant confrontations are typically fueled by politics: He notes that Michigan is home to anti-mask organizations and to groups of citizens who patrol restaurants and report people they see violating coronavirus policies. "So where does that put all of us?" he asks. "Right in the middle."

[NRA] guidance comes just after the

planning and implementation of a pop-up restaurant? Discuss implications of COVID-19 on planning and designing a pop-up space for safety.

## Review Activities

1. Type the name of your favorite restaurant in your internet browser. Take a moment to view the restaurant's publicly accessible information related to COVID-19 restrictions and guidelines for doing business with the restaurant. Does the restaurant provide any information related to COVID-19? If yes, what type of information is provided? Form groups of three to five members and spend five to ten minutes discussing your findings.

2. In their 2021 article entitled "Culinary Tourism and Post-pandemic Travel: Ecosystem Responses to an External Shock," Milwood and Crick (2021) found that larger hotel restaurants and eponymous restaurants (i.e., restaurants named after a public figure or celebrity), when compared with smaller establishments, displayed COVID-19 safety information more consistent with and similar to information found on travel destination websites. Why do you think this difference in COVID-19 safety information occurs between these commercial food-service establishments?

## Pop-up Project Task

1. Develop food safety and implementation plans within the context of new state and

local COVID-19 guidelines.

## Chapter References

Commonwealth of Pennsylvania. 2022. "Responding to COVID-19 in Pennsylvania." Last modified April 11, 2022. https://www.pa.gov/guides/responding-to-covid-19/.

Diebner, Rachel, Elizabeth Silliman, Kelly Ungerman, and Maxence Vancauwenberghe. 2020. "Adapting Customer Experience in the Time of Coronavirus." McKinsey & Company. Last modified April 2, 2020. https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/adapting-customer-experience-in-the-time-of-coronavirus.

Hartke, Kristen. 2020. "Torn between Safety and Environmental Concerns, Restaurants Stick with Disposable Serveware." Washington Post, October 21, 2020. https://www.washingtonpost.com/food/2020/10/21/restaurant-utensils-coronavirus-safety/.

Heil, Emily. 2020. "Diners Angry about Masks and Other Coronavirus Rules Prompt Training for Restaurant Workers." Washington Post, September 22, 2020. https://www.washingtonpost.com/news/voraciously/wp/2020/09/22/diners-angry-about-masks-and-other-coronavirus-rules-prompt-training-for-restaurant-workers/.

Milwood, Pauline, and Anne P. Crick. 2021. "Culinary Tourism and Post-pandemic Travel: Ecosystem Responses to an External Shock." Journal of Tourism, Heritage & Services Marketing 7 (1): 23–32. https://ssrn.com/abstract=3783682.

Moreo, Andrew, Imran Rahman, Lisa Cain, and Trishna G. Mistry. 2022. "Bad Managers, Burnout, and Health Fears: Why Record Numbers of Hospitality Workers Are Quitting the Industry for Good." Conversation, February 2, 2022. https://theconversation.com/bad-managers-burnout-and-health-fears-why-record-numbers-of-hospitality-workers-are-quitting-the-industry-for-good-174588.

National Restaurant Association. 2020. "New Normal Inspires New Innovations in Restaurant Industry." Last modified October 14, 2020. https://restaurant.org/education-and-resources/resource-library/new-normal-inspires-new-innovations-in-restaurant-industry/.

———. 2021. "Covid-19 Operating Guidance." Last modified July 2021. https://go.restaurant.org/covid19-reopening-guide.

Pendrill, Katherine. n.d. "9 Tips for Curbside Pickup Restaurant Operations." TouchBistro. Accessed January 17, 2022. https://www.touchbistro.com/blog/guide-to-restaurant-curbside-pickup/.

Penn State University. 2013. "AD26 Sale and Serving of Food and Beverages at University Locations." Administrative Policies. Last modified June 19, 2013. https://policy.psu.edu/policies/ad26.

ServSafe. 2022. Accessed January 17, 2022. https://www.servsafe.com/.

Sink, Vanessa. 2022. "National Restaurant Association Releases 2022 State of the Restaurant Industry Report: 2022 Remains Year of Transition as Path to Recovery Continues; Labor Challenges

a Top Concern for Operators." PR Newswire, February 1, 2022. https://restaurant.org/research-and-media/media/press-releases/association-releases-2022-state-of-the-restaurant-industry-report/ (Penn State–authenticated link).

US Food and Drug Administration. 2020. "Best Practices for Re-opening Retail Food Establishments during the COVID-19 Pandemic: Food Safety Checklist." Last modified June 1, 2020. https://www.fda.gov/food/food-safety-during-emergencies/best-practices-re-opening-retail-food-establishments-during-covid-19-pandemic.

Wikipedia. n.d.-a. "Contactless Payment." Accessed April 14, 2022. https://en.wikipedia.org/wiki/Contactless_payment.

———. n.d.-b. "National Restaurant Association." Accessed April 14, 2022. https://en.wikipedia.org/wiki/National_Restaurant_Association.

# SUPPLEMENT: BEVERAGE MANAGEMENT

SHAWN MURRAY

## Learning Objectives

At the end of this chapter, students will be able to do the following:

1. Articulate nonalcoholic and alcoholic beverages
2. Understand basic beer production
3. Understand wine production
4. Identify key components to design craft cocktails
5. Understand the types of beverage pop-ups
6. Understand beverage storytelling
7. Evaluate beverage service and planning during economic disruptions

## Chapter Outline

- Introduction to Beverage Management
- Introduction to Nonalcohol Beverage Management
- Soda
- Bottled Water
- Fruit Juices
- Coffee and Tea
- Introduction to Alcohol Beverage Management
- Wine
- Champagne and Sparkling Wines
- Terroir and Geography
- Common Varietal Types of Wine
- Consumer Behavior
- Spirits in Pop-Up Restaurants
- Spirit Production
- Cocktail Programs in Hospitality and Pop-Up Businesses

## Introduction to Beverage Management

The beverage industry is an extremely complex local, regional, national, and global business that includes nonalcoholic and alcoholic products. When developing beverage-based pop-ups along with serving these products in restaurants, it can be challenging for students to understand the interconnectedness of this industry.

The beverage industry is vibrant and ever evolving. Components and areas in the beverage industry include agriculture, marketing, sales, scientific research, fermentation, barrel-room technicians, consumer behavior, sommeliers, manufacturing, and supply chain management.

Beverages also have high profit margins, and in many cases, jobs in this segment of the hospitality industry do not require detailed specialized skills. This makes working and launching careers in the beverage industry extremely accessible. There are two main segments of the beverage industry: nonalcoholic and alcoholic.

## Introduction to Nonalcohol Beverage Management

The nonalcoholic beverage industry is composed of liquid refreshment beverages (LRBs). These products include soda, bottled water, fruit juices, coffee, and tea.

### Soda

Carbonated beverages can trace their history back to the 1700s in Europe and were designed to duplicate high-quality water. Early sodas had flavor profiles of lemon and lime with carbon dioxide added. Today, the major ingredients in sodas include natural flavors such as cinnamon, nutmeg, citrus, citric acid, high-fructose corn syrup, and carbonated water. For darker sodas such as Coca-Cola or Pepsi, caramel coloring provides a unique color and various taste profiles

### Bottled Water

Before the 1970s, bottled water was just a niche product for the wealthy. Water was a

natural resource that was accessible to everyone. The development of plastic bottles and the convenience of having branded water products have led to the growth of this industry.

Bottled water is defined as drinking water that is sourced from natural environments. The disposal of the bottles that are used for water has produced huge environmental risks and challenges. Plastics contribute to the leaching and contamination of soil and water sources in areas that are close to dump sites. The unintended consequences of plastics impact waterways and oceans.

For pop-up restaurants and other food-service businesses, understanding what consumers are looking for as to how bottled water is being sold and facilitated is key. Most would agree that from a sustainability and entrepreneurial perspective, bottled water, although convenient, is not good for our planet.

Most restaurants weigh the sales of bottled water against the investment of resources and cost of materials businesses can derive from these products. It also is important to recognize that bottled water consumption will vary from geographical destinations and is impacted by the movement of customers.

TYPES OF BOTTLED WATER

- Mineral water—water that is sourced from springs that contain minerals such as salts and sulfur compounds, is geologically and physically protected, and has no added minerals
- Hydrogen water—water that contains dissolved hydrogen gases, producing a carbonation effect
- Groundwater—water from an underground source
- Alkaline water—water that has an increased pH level through electrolysis
- Fluoridated water—water in which fluoride is added during the sourcing and production process
- Artesian water—water that originates from a confined aquifer
- Purified water—water that has been produced by deionization, distillation, and reverse osmosis
- Sparkling water—water that contains the same amount of carbon dioxide when it is sourced
- Springwater—water that is developed from an underground formation in which the water flows to the earth's surface
- Well water—water that is sourced from drilling or tapping into a groundwater source

## FRUIT JUICES

Fruit juices have been consumed since the beginning of human civilization. In ancient times, extracting the juice from fruits was done normally under extreme circumstances due to the time and processing involved in obtaining a useable product. Pre–World War II, fresh-squeezed juices were products that mostly only the wealthy could afford and had access to.

In more recent years, with increased manufacturing technology, commercial farming can plant more fruit trees and bushes and produce more fruits twelve months a year in various destinations across the globe.

With this high quantity of fruit stuffs, more human beings globally have access to funds to purchase these products, which leads to a greater focus on health and wellness that millennials, Generation Zers, and Generation Alphas enjoy. This simply means that globally, we are producing more fruits that can be pressed and produced into juices along with more individuals that can afford to purchase these juices.

Fruit juices are made of 100 percent pure juice. These products consist of the flesh or meat of whole fruit. The various types of fruit juices are endless, and some common juices include apple, orange, grapefruit, grape, lemon, and pineapple.

Many commercial juice products contain additional water and commercial sugars and ingredients, allowing for less fruit juice to be used, which then increases the product yield and decreases the price point.


## Coffee and Tea

For many pop-up restaurants, coffee and tea are important components of beverage options but also can be the concept and overall design of the businesses themselves. With the rise over the past twenty years of firms such as Starbucks and La Colombe, large companies have partnered with various businesses such as hotel groups to increase their economic footprint along with providing opportunities for more consumers to consume their products. For hospitality businesses, both coffee and tea allow for product options to drive sales.

### COFFEE

There are two types of commercial coffee types: arabica and robusta. Arabica institutes about 70 percent of the world's coffee production and is grown predominantly in Latin America and Africa.

Robusta is grown in Indonesia and Africa at high altitudes. These beans are produced in wet and humid geographical areas. Coffee beans are also grown and cultivated on trees and are called cherries while they are growing.

#### COFFEE CLASSIFICATIONS

- Robusta—grown and produced in Southeast Asia and Africa and accounts for around 20 percent of all coffee produced; flavor and taste profiles include aromatics and are full bodied
- Colombian mild—grown and produced in Tanzania, Kenya, and Colombia and constitutes about 15 percent of the world's production; flavor and taste profiles include sweet and deep citrus flavors
- Additional mild arabicas—grown and produced in Latin America and

account for about 25 percent of world coffee production; flavor and taste profiles include medium with sour aromatics

- Brazilian—grown and produced in Brazil and Ethiopia and constitutes about 40 percent of global coffee production; flavor and taste profiles have a moderate level of citrus components

*UTILIZATION AND ROASTING OF BEANS*

Once the cherries or coffee beans are harvested, the roasting process is what brings out and develops a unique aroma and flavor. Coffee beans are roasted at temperatures around five hundred degrees for varying amounts of time, depending on the level of caramelization desired.

As coffee beans are roasted, the level of acidity is decreased, and the flavor profiles and bitterness are increased. Coffee roasts are classified into three categories:

1. Medium—medium caramelization
2. Heavy—heavy levels of caramelization
3. Dark—extremely heavy levels of caramelization and carbonized flavor profiles

*LEVELS AND CLASSIFICATION OF ROASTING COFFEE BEANS*

Full city. This process involves coffee beans that are roasted to a medium level. This roast is the most common for American and Canadian coffee consumers.

French roast. This process involves heavy roasting, which develops more enhanced and bitter flavor profiles. These final beans will display a light oily appearance, and this roast is extremely popular with French demographical populations including New Orleans.

Italian roast. This is the last stage of roasting and produces a dark flavor profile. The beans become carbonized, with small aspects of carbon and light hints of oils. Coffee beans roasted using this method are used to produce espresso and cappuccino.

*DECAFFEINATED COFFEE*

The objective of decaffeinating coffee is to remove the caffeine from the product. Caffeine is a nitrogen-based compound found in coffee plants. For some consumers, caffeine can cause sleeplessness and an increase in their heart rate. There are two methods for processing coffee beans and removing the caffeine.

Chemical method. This method starts with green coffee beans and involves soaking them for a few minutes in methylene chloride, which decreases the caffeine from the bean.

Water method. This method involves green coffee beans that are soaked in water for several hours to remove the caffeine.

## Tea

The overall art of classic tea service over more recent years has been lost. For pop-up restaurants, tea provides opportunities as a beverage option offered to customers along with a low cost and various production options. Tea is served either hot or cold and, due to its properties, can be combined and incorporated with other flavors. This allows for greater creativity and optionality from a menu-design perspective.

### TEA AND MANUFACTURING

Tea shrubs grow in warm climates and at high elevations, up to six thousand feet. Most tea production is performed within large plantations in tea-growing countries and provides positive cascading effects on the economy. All tea is produced by the same plants, but there are over 1,475 different grades and over 2,000 various blends with various flavor profiles and tastes.

Unfermented green tea. These tea leaves are steamed in boilers or cylinders until soft and rolled on mats. This process is repeated until the tea leaves are crisp and dry.

Fermented black tea. These tea leaves are spread on a screen and dried by hot air or by the sun. Next, the tea leaves are rolled, exposing the oxidized juices, and are cooled. This process is completed until the tea leaves are dry.

Oolong. These tea leaves are partially fermented before drying.

## Introduction to Alcohol Beverage Management

The alcoholic beverage industry is composed of wine, spirits, and beer. Each of these segments has unique production methods and offers sales options for diverse demographical segments.

## Wine

Humans have been consuming wine for thousands of years, with the oldest grape wine, Syrah, being sourced in modern-day Iraq. Even religious readings such as the Bible contain historical stories involving the use of wine.

Wine is a beverage that is normally produced with the fermented juice of grapes. During the fermentation process, the grape juice is turned into wine. One important key step when understanding wine production is that the name of the grape normally represents the primary grape that is used to produce the wine itself.

In a bottle of Pinot Noir, the primary grape will be Pinot Noir, or in a bottle of Sauvignon Blanc, the primary grape will be Sauvignon Blanc. This understanding of how the grape itself works is key as we explore wine production and its uses within the hospitality industry and pop-up restaurants.

There are five major stages when producing wine:

1. Harvesting
2. Crushing and pressing
3. Fermentation
4. Adding tannins
5. Aging and blending

Harvesting is the process of removing grapes from the vine, which can be processed by hand or mechanically. The style of wine that the maker is looking to produce and the type of grape will impact the timing of harvest. Weather can play an important factor in grape harvesting and overall wine production. Circumstances such as light rain or an early or late frost during the vine-growing development of the grapes; midsummer, when grape production is at its peak; or before and during the harvest time periods will impact the overall quality of wine being produced.

Crushing and pressing incorporate the juice from grapes. There are two major techniques winemakers use to produce wine: manual and mechanical. Manual wine production uses stomping the grapes with a person's feet, and mechanical wine production uses machines to separate the juice from grapes. With both techniques, must is developed, which is grape juice that is extracted from grapes once wine production begins.

Fermentation is the must or juice that begins to ferment within eight to twenty-four hours. A key component of this process includes the incorporation of wild yeast, or some winemakers will elect to add commercial yeast. This process continues until all or most of the sugar is converted into alcohol.

Tannins are components and elements that are added to impact the flavor as the wine is being processed. These include bark, seeds, flowers, and additional flavor profiles.

Aging and blending provide winemakers with the option to bottle wine immediately or allow for additional aging. Aging can occur in bottles, stainless steel tanks, or oak barrels. Oak barrels are normally used for the aging of red wines and Chardonnay. White and blush wines use stainless steel tanks for aging.

An additional key component of wine production is the Brix scale, which measures the sugar content in must. Winemakers in best-case scenarios are looking for a Brix factor of 21 to 25 percent. The lower percentage of these numbers will increase the need for processed sugar added during the fermentation process to assist with alcohol conversion. This adding of sugar is called chaptalization.

During fermentation, it's important to remember that the color profile of wines—red, white, or blush—is determined by not the grape but whether the seeds, skins, and vine stems are left in the must during fermentation.

As winemakers begin the fermentation process for white wines, the seeds, skins, and vine stems are removed. With blush wine, these items are left in the must for twenty-four to seventy-two hours, and for red wines, the seeds, skins, and vine stems are left in the must during the entire fermentation process.

## Champagne and Sparkling Wines

Champagne and sparkling wines are produced once wines are processed through a second fermentation. To be called champagne, the grapes must be grown and processed in the Champagne region of France. The three grapes required for true champagne are Chardonnay, Pinot Meunier, and Pinot Noir.

Sparkling wines will go through the same exact second fermentation used with champagne but do not have the same grape and geographical classification requirements. Once the wine goes through the second fermentation, the Charmat or traditional method is started, which traps bubbles in the wine bottle. Here are the remaining steps needed to produce champagne and sparkling wines after the first fermentation:

Assemblage. Assemblage is the art of blending wines in order to prepare for the second fermentation.

Second fermentation. The second fermentation takes place once the wine is developed and involves adding a mixture of yeast nutrients, sugar, and wild or natural yeast into the wine bottle. Once this step is conducted, the bottle is sealed so that carbon dioxide cannot escape.

Aging. As the second fermentation begins, the complex flavor profiles and bubbles that are found in sparkling wines and champagnes continue to take place.

Riddling. Riddling is the time-honored process of placing the champagne bottle upside down at a seventy-five-degree angle. Each day the bottle is turned one-eighth a degree. This step allows the sediment at the bottom of the bottle to work its way toward the top of the bottle.

Disgorging. Once the second fermentation has been completed, the champagne bottle is held upside down, and the tip of the bottle is frozen. The bottle cap is quickly removed, and the pressure of the carbon dioxide will cause the frozen wine to release.

Dosage. Next, the dosage is completed in which a light mixture of white wine, brandy, and sugar—called liqueur de tirage in France—is added to make up for the lost product and the sweetness of the champagne is adjusted. Liqueur de tirage assists with classifying the champagne as brut nature, extra brut, brut, extra dry, dry, semidry, or doux, which all provide classifications as to the sweetness and sugar content of the champagne. The final step in this process is the corking of the bottle.

## Terroir and Geography

Terroir or topography is an important factor during wine production and includes the land, shapes, soil, weather, and natural features that impact how grapes are grown.

Geography plays a key role in the unique characteristics of wine production. Key indicators for grape production and producing high-quality wine include temperature, climate, elevation, and types of soil. Most top global wine production regions are located close to coastal areas or large bodies of water. These geographic regions are normally close to mountains and valleys. This idea of the association of valleys to grape production and higher elevations results in two key components that

increase the quality of the grapes being produced. First, the grapes are kept cooler during the peak output of sunlight during the day. Second, natural precipitation produced from large waterways produces a mist that holds heat in valley areas, creating a natural blanket to protect the grapes.

Some examples of this combination of terroir and geography can be found in Casablanca Valley in Chile, the Finger Lakes in western New York State; Willamette Valley in Oregon, and Bordeaux, France.

**COMMON VARIETAL TYPES OF WINE**

There are thousands of grape varietals globally, but there are only seven noble grapes. Noble grapes are varietals or types of grapes that can grow in diverse climates and topography. These grapes include Merlot, Cabernet Sauvignon, Pinot Noir, Carmenère, Sauvignon Blanc, Chardonnay, and Riesling.

In hospitality and pop-up restaurants, the following varietals are most popular for wine lists and programs.

| Reds | White |
|---|---|
| Cabernet Sauvignon | Sauvignon Blanc |
| Pinot Noir | Chardonnay |
| Merlot | Riesling |
| Syrah | Pinot Gris |
| Zinfandel | Semillon |
| Malbec | Chenin Blanc |
| Sangiovese | Gewurztraminer |
| Grenache | Viognier |
| Carmenere | Moscato Bianco |
| Tempranillo | Albarino |
| Cabernet Franc | Gruner Veltliner |
| Barbera | Airen |

## Consumer Behavior

Globally, wine consumption has changed in recent years, as millennials and Generation Zers have increased not only their alcohol consumption but also simply their enjoyment of wine. Pre-COVID-19, intrapandemic, and postpandemic, lower-price wines and wines packaged in cans have become more popular and have made wine more accessible. A more recent trend is sourcing the wine production, such as top-rated wines being produced in Latin America and China. These new wine-producing locations are changing how consumers look to explore and purchase wine.

## Spirits Within Pop-Up Restaurants

In hospitality and pop-up restaurants, spirits play a key part in alcoholic beverage

programs. Spirits not only are diverse but demand planning to ensure that drinks are served safely. Spirits produce options to enhance the customers' experience during the meal, introduce creativity or flavor profiles, and can be the main attraction of a pop-up.

Many spirits have a common process of distillation, which is the process of incorporating the liquid into alcohol.

## Spirit Production

Distillation is the process in which a liquid is heated to create vapors that will condense back into the liquid. During this process, droplets remain, resulting in alcohol production. Percolation is a cold methodology for producing spirits that has a brewing process like coffee with flavoring elements placed on the top of the apparatus.

When producing spirits, there are three methods: the cold method, the hot method, and maceration. The cold method in most cases uses fruit flavors, plants seeds, and peels; flowers use the hot method; and maceration is used for all other ingredients when producing spirits.

Spirits also have precise and distinct categories that allow for unique styles that provide sophistication and sensory flavor profiles.

## Fruit Flavored Liqueurs

Labels will indicate which fruits were used to produce the product. Here are some examples:
Midori—melon
Cocoribe—coconut
Peter Heering—cherries

## Seed-Based Liqueurs

Traditionally, seed-based liqueurs do not use a single seed but several ingredients, with the seed flavor being predominant. Here are some examples:
Arak—anise
Anisette—anise
Kummel—caraway, cumin, and fennel seeds

## Herb Based Liqueurs

Production processes focus on a combination of herbs. Here are some examples:
Chartreuse—wild mountain herbs and honey
Jägermeister—a blend of fifty-six roots and herbs

## Peel Based Liqueurs

The flavor profiles are produced by the rind of citrus fruit being used. Here are additional examples:

    Curacao—orange
    Grand Marnier—orange
    Le Grande Passion—passion fruit

## Crème Based Liqueurs

Crème-based liqueurs have creamy textures and a sweet taste, with crèmes always taking on the dominant ingredients, being normally very sweet. Here are some examples:

    Crème de banana—banana
    Crème de cassis—back currants
    Crème de framboise—raspberry

## Cocktail Programs Embedded with Hospitality and Pop-Up Businesses

There are two types of drinks that are produced with spirits. These drinks are called classic and craft cocktails. Classic cocktails are normally served at many alcoholic beverage establishments and are common in modern beverage programs. Craft cocktails are designed at individual restaurants and bars with unique ingredients. Both craft and classic cocktails provide amazing options and opportunities to improve profit margins and enhance menu options and overall aesthetics.

These various cocktails include primary and secondary spirits, herbs, fresh fruits, jams, juices, vegetables, and additional ingredients.

## Examples of Primary Spirits Used For Cocktails

- Gin
- Rum
- Whiskey
- Bourbon
- Tequila
- Mescal
- Vodka

## Examples of Secondary Spirits Used For Cocktails

- Chambord
- Frangelico
- St. Germain Elderflower
- Calvados
- Cointreau
- Green Chartreuse
- Vermouth
- Amaro

## Examples of Fresh Herbs Used For Cocktails

- Mint
- Basil
- Tarragon
- Rosemary
- Cilantro
- Parsley
- Oregano
- Sage
- Thyme

## Examples of Fresh Fruits Used For Cocktails

- Mango
- Strawberry
- Peach
- Pineapple
- Guava
- Papaya
- Blueberries
- Raspberries
- Blackberries
- Kiwi
- Passion Fruit

## Examples of Jams Used For Cocktails

- Blueberry and Fennel
- Green Tomato and Blackberry
- Peach
- Cilantro and Tomato
- Plum and Sage

## Examples of Juices Used For Cocktails

- Orange
- Grapefruit
- Pineapple
- Cranberry

## Examples of Vegetables Used For Cocktails

- Celery
- Tomato's
- Carrots
- Pumpkin
- Cucumber

## Additional Ingredients Used For Cocktails

- Simple Syrup
- Infused Syrups
- Egg Whites
- Strubs

## Classic Cocktail Examples

- French 75
- Mojito
- Moscow Mule
- Manhattan
- Daiquiri
- Whiskey Sour

- Cosmopolitan
- Sidecar
- Margarita
- Negroni

## Beer

As we have explored in regard to wine, beer has a long history that can be traced back to ancient times. Western Europe has a long tradition of beer making, which was introduced to America primarily via Irish and German immigrants. Before the Industrial Revolution, the product was consumed due to the low quality of drinking water.

In more recent years, beer has increased in popularity and has the flexibility to be infused with additional flavor profiles and styles. Here are the major ingredients to produce beer:

- High-quality water
- Malt
- Partial mash
- All grain
- Hops
- Yeast

### TOP BEER FERMENTATION

Top-fermentation-produced beers are fermented around 65–75°F. Once the yeast is converted into alcohol, a second crop is added. Types of top-fermentation beers include ales, porters, and stouts.

### BOTTOM BEER FERMENTATION

Bottom-fermentation-produced beers are fermented around 45–55°F. Settled yeast is decanted from the beer along with sediment retrieved. Types of bottom-fermentation beers include lagers and pilsners.

## Conclusion

Beverages can improve the financial viability of pop-up restaurants and enhance the food customers consume. With the correct beverage selections and offerings for consumers, profits can be increased.

In pop-up restaurants, the storytelling of beverages can be used to entertain, educate, and enhance the relationship between business and customers. Being able

to share the story and design of a pop-up restaurant through beverages, classes for designing craft cocktails, and wine and beer tastings provide amazing options to drive and increase revenue.
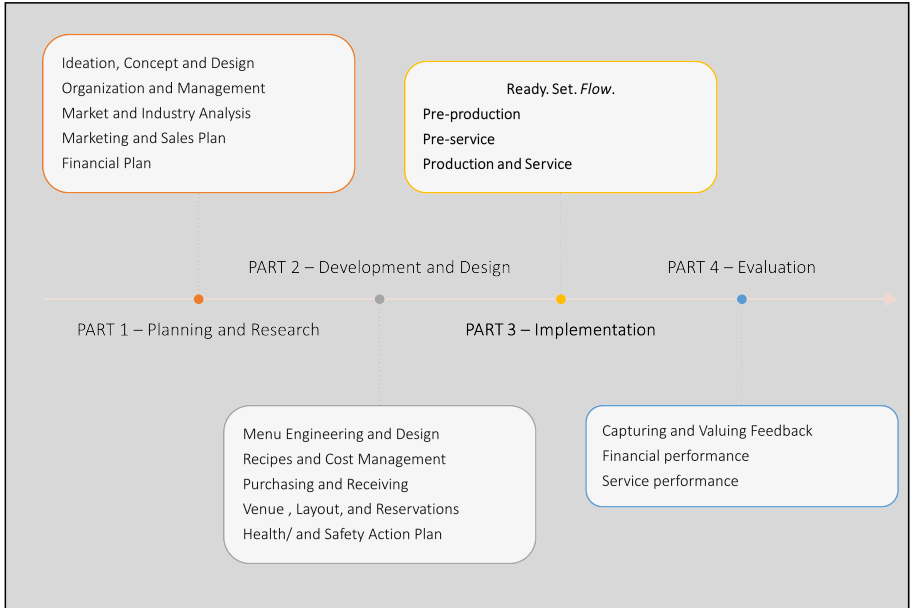
## Key Terms

- Nonalcoholic beverage
- Alcoholic beverage
- Soda
- Robusta
- Arabica
- Fermented black tea
- Oolong tea
- Harvesting
- Crushing and pressing
- Fermentation
- Tannin
- Chaptalization
- Aging and blending
- Terroir
- Classic cocktails
- Craft cocktails

## Review Questions

1. The nonalcoholic beverage industry consists of which products?
2. How does the increase in consumers purchasing bottled water impact the environment?
3. What are the two types of commercial coffee?
4. What are the two methods of decaffeinated coffee?
5. What are the five major stages when producing wine?
6. What are the major differences between champagne and sparkling wines?
7. Why is terroir important to the overall production of wine?
8. What are five common grapes associated with red wines?
9. What are five common grapes associated with white wines?
10. What is the distillation process?
11. What are some key ingredients when designing craft cocktails?

# PART 3 - IMPLEMENTATION

Ideation, Concept and Design
Organization and Management
Market and Industry Analysis
Marketing and Sales Plan
Financial Plan

Ready. Set. *Flow*.
Pre-production
Pre-service
Production and Service

PART 2 – Development and Design

PART 4 – Evaluation

PART 1 – Planning and Research

PART 3 – Implementation

Menu Engineering and Design
Recipes and Cost Management
Purchasing and Receiving
Venue , Layout, and Reservations
Health/ and Safety Action Plan

Capturing and Valuing Feedback
Financial performance
Service performance

# CHAPTER 11 - PRE-PRODUCTION AND PRE-SERVICE

PAULINE MILWOOD

*Ready. Set. Flow.*
– Pauline Milwood

## Learning Objectives

At the end of this chapter, students will be able to do the following:

1. Formulate and use checklists to execute a high-quality pop-up dining experience
2. Formulate and use checklists to produce a high-quality pop-up dining experience
3. Coordinate production and service teams to complete preproduction tasks

## Chapter Warm-Up

## Prechapter Reading Materials

- "The Pop-Up Checklist" (Baras 2015)

## Prechapter Exercises

- Review the completed preproduction support guide for missing or outstanding tasks.

## Readings and Resources

- "The Pop-Up Checklist" (Baras 2015)

## How the hospitality manager prepares for production

As the date for the pop-up restaurant event approaches, the focus of the hospitality manager and team should be to take a holistic view of the overall plan for the night and identify and address any gaps, weaknesses, or anticipated management issues. To prepare for production, it is highly recommended that a checklist of task items related to various aspects of preproduction be created and used to facilitate anticipative or responsive action. Anticipative action reflects the hospitality manager's ability to create and execute future problem-solution scenarios in production (BOH) and service (FOH) flows where issues that affect guests and employees alike may be addressed. Responsive action reflects the hospitality manager's ability to create and execute problem-solution behaviors immediately following BOH and FOH issues.

In some cases, there may be general preprescribed solutions for common issues (e.g., guest complains that steak entrée was not the desired doneness) normally documented in a standard operating procedure (SOP) manual or management guide. In this instance, returning the dish to the kitchen and offering a replacement could be an appropriate, preprescribed remedy for handling the guest's complaint. However, given the temporary nature of pop-ups, it may not always be the case that an SOP has been established or that a particular response to guest complaints is common knowledge across the management team. In such scenarios, it is important for the hospitality management team to establish values and philosophies or a guiding mantra at the start of the planning and development phases. This way, members of the management team are able to coalesce around a common understanding of the service experience promised to diners and the range of responses available to ensure that guest service expectations are met and exceeded. The range of responses may be included in a preproduction management checklist of possible responses and persons responsible for this decision-making on the night of the pop-up.

The preproduction management checklist contains a detailed collection of item tasks and provides direction for management attention between three and five days of the event. Items on the checklist cover the following areas of preproduction:

1. Venue—availability, accessibility, cleanliness, signage, storage, maintenance, and operations
2. Menu—food and beverage ingredient management, kitchen equipment, and prepreparation
3. Administration—liability, insurance, permits, licenses, and approvals from

local and nonlocal regulators

4. Management—planning and organizing tasks related to finance/budget controls, marketing, human resources, and leadership/motivation

## How the hospitality manager prepares for service

When properly completed, the all-encompassing checklists allow management to review and respond to day-of-operation issues before they arrive and for team members to be on the "same page" before the big day. Perhaps the greatest task for management will be leadership and motivation.



Happy, motivated, and goal-focused employees team members provide high-quality dining experiences.

Happy, motivated, and goal-focused team members provide high-quality dining experiences.

Leadership and motivation are two essential roles for management once the pop-up restaurant goes "live." The hospitality manager should remain visible and accessible to both guests and team members. Often, key personnel are tasked with playing secondary roles in a pop-up restaurant in addition to their primary assignments (e.g., the dining room manager may be responsible for collecting cash pulls from the front door). In this case, team communication remains a priority, and management personnel must be called to temporarily fill a primary position for a brief duration while the secondary task is being completed.

Keeping the team energized and motivated is a key role in preparing for and executing a successful pop-up restaurant experience. Strategies for team motivation include supporting team members' focus on goal-oriented behaviors; providing friendly and corrective guidance to team members and volunteers; displaying, in real time, team values and principles; and supportively addressing issues in the moment.

## CRISIS MANAGEMENT, MARKETING, AND THE MEDIA

In the past decade, hospitality and in particular commercial food-service establishments have been forced to grapple with the impact and fallout of global crises such as terrorism, SARS, and natural disturbances. An important role of the hospitality manager is preparing for and managing disasters and threats, generally referred to as crisis management and response. Prior to the risk and crisis stage, however, the hospitality manager should be knowledgeable of the types of risks a food-service enterprise may face and the appropriate response. Key considerations for a safe facility and operating environment should be made during the planning and development stages, when searching for a pop-up venue (see chapter 9). Selecting a venue with the following characteristics helps mitigate against certain emergencies and crises:

1. Food-safe flooring, wall, and ceiling surfaces
2. Sound plumbing and electrical systems
3. Safe and accessible entrance and exit ways
4. Appropriately mounted and fully functional kitchen equipment with preventive maintenance service histories
5. Secure and pest-free garbage disposal areas

Even with the best preventive maintenance (much of which is outside the control of the hospitality manager or popupreneur), emergencies and crises may occur. These include utility disruptions, malfunctioning equipment, threats from man-made or natural sources, and food-related emergencies. A well-thought-out crisis plan can help reassure guests, team members, and members of the public and help operations return to normal. Elements of a crisis management plan, according to Barton (1994), might give consideration to the following:

1. Evacuation and notification of guests
2. Evacuation and notification of employees
3. Emergency medical and transport needs for guests
4. Contingency sites
5. Media relations

If deemed necessary, press teams, press locations, and press kits should be created as part of the media relations response. The primary objective of media relations following a crisis is to work with traditional and social media for an honest and complete representation of the situation without casting unnecessary speculation on matters outside of the scope of the establishment's purview. A critical part of this strategy involves duplicating the media relations response seamlessly and in a timely manner on the restaurant's primary website and across all social media platforms on which the restaurant engages members of the public. A designated member of the hospitality team, and only that member, should be authorized to speak with the public.

Historically, some argue that the best crisis management plan involves the use of extensive marketing strategies that embrace joint-response actions with peer businesses and governing agencies, advertising aimed at positive repositioning, marketing and promoting new products and services, extending capacity, and marketing to new segments. The joint-response approach is important when facing a global threat like COVID-19. In the wake of this threat, restaurants partnered with local DMOs and public health and government agencies to provide guidance in reopening.

## KEY WORDS

- **Anticipative management**
- **Checklists**
- **Responsive management**

## REVIEW QUESTIONS

1. How does anticipative management differ from responsive management?
2. Why should the hospitality manager or management team discuss and agree on how issues that arise on the night of the event be addressed prior to the night of the event?
3. Why are checklists important in running a pop-up restaurant event?

## REVIEW ACTIVITY

### POP-UP PROJECT TASK

1. Review and complete the preproduction management checklist. Address (discuss,

plan, action) gaps and potential gaps. (Time-sensitive. Must be completed three to five business days before pop-up event date.)

CHAPTER REFERENCES

Baras, Jeremy. 2015. PopUp Republic: How to Start Your Own Successful Pop-Up Space, Shop, or Restaurant. Hoboken, NJ: Wiley. https://learning.oreilly.com/library/view/popup-republic/9781119145912/ (Penn State–authenticated link).

Barton, Laurence. 1994. "Crisis Management: Preparing for and Managing Disasters." Cornell Hotel and Restaurant Administration Quarterly 35 (2): 59–65. https://doi.org/10.1016/0010-8804(94)90020-5 (Penn State–authenticated link).

# SUPPLEMENT: PRODUCTION AND SERVICE

PAULINE MILWOOD

*Showtime!*
– Pauline Milwood

As a team, watch the following video and discuss. What's the philosophy for restaurant [insert restaurant name]?

> One or more interactive elements has been excluded from this version of the text. You can view them online here: https://psu.pb.unizin.org/popuprestaurantbusinessguide/?p=67#oembed-1

It's finally here—the day of the pop-up restaurant has arrived! Congratulations!

In the production and service implementation phase, there will be a "coming together" of the various project items, plans, and tasks featured in the conceptualization and development phases. Production schedules for food and beverage and labor should be posted and distributed among kitchen-production team members. Service schedules for reservations, seat turnover, and special requests should be posted and distributed among dining-area team members.

It is during implementation that the role of the hospitality manager or popupreneur becomes similar to that of an orchestrator of a symphonic performance. For the successful implementation of the pop-up restaurant, the hospitality manager will rely on the following skills, abilities, and mind-set:

1. Leadership and motivation of the production and service teams
2. Decision-making "in the moment" and with short lead times
3. High-quality, interpersonal skills to engage guests and employees

4. Adaptability to sudden and unanticipated changes in production and service schedules
5. Problem-solution mind-set in identifying, anticipating, and responding to emergencies
6. Confidence in the ability of production and service teams to work together

## Pop-up Project Task

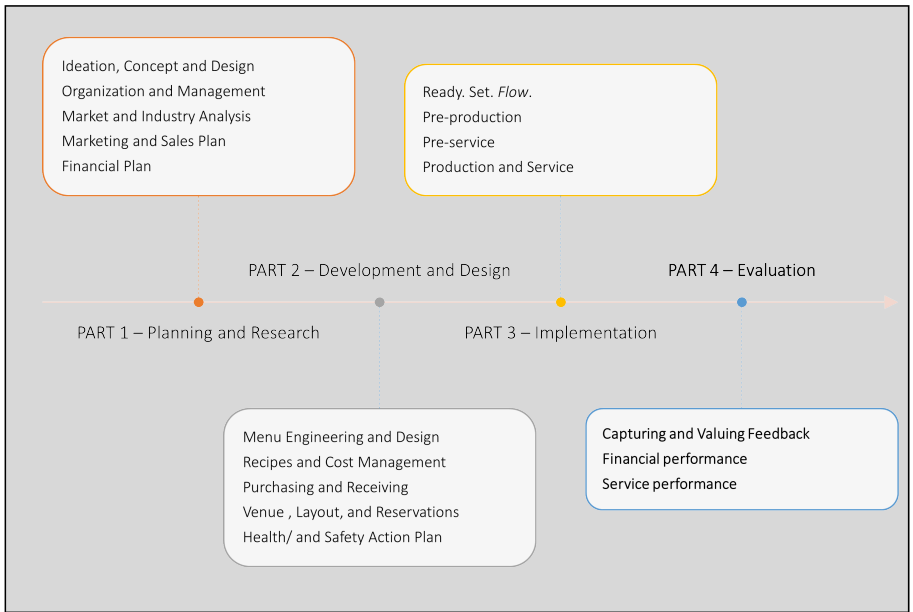1. By this point, you have conceptualized and developed a winning pop-up restaurant business plan. It is now time to successfully implement a high-quality, four- to five-course, haute cuisine dining experience. Showtime!

## Chapter Reference

Ramsay, Gordon. 2018. "Gordon Ramsay: This Is My Philosophy on Restaurants." Last modified May 17, 2018. YouTube video, 3:26. https://youtu.be/fT9ueBsGDkU.

# PART 4 - EVALUATION

Ideation, Concept and Design
Organization and Management
Market and Industry Analysis
Marketing and Sales Plan
Financial Plan

Ready. Set. *Flow*.
Pre-production
Pre-service
Production and Service

PART 2 – Development and Design

PART 4 – Evaluation

PART 1 – Planning and Research

PART 3 – Implementation

Menu Engineering and Design
Recipes and Cost Management
Purchasing and Receiving
Venue , Layout, and Reservations
Health/ and Safety Action Plan

Capturing and Valuing Feedback
Financial performance
Service performance

# SUPPLEMENT: CAPTURING AND VALUING FEEDBACK

## SHAWN MURRAY

SHAWN MURRAY

### Learning Objectives

At the end of this chapter, students will be able to do the following:

1. Articulate consumer behavior
2. Understand how marketing impacts guest feedback
3. Understand innovation and its impact on guest feedback
4. Identify the role of sensory analysis in relation to the guest experience

## Chapter Outline

- Introduction to Consumer Behavior
- The Interconnectedness and Results of Marketing with Capturing Feedback
- Innovation and Facilitating Feedback
- Conclusion

## Introduction to Consumer Behavior

For pop-up restaurants, in order to capture and evaluate feedback, understanding consumer behavior is a critical control point for operators. There are many facets that are associated with consumer behavior, such as age, socioeconomic status, location, attitudes, and previous experiences in which service is executed.

Consumer behavior is described as the study of groups, individuals, and organizations in relation to goods and services. How these overall emotions and preferences impact buying behavior has direct connections to generational segments.

Here is a breakdown of generational segments that data and consumer scientists classify and use for understanding and facilitating feedback:

Baby boomers were born between 1946 and 1964, have a strong work effort, enjoy competition, are resourceful, and work well in team environments.

Generation Xers were born between 1965 and 1979, value diversity, enjoy creative environments, are entrepreneurial, and have independent thoughts.

Generation Yers or millennials were born between 1980 and 1996; are creative, technology savvy, and strategic with purchases; and embrace diversity.

Generation Zers were born between 1997 and 2012, are financially focused, embrace mental health, are politically progressive, grew up with technology, and incorporate inclusivity into their daily lives.

Generation Alphas were born starting in the year 2012, are digitally native, and are immersed with technology.

Operators that can fully understand these consumer segments' common interests and needs provide opportunities to capture feedback.

## The Interconnectedness and Results of Marketing with Capturing Feedback

As pop-up restaurants focus on and execute customer and consumer experiences, there are connections to the concept of marketing strategies designed by businesses. The following terms and concepts allow operators to theoretical plan for impacting the feedback loop:

Differentiation. Differentiation is important as consumers select one brand over another.

Segmentation. Segmentation is how consumer markets are divided so restaurants can better ensure guest satisfaction. Key segment areas include geographic, demographic, psychographic, volume, and behavior.

Positioning. Positioning defines how pop-up restaurants and the items being sold stand in relation to other similar products the competition is selling and offering.

Marketing strategies for pop-up restaurants focus on product, price, place, promotion, people, and positioning. Each of these attributes can result in developing indicators that operators use to anticipate consumer behaviors.

## Innovation and Facilitating Feedback

For pop-up restaurants, sensory analysis and critical consciousness provide opportunities to receive feedback and enhance consumer experiences.

Sensory analysis allows for the interplay of experimental design as to how human senses can be used to evaluate products and experiences. Sensory evaluation measures, analyzes, and interprets sight, smell, taste, touch, and sound.

For pop-up restaurants, texture, luster, colors, sizes, shapes, and odors can sway the food and beverage experience. These overall sensory attributes, when considering capturing and valuing feedback, can determine consumer preferences. In order to finalize consumer feedback, operators can look at analytical, effective, and perception-based testing to confirm the qualitative analysis.

Critical consciousness is defined as a deep and in-depth understanding of social behaviors, political and social movements, and oppressive elements in our communities, along with being willing to take a personal stance to change these systems. Within critical consciousness, we also have critical consumption, which is when customers make a conscious course of buying or not buying products.

Social movements are key factors in decision-making, such as purchasing local, environmentally safe, and ethical products. Previous trauma as a consumer can impact how guests respond to service and can impact their holistic experience. From a capturing and valuing feedback perspective, critical consumption is a driving force with millennials, Generation Zers, and Generation Alphas.

## Conclusion

Pop-up restaurants need to constantly look for ways to ask the why and how questions that will lead to improved performance and an enhanced guest experience. Effective frameworks leading to improved operations will allow for the evaluation and feedback of service and will allow operators to analyze sales data along with consumer behavior.

## KEY TERMS

- Consumer behavior
- Baby boomers
- Generation X
- Generation Y or millennials
- Generation Z
- Generation Alpha
- Differentiation
- Segmentation
- Positioning
- Sensory analysis
- Critical consciousness

## REVIEW QUESTIONS

1. What various groups does consumer behavior consist of?
2. How do generational segments impact capturing and evaluating feedback?
3. What are the seven key segments in regard to segmentation?
4. What are some aspects of sensory analysis discussed in this chapter?
5. What are the five major stages when producing wine?
6. How can critical consciousness impact buying and decision-making?

# CHAPTER 12 - EVALUATING PERFORMANCE

### PAULINE MILWOOD

---

### LEARNING OBJECTIVES

At the end of this chapter, students will be able to do the following:

1. Evaluate the financial performance of a pop-up restaurant postevent
2. Evaluate the service performance of a pop-up restaurant postevent
3. Evaluate team performance of self and others postevent

---

## CHAPTER WARM-UP

## PRECHAPTER READING MATERIAL

- Food and Beverage Cost Control (Dopson and Hayes 2019, 316–334)

## PRECHAPTER EXERCISES

- Review the "Sample Income and Expense Statement" in Dopson and Hayes (2019, 318). How might income and expense items for a pop-up restaurant differ from those of a traditional restaurant? In which case would you expect income items to be higher (or lower)? In which case would you expect expense items to be higher (or lower)?
- Evaluate the following restaurants using customer reviews on Yelp, OpenTable, or Tripadvisor:

1. Dans at Green Hills, Reading, Pennsylvania
2. El Vez, Philadelphia, Pennsylvania
3. Wings over Happy Valley, State College, Pennsylvania. What have you learned about each restaurant from the online reviews posted by customers?

## WHY EVALUATE PERFORMANCE?

By now, you have successfully staged a pop-up dining experience—but the work does not end there! The penultimate stage of the conceptualization, development, and implementation of a pop-up restaurant involves the review and evaluation of performance. Performance is based on the goals and objectives established at the planning stage, when the hospitality management team set specific and measurable outcomes in response to the question, "What would success look like?" Evaluating performance is an important step toward determining if the operation was able to achieve the established standards for successful outcomes.

There are several reasons why evaluating performance is important. One reason is to establish operating standards. Evaluating performance is premised on comparing a business's current performance with either the historical performance of the business or the performance of similar competing businesses. This helps establish operating standards for current and future performance, a process commonly referred to as **benchmarking**.

Another reason for evaluating performance is for incremental improvements and innovation. By evaluating performance, the business is able to determine areas where there is a need for enhanced effectiveness or efficiency. Finally, evaluating performance can help confirm or disconfirm hypotheses about several metrics associated with the pop-up restaurant business—for example, menu item popularity indexes, menu pricing, sales mix, and guest experiences.

Two primary sets of performance goals exist for the restaurant: financial performance and service performance. Financial performance goals are concerned with the extent to which the restaurant's operation remained within budget controls set at the outset and refer to revenue, **expensel**, and profit performance. Specifically, **financial performance** reviews seek to measure how well planning and implementation activities returned at or below budgeted expenses and returned at or above budgeted revenue. Service performance goals are concerned

with the extent to which the restaurant's operation was able to meet or exceed target metrics set for guest service experiences on the night of the event. The hospitality manager is therefore challenged to make optimal use of financial and guest feedback data from the pop-up restaurant to evaluate past performance and reestablish standards for future events.

## Evaluating the financial performance of the pop-up restaurant

Traditionally, financial performance is evaluated by comparing **budgeted** revenue, expenses, and profit performance with actual revenue, expenses, and profit performance. In general, when actual income exceeds budgeted income, this is a favorable outcome. The reverse is true for expenses. When actual expenses exceed budgeted expenses, this is a less-than-favorable outcome. The difference between actual income and expenses leads to either a net surplus (profit) or a net deficit (loss).

## Evaluating the service performance of the pop-up restaurant

Traditionally, service performance is evaluated by reviewing quality, service, and cleanliness standards through the eyes of guests and/or industry experts. Guests, or diners, are the ideal source of evaluation performance through feedback mechanisms such as comment cards, online surveys, and questionnaires. Today, several pop-up restaurateurs are able to capture guest feedback directly from customer reviews posted via online rating platforms such as Yelp, OpenTable, Tripadvisor, or Eater. These sites and the user-generated content, or UGC, they provide are readily accessible to both restaurateurs and prospective guests. For this reason, popupreneurs must understand the importance of promising and delivering high-quality restaurant experiences, as a bad review can dissuade future diners from visiting the establishment. This is true for temporary pop-up restaurants and permanent restaurant establishments.

Several restaurants establish standards for evaluating their performance based on the SERVQUAL questionnaire instrument. SERVQUAL, popularized by Parasuraman, Zeithaml, and Berry (1988), provides a gap analysis of customer service expectations and the actual service provided. The measurement instrument uses ten service quality determinants to evaluate gaps between customer service expectations and the service provided (table 12.1).

Table 14.0 – SERVQUAL ("Service Quality") Dimensions (Parasuraman et al., 1988)

| | |
|---|---|
| Access/Accessibility | provides for approachability and ease of contact pre-, during, and post-service delivery |
| Communication | facilitates ease of speaking with, and listening to members of a diverse customer base |
| Competence | displays basic and advanced skills and knowledge required to perform the service |
| Courtesy | – |
| Credibility | – |
| Reliability | – |
| Responsiveness | – |
| Security | – |
| Understanding/ Empathetic | – |
| Tangibles | – |

## Evaluating team performance of Self and Others

Perhaps the most important review the hospitality management team can perform is one based on self-reflection.

## KEY TERMS

- Financial performance
- Service performance
- SERVQUAL

## REVIEW Questions

1. Why should hospitality managers evaluate performance?
2. Why is it important to evaluate the service performance of the pop-up restaurant?
3. Why is it important to evaluate the financial performance of the pop-up restaurant?
4. Why is it important to evaluate self- and others' performance?

## Review Activity

### Pop-up Project Task

1. Using the template created, evaluate the service performance of your pop-up restaurant.
2. Using the template provided, evaluate the financial performance of your pop-up restaurant.
3. Using the template provided, evaluate your and your team's performance.

### Chapter References

Dopson, Lea R., and David K. Hayes. 2019. Food and Beverage Cost Control. Hoboken, NJ: Wiley.

OpenTable. n.d. "OpenTable Restaurants." Accessed April 14, 2022. https://restaurant.opentable.com/.

Parasuraman, A., Valerie A. Zeithaml, and Leonard L. Berry. 1988. "SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality." Journal of Retailing 64 (1): 12–40. EBSCOhost Business Source Premier (Penn State–authenticated link). https://www.researchgate.net/publication/225083802_SERVQUAL_A_multiple-_Item_Scale_for_measuring_consumer_perceptions_of_service_quality.

Tripadvisor. 2022. "Restaurants." Accessed April 14, 2022. https://www.tripadvisor.com/Restaurants.

Vox Media. 2022. "Eater Reviews." Accessed April 14, 2022. https://www.eater.com/reviews.

Yelp. 2022. Accessed April 14, 2022. https://www.yelp.com/.

# Contributors

**Pauline Milwood, PhD,** is a 2011 Fulbright Scholar and graduate of Temple University's School of Tourism & Hospitality Management. She received her BS (hotel management) and executive MBA (general management) degrees from the University of the West Indies at Mona, Jamaica, and has twenty-five years of managerial experience in Jamaica's hospitality sector. Her research focuses on system perspectives of entrepreneurship and innovation and includes social innovation performance, destination ecosystems, and destination management organizations (DMOs). At Penn State Berks, Dr. Milwood teaches hospitality-centered courses in entrepreneurship and innovation, operations management, and strategic management and multilevel courses in food production and service management.

**Sarah Hartman Caverly, MS(LIS), MSIS,** is a reference and instruction librarian liaising with hospitality management, entrepreneurship and innovation, and other academic programs in the Division of Engineering, Business and Computing at Penn State Berks. She consults with students and faculty on research strategies for product and service development, market and customer discovery, business planning and strategy, and intellectual property. Her research focuses on the compatibility of human and machine autonomy from the perspective of intellectual freedom. She earned her BA (anthropology, concentration in Africana studies) from Haverford College with a minor in growth and structure of cities from Bryn Mawr College, and her MS (library and information science) and MS (information systems) from Drexel University's College of Information Science and Technology.

**Shawn Murray** is an assistant professor of tourism and hospitality management and discipline and program coordinator of hospitality at Montgomery County Community College. As an author, historian, and storyteller, Shawn's research interests include hotel operations, destination planning and management, sustainability, and biodynamic vineyards, with an emphasis on how tourism and wine production can improve the lives of residents. Shawn is often featured as a speaker at national conferences, collaborates in and facilitates hotel- and wine-based research, and serves on tourism-related boards. He has graduated from Johnson & Wales University, Montgomery County Community College, Gwynedd Mercy University, Villanova University, La Salle University, and Arizona State University. Shawn is currently a doctoral candidate at the University of Charleston. Shawn's favorite quote is "The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy," by Dr. Martin Luther King Jr.