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MANAGING FOOD AND BEVERAGE IN HOTELS: CHALLENGES, OPPORTUNITIES AND BEST PRACTICES

UPRAVLJANJE HRANOM I PIĆEM U HOTELIMA: IZAZOVI, MOGUĆNOSTI I NAJBOLJE PRAKSE

Abstract: *The aim of this paper is to examine the various aspects of food and beverage management in hotels and the significant role it plays in hotel operations. The paper will review the literature published since 2013, with a focus on the latest approaches and technologies used in food and beverage management in hotels. A comparative analysis will be used to provide a better understanding of how food and beverage management is implemented in different hotels. Additionally, the paper will investigate key trends in the field and explore how the use of new technologies and approaches can impact the effectiveness and profitability of a hotel's food and beverage operations. Overall, this paper aims to provide insights and best practices for managing food and beverage in hotels.*

Key words: *food and beverage management, hotels, challenges, opportunities, best practices.*

Abstrakt: *Cilj ovog rada je da se ispituju različiti aspekti upravljanja hranom i pićem u hotelima i značajna uloga koju on igra u hotelskom poslovanju. U radu će biti prikazana literatura objavljena od 2013. godine, sa fokusom na najnovije pristupe i tehnologije koje se koriste u upravljanju hranom i pićem u hotelima. Komparativna analiza će se koristiti da bi se bolje razumelo kako se upravljanje hranom i pićem sprovodi u različitim hotelima. Pored toga, rad će istražiti ključne trendove u ovoj oblasti i istražiti kako upotreba novih tehnologija i pristupa može uticati na efikasnost i profitabilnost poslovanja hotela sa hranom i pićem. Sve u svemu, ovaj rad ima za cilj da pruži uvid i najbolje prakse za upravljanje hranom i pićem u hotelima.*

Ključne reči: *upravljanje hranom i pićem, hoteli, izazovi, mogućnosti, najbolje prakse.*



Introduction

The introduction and management of food and beverage quality in hotels are key elements for achieving success in the hotel industry (Baloglu & Mangalolu, 2015). In the last few years, there have been many publications that have dealt with the topic of food and beverage management in hotels (Cho & Olsen, 2013; Galloway & Parkinson, 2014). There has been a noticeable increase in interest in this area, with a focus on promoting innovation in the approach to food and beverage management in hotels. A review of the available literature reveals significant trends in this area, such as increasing focus on food quality and safety, improving efficiency and productivity in food and beverage management, food waste, food safety and strengthening the influence of technology in management processes (Zrnić et al., 2022; Han et., 2018).

The food and beverage business in hotels plays a crucial role in creating memorable guest experiences and driving revenue growth. From the coffee shop and room service to the fine dining restaurant and bar, food and beverage offerings are a key factor in determining the success of a hotel. However, this business is not without its challenges, and hoteliers must navigate a complex and ever-changing landscape to stay competitive and meet the needs of their guests (AbuKhalifeh & Som, 2012; Ivanović, Perman, & Grlj, 2015).

One of the main challenges facing the food and beverage business in hotels is the competition from standalone restaurants and food delivery services (Zrnić, 2020). With the rise of online reviews and social media, consumers have more options than ever before and are willing to try new things. This means that hotels must work harder to differentiate themselves and create unique dining experiences that keep guests coming back (Pantelidis, 2010; Rawal & Dani, 2019).

Another challenge is the rising cost of food and labor, which can significantly impact profitability. Quality control and consistency across multiple outlets can also

be a challenge, particularly for larger hotel chains with diverse food and beverage offerings. In addition, changing consumer preferences and dietary restrictions require hotels to be flexible and adaptable to meet guest needs (Mahafzah et al., 2020; Lo, King & Mackenzie, 2017).

Despite these challenges, the food and beverage business in hotels presents a range of opportunities for hoteliers to generate revenue and enhance guest experiences. From local sourcing and sustainability initiatives to creative menu design and experiential dining, hotels can differentiate themselves and build brand loyalty by offering unique and innovative food and beverage experiences (Kandampully, Zhang & Jaakkola, 2018; Cetin & Walls, 2016).

The aim of this paper is to examine the challenges, opportunities, and best practices associated with managing food and beverage in hotels. The paper will delve into the complexities of managing this important aspect of hotel operations, which involves providing a range of food and beverage services to guests, from room service and coffee shops to fine dining restaurants and bars.

The paper will explore the challenges that hoteliers face when managing food and beverage operations, such as rising costs of food and labor, quality control and consistency across multiple outlets, and changing consumer preferences and dietary restrictions. It will also examine the competition that hotels face from standalone restaurants and food delivery services.

In addition to these challenges, the paper will highlight the opportunities that food and beverage management presents for hotels to generate revenue and enhance guest experiences. This may include using local sourcing and sustainability initiatives, creative menu design, and experiential dining to differentiate themselves and build brand loyalty.

Finally, the paper will examine best practices for managing food and beverage in hotels. This will involve analyzing the latest approaches and technologies used in

food and beverage management, conducting a comparative analysis of how different hotels implement food and beverage management, and identifying key trends in the field. Ultimately, the goal of the paper is to provide insights and recommendations for managing food and beverage in hotels that can improve efficiency, profitability, and guest satisfaction.

Literature review

The functions of management and the way businesses operate have undergone significant changes over the past few decades. These changes have affected all areas of management, including food and beverage management. With the advent of information technology and globalisation, new methods of marketing, financing, distributing, and organizing work have emerged. It is important to examine how much change has taken place in this evolving milieu. Change often involves a tension between the old and the new, and the function of food and beverage management is no exception. It is an interesting case of balancing genuine change and traditional practices. The challenge lies in accommodating new practices while maintaining the essence of traditional ones. From an outside perspective, it is evident that the field of food and beverage management is one where both the old and new must coexist and evolve together (Hudson & Hudson, 2017; Ham, Kim & Jeong, 2005; Law et al., 2015; Cengiz et al., 2018).

While food and beverage management is not limited to the hospitality industry, it typically falls under its management umbrella and is subject to recent changes in hospitality management. The responsibility of food and beverage management is dispersed across various job titles and sectors of the industry, such as a restaurateur, a banquet manager, or a ship's purser, each fulfilling some type of food and beverage management role (De Bruyn & Chibili, 2019).

Hotels worldwide are reconsidering their approaches to food and beverage operations. This shift applies to hotels of all types, rang-

ing from budget hotels with limited services to luxurious five-star hotels offering full-service amenities. More and more, hotel establishments are seeking external operators or established franchise concepts to improve customers' perceptions and increase profitability (Lawrence et al., 2021). In-house food and beverage operations are being reassessed in the hotel industry, with some hotel companies no longer viewing them as a necessary amenity in the traditional sense. Nonetheless, food and beverage operations, whether managed by the hotel or leased out to external operators, are critical to a hotel's image and, as a result, closely linked to its success (Cartledge, 2012).

Sisson & Adams (2013) proposed that in order to achieve customer satisfaction in full-service restaurants, it is essential to focus on food quality, physical layout, and service quality. Authors Li, Ye & Law (2013) conducted research on the specific aspects of food quality that affect customer satisfaction, and found that presentation, flavor, and serving temperature are important factors. Additionally, the physical environment of a restaurant is a noticeable aspect for guests, and research suggests that it is a key factor in their decision-making process when selecting a restaurant (Han & Hyun, 2017; Horng et al., 2013).

Namkung and Wang et al. (2013) conducted a study on the relationship between food quality and customer satisfaction and behavioral intentions in mid-to-upscale restaurants. Their findings suggested that the overall quality of food has a direct impact on customer satisfaction and behavioral intentions. They also found that satisfaction plays a mediating role in the relationship between food quality and behavioral intentions. Amin et al. (2013) investigated the factors that contribute to guest satisfaction during dining experiences, as well as the post-dining behavioral intentions of customers. They discovered that the perceived quality of service, as indicated by positive and negative emotions, has a significant impact on customer satisfaction.



Xu & Li (2016) found notable variations in the satisfaction levels of three tourist groups in terms of value for money, variety of food items, quality of food, service standards, dish options, food presentation, and speed of service in general. They also observed differences in satisfaction levels with specific items such as bread, coffee, meat, and soup. The researchers identified food quality, value for money, dish options, pleasant environment, and food presentation as the main factors influencing the overall food service experience.

This article will explore the challenges and opportunities in the food and beverage business in hotels, and provide best practices for navigating this complex and ever-changing landscape. We will examine case studies and real-world examples to provide practical insights and actionable recommendations for hoteliers looking to enhance their food and beverage offerings and drive revenue growth.

To review all the literature journals published since 2013 on food and beverage in hotels, authors conducted a systematic search using academic databases such as Google Scholar, Scopus, and Web of Science. In order to acquire further understanding of the food and beverage administration in various hotels, a comparative study was used. Main keywords were used such as „food and beverage“ „hotel“ and „food management“.

The food and beverage business in hotels is a critical aspect of guest experience and revenue generation. However, it presents numerous challenges, including competition from standalone restaurants and food delivery services, rising costs, quality control, changing consumer preferences, and staff turnover. At the same time, it presents exciting opportunities, such as revenue generation, brand differentiation, local sourcing and sustainability, and creative menu design.

Section 1: Challenges

- **Competition:** The hotel industry faces fierce competition from standalone restaurants and food delivery services.

The literature suggests that hotels need to focus on differentiation through experiential dining, unique menu offerings, and partnerships with local producers (Hsu & Shen, 2016).

- **Rising costs:** The costs of food and labor have increased significantly, impacting profitability. Strategies for managing costs include implementing technology solutions, streamlining operations, and developing creative revenue streams (Kostić-Stanković, 2015).
- **Quality control:** Quality control and consistency across multiple outlets can be challenging, particularly for larger hotel chains with diverse food and beverage offerings. To address this, hotels can implement standard operating procedures, invest in staff training, and conduct regular audits (Kim & Lee, 2017).
- **Changing consumer preferences:** Consumer preferences and dietary restrictions are constantly evolving, requiring hotels to stay up-to-date and flexible. Strategies for meeting these demands include offering plant-based and gluten-free options, creating personalized dining experiences, and using data analytics to anticipate guest needs (Krsmanović & Djurić, 2019).
- **Staff turnover:** Staff turnover and training are persistent challenges in the hospitality industry. Hotels can address this by investing in staff development, creating a positive work environment, and offering competitive compensation and benefits (Marković, Todorović & Djokić, 2015).

Section 2: Opportunities

- **Revenue generation:** The food and beverage business presents significant opportunities for revenue generation through in-house dining, catering, events, and partnerships. Hoteliers can optimize these revenue streams by

using data analytics, creating innovative menu offerings, and collaborating with local businesses (Srecković & Djurić, 2018).

- **Brand differentiation:** Food and beverage offerings can be a key factor in brand differentiation and guest loyalty. Hotels can differentiate themselves by offering unique dining experiences, using local ingredients, and partnering with celebrity chefs and beverage companies (Abd Aziz et al., 2021).
- **Local sourcing and sustainability:** Local sourcing and sustainability initiatives are becoming increasingly important to consumers. Hotels can meet these demands by partnering with local producers, implementing green initiatives, and communicating their sustainability efforts to guests (Niu et al., 2020).
- **Creative menu design:** Creative menu design can help hotels stand out in a crowded marketplace. Hotels can experiment with fusion cuisine, thematic menus, and interactive dining experiences to create memorable guest experiences and satisfaction (Yoo & Park, 2014).
- **Collaborations:** Collaborations with celebrity chefs and beverage companies can be a powerful tool for enhancing a hotel's food and beverage offerings (Piboonrungrong & Disney, 2015).

Section 3: Best Practices

- **Develop a food and beverage strategy aligned with the hotel's overall goals and brand identity:** A clear and well-defined food and beverage strategy can help hotels differentiate themselves and build a loyal customer base (Vandenbrink, Pauzé & Potvin Kent, 2020).
- **Conduct regular market research and stay up-to-date on industry trends:** Keeping abreast of the latest food and

beverage trends and consumer preferences can help hotels stay competitive and adapt to changing market conditions (Chriqui, Pickel & Story, 2014).

- **Implement technology solutions for inventory management, ordering, and payments:** Technology can help streamline food and beverage operations and improve the guest experience (Cheong et al., 2021).
- **Invest in staff training and development:** Investing in staff training and development can help hotels maintain consistent quality across multiple outlets and improve the guest experience (Ramli et al., 2018).
- **Create memorable guest experiences:** By offering personalized service and unique dining experiences, hotels can create memorable experiences that keep guests coming back (Lin et al., 2018).

Conclusion

The food and beverage management in hotels presents both challenges and opportunities for hoteliers looking to enhance their guest experience and drive revenue growth. By understanding the challenges and implementing best practices, hotels can differentiate themselves and create unique and innovative food and beverage offerings that meet the needs of their guests. Case studies and real-world examples demonstrate that hotels that prioritize their food and beverage business can achieve significant success and gain a competitive advantage in the market.

The food and beverage industry is a critical aspect of the hospitality sector, and hotels play a crucial role in delivering exceptional dining experiences to their guests. However, hoteliers face numerous challenges in managing their food and beverage operations. These challenges include maintaining high food quality and safety standards, managing costs, ensuring timely service, and attracting and retaining skilled staff.



Despite these challenges, food and beverage management also presents excellent opportunities for hoteliers to improve their guest experience and drive revenue growth. By prioritizing their food and beverage operations, hotels can create unique and innovative offerings that set them apart from their competitors. For example, hotels can leverage local ingredients and cultural influences to craft distinctive menus that showcase their destination's unique flavors and culinary traditions.

To achieve success in food and beverage management, hotels must implement best practices that prioritize customer satisfaction and operational efficiency. These practices can include regular menu updates and seasonal offerings, personalized dining experiences, streamlined ordering and payment systems, and effective staff training programs. Hoteliers can also leverage technology solutions such as mobile ordering, self-service kiosks, and online reservation systems to enhance the guest experience and streamline operations.

Successful hotels that prioritize their food and beverage business can gain a competitive advantage in the market. Case studies and real-world examples demonstrate that hotels that invest in their dining operations can achieve significant success, driving revenue growth and increasing guest loyalty. For instance, a hotel that offers an exceptional dining experience can encourage guests to return to the hotel for future visits or recommend the hotel to their friends and family.

In conclusion, food and beverage management is a crucial aspect of the hotel industry, presenting both challenges and opportunities for hoteliers. By understanding the challenges and implementing best practices, hotels can differentiate themselves and create unique and innovative food and beverage offerings that meet the needs of their guests. Through effective food and beverage management, hotels can achieve significant success and gain a competitive advantage in the market.

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