DIGITAL MENU BOARD

TODAY'S MENU

Classic CheeseBurger
Smoke Stacked Burger
American Stacked Burger
Turkey Burger
Truffle Stacked Burger

Parmesan Chicken
Sizzling Chicken & Cheese
Crispy Chicken Fingers
Bourbon Barrel Mahi Mahi

House Salad
Caesar Salad
Turkey & Kale Soup

Digital Menu boards are everywhere. If you were hoping to be able to avoid them, we are here to tell you you're out of luck. The pressure is on many quick-service and fast-casual restaurants to make the switch from standard static boards to digital menu boards or dynamic menu displays instead. It's not just a matter of "keeping up with the Jones'" either. The fact is that making an investment in digital menu boards now makes good financial sense, especially when it comes to the pressure-cooker of tight restaurant margins (pun fully intended). Finding new ways to streamline processes while better tracking inventory, increasing customer satisfaction and engagement and -- let's be honest -- just plain selling more food is imperative to keeping food service-based businesses afloat.

While there are clearly challenges to planning and deploying a new digital menu board program, the process does not need to be as difficult or complicated as it may first seem. The key to success is partnering with an experienced, vertically-integrated manufacturer like RedyRef. Come along with us as we explain over the following pages exactly how to create the perfect digital menu boards for your unique application.

Let's start with the basics: why are restaurants adopting digital technology?
Some of the reasons our customers have come to us for digital menu boards include:

- Ability to quickly update content, which can mean anything from adding specials to changing item pricing.

- Potential to minimize future expenditures on new static, non-digital signage, whenever something changes.

- Option to add additional content relevant to their consumers, from local community events to restaurant happenings

- Greater opportunities for agile testing in each market, from new items and pricing structures to store promotions.

- Efficiencies created from integrations of digital signage and menu boards with point-of-sale (POS) systems and real-time inventory data, so out-of-stock items can be immediately taken off of the menu, avoiding the potential for customer disappointment and frustration.

- Signage, branding and messaging consistency throughout and between stores, from 1 to 1000, in drive throughs, online, in app form or in line.

- Visual representation of the menu allows for multiple options in terms of food presentation. Rotating slides, 360º views, and crystal-clear graphics often make items more enticing. It allows allows QSRs to focus on items that are more profitable than others, helping to increase overall margins.

- Well-organized, attractive, easy-to-read digital menus make for a better customer experience, an easier, clearer ordering process, and a more positive impression of the company overall.

Opportunity costs are another major factor to consider when weighing the pros and cons of an upgrade to digital from static boards. In other words, how many opportunities may potentially be missed in several different areas. This includes during the wait for new static menu boards to be updated and created regularly, but it also alludes to the missed chances to generate revenue via digital boards that stems from their incredible flexibility and the multiple available integrations, from tracking inventory to changing specials on the fly when an item or ingredient surplus occurs. Finally, digital menu boards offer many more ways than static boards to engage or connect with customers while they wait, ultimately enhancing their experience by reducing the perception of wait times during peak times and generating more opportunities to up- or cross-sell.

So what's the key to making a digital program work? Well, we've all heard the old adage that "content is king." And in the digital world, there are very few people who would be likely to disagree. Content is one of the biggest sales drivers around, across many different markets. The other highly influencing factor is user (or customer) experience. So it should be of no surprise that that digital menu boards are experiencing such a surge in popularity in the quick service restaurant industry. They combine two of the most power predictors of increased sales -- the potential to create compelling content, while offering a positive, memorable user experience. So, provided that the product being sold is solid, whether it's pumpkin latte or the latest super-duper-extra bacon cheese burger, it stands to reason that digital menu boards could be a logical next step for increasing revenue in a quick service restaurant environment.

However, no matter how great the potential rewards, there is often a mighty big barrier to adoption of digital and dynamic menu boards, and that's cost. Anyone involved in the QSR or fast-casual restaurant industry is aware that investments in equipment upgrades or other costly updates have to made extremely wisely. That means earmarking significant budget for digital menu boards may not at first seem like the best choice. Unfortunately, as the market continues to expand far beyond ubiquitous burger chains and into more upscale experiences, competition will only continue to increase, resulting in shrinking margins and additional "belt tightening" measures. In truth, over-emphasizing the upfront costs instead of analyzing the potential long-term gains is short-sighted, given the digital-leaning direction of the industry as a whole. Based on the below, it's even just plain incorrect thinking. **Why? Because:**

- Costs have dropped precipitously over the last few years, and continue to drop. As demand for commercial-grade screens has grown, costs to purchase them have moved in an equal and opposite direction.

- Previously prohibitively-expensive content templates have dropped in concert with the cost of digital displays. The cost of generating this type of content has therefore fallen as well, as it requires less technical knowledge and skill to develop, write and edit this type of content than it has in the past.

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- Installation costs have fallen dramatically. Once, these expenses could easily add up to $8000+ or more for a single location and take multiple days, requiring store closures that cost locations in both dollars and levels of customer satisfaction. Now, installation of digital displays is generally less than $1000 and can be completed in a single day.

- Many QSRs have seen rapid increases in ROIs of 4-5% from the implementation of digital menu boards, quickly negating the costs of initial adoption. In fact, using an average annual per-unit sales number of 1M, it could take fewer than six months to recapture the entire per-unit investment, leading to a net profit over the course of one year of close to $29K, and an almost 3% increase in total sales, year over year -- exactly what stockholders and investors want to see.

When taking into consideration the above, it stands to reason that it is often much more cost effective for operators to choose digital screens over traditional displays, especially when boards that are in current use are in need of replacement, anyway.

Now that you've had a chance to consider all of the upside to digital menu boards for your business, it's important to understand the best practices for their implementation. Yes, it can be a little overwhelming, and knowing where to even begin to start is often part of the problem. But to paraphrase Shel Silverstein, the only way to devour a whale is by taking one bite at a time. And so it goes with rolling out a dynamic menu board program.

1. Starting with a single location is not an unreasonable choice to make. On the contrary, for those interested in closely analyzing ROI (and who isn't, in food service?), it is often the best option. Test, test and then test again.

2. Consider all of the necessary hardware components required for an effective digital menu board implementation, but know that the most important factor is the purchase of commercial-grade equipment and screens -- the best ones that are still within your project's budget. Failing to do so can end up costing you all over again when a unit fails and must be repurchased as it wasn't intended to withstand heavy use. Additionally, commercial displays offer more security features and generally include warranties that would not apply to consumer displays if they were to be used in commercial environments. Commercial-grade LCD displays are the most popular as of this writing.

3. Software is almost equal in importance to hardware and the good news is that it has come down in price significantly over the last few years. Be sure to contract with a company who is able to help create custom software solutions as required for your situation. Even if the program is based on a template, an experienced manufacturer -- especially those like RedyRef that offer vertically-integrated service -- should be able to develop custom software integrations that are best suited for your business' needs.

4. We touched on installation a bit in our previous blog, but know that while it used to be enormously expensive to install digital menu boards, the costs have fallen massively as demand has grown. The key is to hire a company that can safely and effectively manage the installation process. While that may sound obvious, it is surprising how many installers understand one type of technology very well, but have no real experience in the installation of digital signage. Considering that an incorrectly installed dynamic display can be a safety hazard to both employees and the general public, this is definitely not the place to try and cut corners.

Speaking of hardware, an interesting trend we're witnessing are customer requests for so-called "combination boards". These are a hybrid, with features of both static and digital menu boards. It's a reasonable request in a way, and probably feels to them like "dipping a toe" into the digital waters, rather than diving in like an Olympic medalist. However, the instinct to look for an in-between solution, while natural, is unlikely to be the best solution for any business, and there are multiple reasons why that's true. One is that most of the cutting-edge technologies that make digital menu boards so useful are not available for integration into a hybrid board. Another is that, while it may be easier now, combination boards to not allow for the flexibility that a pure digital board does. It's incredibly important to remember that a business' needs in 2016 are likely to change dramatically by 2020, given the speed at which technology changes and improves. Why delay the inevitable by making a sizable investment in combination menu boards now, only to have to update them again in five years? The tight margins of the food service industry simply do not allow for that kind of unnecessary expenditure; taking the plunge into a fully digital menu board solution makes the most sense, financially and otherwise.

After the hardware and software has been chosen, what do you do with all of those screens once they've been ordered, programmed and installed?

WE'LL START BY SAYING: DON'T PANIC!
THIS IS WHERE THE REAL FUN BEGINS. HONEST.

It's important to understand the incredible range of opportunity available to your business once dynamic or digital menu boards are deployed. Although it may seem alien at first to operators or management, once the initial "getting to know you" period has passed, an entirely new world opens up, allowing restaurants to interact with customers in completely new and wholly imaginative ways. In an industry where maintaining brand loyalty is essential to success, finding new ways to connect with diners can be the difference between turning a profit or suffering a loss. For instance:

- If your company is involved in charitable work, creating videos that showcase that effort can increase positive perception of its brand. Consumers want to feel good about what they're buying. While it may not result in them spending more on each visit, it is likely to impact the chance and rate of return visits when the playing field is otherwise level.

- Put aside budget for creating visually-engaging images of menu items, including both videos and photography. Seeing bacon sizzling on a grill or cold, sparkling soda being poured into a tall glass can go a long way toward both creating demand and increasing total ticket values, as well as emphasizing items that are most profitable (like that sparkling soda, for one).

- Many customers will stare at their phones when lines are long, but dynamic content is an opportunity to catch and refocus their attention where you want it (your menu!) while decreasing the perception of wait times during peak times of day when done right. This is the perfect time to create a positive experience for a captive audience, while ultimately driving sales. Alternate between interesting (but relevant) videos and menu promotions spotlighting new items, specials or menu highlights.

Once your content strategy has been defined, feel free to pat yourself on the back, because you did it! And while you're out there creating a magnificent, technologically-advanced digital menu program, there are still many, many operators out there struggling over the decision. Which brings us to this one hard truth, the thing we've been avoiding saying throughout this paper, because it can be hard to hear.

READY?

Much like self-driving cars, no matter how hard it may be to accept they are the future, digital menu boards and dynamic displays are, in fact, an inevitability, with digital expected to become the norm within three to five years. Almost any expert would agree that static menu boards are on the way out, and the future is already here. Digital menu boards are here to stay. Taking steps now to ensure success later is simply smart business, and partnering with an experienced, vertically-integrated manufacturer like RedyRef is the key to a successful deployment. Contact us today at (800) 628-3603 today or request a quote online and we'll be with you every step of the way to ensure that your program is a success.