

Obamacare may ramp up digital menu board adoption



When the United States Supreme Court last week upheld a majority of the provisions within the Patient Protection and Affordable Care Act — better known as Obamacare — with a 5-4 decision, the court also upheld a provision of the act that had many restaurant operators holding their breath — the menu labeling laws mandating the display of nutrition information.

The high court maintained the law requiring restaurant chains with 20 or more locations include detailed nutrition information and calorie counts on their menus and menu boards. The final word on menu labeling laws has been highly anticipated in the both the restaurant and digital signage industries, with the digital signage industry touting digital menu boards as the best solution to a new problem.

Even though it appears there remains some wrangling with the U.S. Food and Drug Administration over particulars, the Supreme Court's decision will likely have many in the quick service and fast casual restaurant segments scrambling to meet the law's new criteria.

According to Valerie Killifer, editor of DST's sister site FastCasual.com, the decision to uphold the law may have come as a surprise to some, and the full measure of ramifications may

take some time to become clear.

"I think many operators ... were hoping it wouldn't pass and so didn't prepare much for the Supreme Court's ruling," Killifer said. "Now that there's been a decision, I think operators will begin to assess the damage, so to speak, and figure out a way to move forward. It will have far-reaching effects for many, but what those will be, exactly, I think will take a while to become known."

Scott Koller, president and CEO of digital signage firm and digital menu board solution provider **Wireless Ronin Technologies**, said the focus on nutrition information isn't going away, no matter what eventually happens to Obamacare.

"It's nice to see movement on the healthcare bill. Regardless of what direction the federal government takes, there will continue to be pressure put on the food service industry to provide accurate nutritional information," Koller said in a recent email. "The New York ban on large-sized sugared drinks is a good indicator that the focus on a healthier diet is not going away. I think we will continue to see local and federal government putting pressure on the food service industry to provide nutritional information and healthier menu choices."

Of course, Koller also said that "implementation of menu boards will seamlessly address the challenges that will come with implementation of this law and allow QSRs to react quickly to any changes in regulations."

A spokesman for digital menu board providers **WAND Corp.** said digital signage providers are ready to jump into the breach.

"As a digital menu board provider familiar with the caloric and nutritional labeling requirement we know we're in a great place

to both help customers comply with the new law while also helping to boost store profitability," he said.

WAND has even developed a product interface and transition plan for restaurants looking to get into compliance, he said.

Most restaurant chains shouldn't be caught napping, though, and probably had contingency plans ready, said Alicia Kelso, editor of another DST sister site QSRWeb.com.

"If a restaurant operator wasn't preparing for the calorie count mandate because they were waiting out the Supreme Court's decision, they likely have a lot of catching up to do," she said. "I'm not sure this particular mandate was under any real threat of repeal, however, and I imagine the court's decision is good news for the digital menu board industry."

Longtime digital signage consultant and analyst Lyle Bunn seemed to agree with Kelso, writing in a recent email that "the requirement for messaging by food services providers is not unexpected and as approaches to compliance have been considered it has been in the context of inspiring patrons and assuring the sustained health of food services providers."

"The inherent ability of dynamic signage to achieve multiple communication and marketing goals, even simultaneously, ideally suits it to serve this important need," he said. "The maturity of the technology and its proven application mean that food services providers can focus on the business decisions related to its optimal use."

Rich Ventura, director of sales - vertical solutions for digital menu board provider **NEC Display Solutions**, said that, while there is still some gray area in the final wording and requirements of the

labeling act, "this is an important step forward for this to finally go into place."

"I think it means less for the actual providers than for the restaurants themselves," he said. "Restaurants are going to go digital. We have seen it already happening. Multiple brands are either in test phase, beginning rollout or just finishing rollouts. While this does help speed adoption of digital, it also is going to force content creation to change for the menu board."

Restaurants are still going to push hard for a good return on investment with digital boards, according to Ventura. Just taking a brand's standard menu board and transposing it word for word into digital and adding information on the calories, fat, etc. is not going to impact sales, he said.

"Instead what I think the act is going to do is force brands to relook at the message they are trying to convey and look at how they can use this asset (whether digital or not) to increase sales. What it will force digital menu board providers to do is to focus more on creating stronger content and more impactful content and focus more on the overall digital menu board strategy," he said. "ROI is still going to be king."

The onus is now on the menu board provider to create a system that continues to increase ROI, deliver integration into point-of-sale technology, allow for ease of use and product information change, deliver multimedia content to the menu board, and give the ability for the brand to meet the FDA guidelines, he said.

"So the question was what does this mean for digital menu board providers? Simple, they are now going to have to deliver a multifaceted system instead of just a player in order to help the brands achieve ROI and adopt digital to meet the FDA guidelines."