Three Benefits of Digital Menu Boards

ROI, enhancing the customer experience and sales analytics all make a case for deployment.

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It used to be that entrepreneurs in fast casual and quick-service restaurants, awed by technology, put up digital menu boards without much thought as to what exactly they expected from the venture or how they would make it successful over the long term.

But as quickly as technology changes, so too does the mindset toward it. Operators these days generally employ a more strategic approach. Deployments center around two questions: what is the operator trying to accomplish, and what is the desired outcome of incorporating a digital menu board system?

As much as they see digital menus from an artistic vantage point, operators have come to view them from a scientific perspective as well.

"If you're trying to push software and get technology in and don't think about the objective, you're going to have some disappointment," said Rick Engels, vice president of business development for digital solutions provider WAND Corp, based in Eden Prairie, Minn. "Once we show clients the

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>
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> - Enhanced customer experience
> - Real-time sales data

creative element and how it flows with the overall customer experience, we have yet to have somebody say it doesn't work."

This white paper, sponsored by WAND Corp., will discuss three benefits of digital menu boards: return on investment, enhancing customer experience and capturing up-to-the-minute sales data.

Return on investment

Investments are all about making money. The purchase of a digital menu board is no different. However, a number of investors expect quick returns on those investments — returns that often are unrealistic.

A restaurant's migration from static to dynamic digital menu boards evolves over time, Engels said. The way he sees it with most clients, many spend the first year wowed by the technology, mulling how to change its approach effectively. The second year entails more detailed planning, centered on working the technology into the operation. Year three gets to the science of digital boards with more widespread integrated use in point of sale systems, inventory networks and social media.

What drives most restaurants toward digital menu boards are the options they make available to communicate with customers, Engels said. They can display everything from new items to healthy options, even to promotions that can drive sales of more profitable products.

Another major selling point is the ability for restaurants to do away with printed menus and other pamphlets that highlight products. Because changes can be made to digital menu boards in real time and as frequently as a manager wishes, there is no longer a need for printing — nor the time spent to make periodic updates — a move that can save tens of thousands of dollars a year.

The ability to make changes on the fly with digital menus leads to manpower savings, too. The once-laborious act of physically changing out pieces of menus to reflect the time of day or a new promotional campaign can be done in a matter of seconds through programmed data scheduled to appear at specific times.

In fact, digital menu boards are so useful that, according to the QSRweb.com infographic "The Top 12 Benefits of Digital

Menu Boards," 30.8 percent of restaurant operators surveyed had recouped their investment within seven to 12 months.

Enhancing customer experience

One of the more common sights in any restaurant line is customers squinting up at a menu board behind the register, straining

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to read it. Depending on the restaurant, the lettering can be dirty or worn and tough to see.

From a consumer vantage point, readability has proved to be the biggest advantage of the technology thus far, Engels said. With high-definition displays, digital menu boards can vary type sizes easily, making text stand out.

Besides, the public seems to connect with the displays.

"Given the way technology has become part of our everyday life, it's consistent with what they're used to," Engels said.

Industry experts also say digital media helps minimize time waiting in line — or at least helps customers perceive their wait as shorter. Using video or showing images that garner their attention trains their minds on something other than their wait. Research shows someone who watches automation while standing in line for one minute believes their wait is only half that.

Digital menu boards, with their sleekness, brightness and vibrant color displays, also bring a new ambiance to dining room décor. A number of restaurants have refurbished their interiors with designs that work in concert with the displays.

For businesses such as the restaurant chain McAlister's Deli, which has incorporated digital menus into the interior design of its restaurants, the boards have brought energy to their locations, said Randy White, the brand's vice president of information technology.

"Wherever we can place digital boards, it enhances the guest experience," he said.

Sales analytics

Digital menu boards are typically tied into point-of-sale systems, enabling them to access detailed data on sales and other trends instantly, which can be key in a restaurant's ability to generate more sales.

The ability to sort through vast amounts of information in short periods of time is critical, Engels said. Such data enables managers to react quickly to situations that can have an adverse financial affect, such as sagging sales of a particular item.

When it comes to the latter maximizing profitability, digital menus also enable users to promote certain products and specials during times of the day when they are likely to sell more and move more profitable items. Using a process called dayparting, information can be gleaned from a point-of-sale system tied into the displays that tracks everything from sales to inventory.

A manager can look at sales throughout the day and, during off-peak hours, push things such as soda — a high-margin item — by entering commands that change

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images on menu boards, bringing attention to the product and persuading customers to purchase them. It also can bring attention to high-profit products that a manager may want to feature as a sales focus.

"The technology is there to allow you to work to that level," Engels said. "But a lot of restaurants aren't there in capability yet. They will get there."

About the sponsor: WAND Corp. is an industry leader in QSR technology, providing NextGen POS and digital menu solutions for both quick-service and fast casual restaurants. The company, based in Eden Prairie, Minn., has 25 years of industry experience developing innovative solutions for various brands. WAND works with several international partners, including NCR, Panasonic, IBM, Samsung, LG Electronics and Intel.