

Adaptive Outdoor Digital Menu Boards

Ken Neeld
CEO, Delphi Display Systems, Inc.

Digital menu boards provide new opportunities to uniquely engage customers in ways that can drive sales, profitability and loyalty and therefore can play a vital role in today's innovative drive-thru quick service restaurant (QSR) operations. Not only can digital menu board technology drive sales and customer loyalty through relevant and compelling content, it can increase operational efficiency by improving speed of service and order accuracy. These gains can be achieved by leveraging the dynamic and adaptive capabilities of digital menus to engage customers in a more personalized way than is possible with traditional static signage. By utilizing localized data, demographic trends, consumer preferences, time of day and other real time information, digital menu system can dynamically adapt content to what is most relevant to the customer at the point of purchase. The result is the more personalized and customized drive thru experience demanded by today's QSR customer.

Historically, the QSR industry has been focused on the benefits of remote management and electronic distribution of content as the key drivers behind the adoption of digital menu board technology. Leveraging these attributes of digital delivery systems, operators can instantly change menus, pricing, promotions, limited time offers and other content from a single platform on any web enabled device. This reduces the cost associated with the distribution and installation of static POP materials, simplifies brand compliance requirements and allows the operator to be more responsive to changing market conditions. While these benefits are compelling in their own right, they are primarily focused on expense reduction. By utilizing the dynamic nature of digital content, digital menu boards can drive top line sales in addition to improving other efficiencies in the drive thru. Further, by leveraging the digital menu board to provide order confirmation to the customer in real-time, order accuracy is improved.

For the typical QSR, upwards of 70% of total sales are generated from drive thru operations. Despite the importance of the drive through to revenue, the consumer experience has not changed significantly in the past decade, as operators have focused on upgrading the interior of their restaurants. Given that almost two thirds of sales come from drive-thru customers, this segment represents the single largest opportunity to improve revenues and profitability in the QSR. When one considers that recent trends reveal an increase in menu complexity and the number of different day parts, the need for a focused and relevant message strategy is paramount.

Drive thrus, by their very nature, provide a unique opportunity to engage QSR customers on a one-on-one basis from the time they enter the queue until the time they leave the pickup

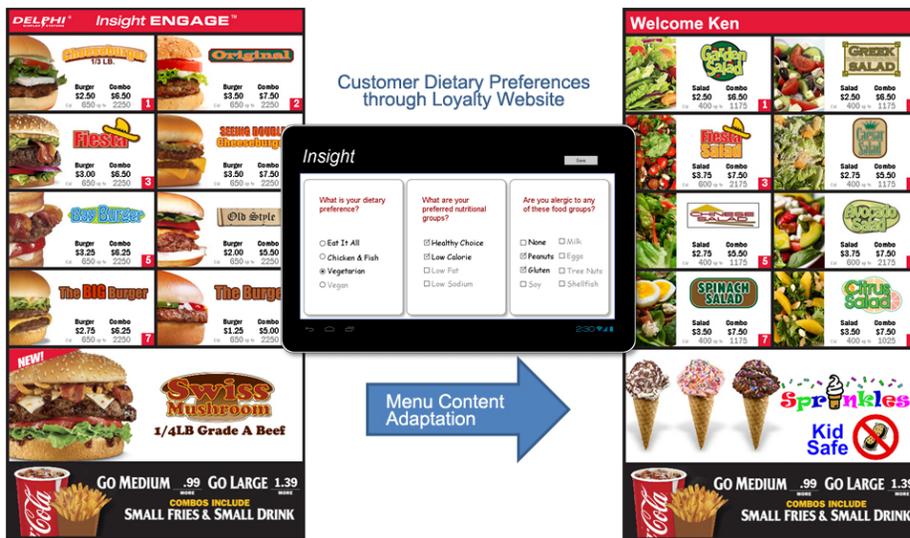
window. By leveraging focused customer interaction for the few minutes that they are in the drive-thru, the savvy restaurant operator can create a unique and highly relevant experience that is not available to dine-in customers. With the advanced capabilities of digital presell and menu boards, the one-on-one relationship can be exploited in a number of ways to improve the customer’s experience – all of which drive sales, improve speed of service, and increase loyalty and dining frequency.

In the past, operators had two choices: put all menu items (breakfast, lunch and dinner) on the menu board all day long, or use two-sided menu boards that can be flipped during the day. The complexity of having all of the items on the board can overwhelm customers and lengthen the order process. Changing the menu boards manually in the drive-thru takes up valuable crew labor time. Conversely, Digital menu boards allow for an unlimited number of day-part changes. For example, a restaurant can have different menu layouts for breakfast, lunch, after-school snacks, dinner and late night menus. Each day part menu design can highlight the menu items that sell best during that part of the day.

Another example centers on utilizing environmental factors such as temperature and humidity to direct changes in the digital menu boards to promote cold beverages or ice cream when it is hot outside while offering hot alternatives in cold weather conditions. All of this can be done automatically without requiring any intervention by the operator.

Adaptive digital menu boards can further benefit QSRs selling products with long preparation times (relative to drive thru service time expectations) such as fried chicken and pizza. By integrating the digital menu board system to the inventory management system, the menu board can promote and/or discount excess product before it expires – reducing waste and

improving profitability. Additionally, products that are no longer available can be removed from the menu board in real time – improving customer satisfaction by reducing frustration associated with ordering an “out of stock” item.



Further technology advances will allow QSR’s to construct a unique digital menu for each and every customer. For example, consider a

QSR customer that may not eat red meat, has food allergies or is concerned about overall caloric intake. By utilizing various opt-in methods for capturing taste, nutritional and dietary preferences, a digital profile can be created for each customer. When coupled with technologies for identifying those customers when they enter the drive thru, their preference profile can be used to optimize the content on the digital menu board in real time to present the most relevant and appealing products on a customer-by-customer basis. When the customers can easily find products that are appealing, they order faster, spend more on average and are more satisfied with their experience.

By leveraging the powerful capabilities of digital menu board technology, QSRs can drive increases in sales, improve speed of service and create happier, loyal customers. Operators that embrace the need to engage their customers on a more personal and relevant basis will not only outperform their competitors, but will differentiate themselves from the other brands that have not changed the way they do business in the drive-thru for decades. By taking advantage of the dynamic nature of digital menu boards and their unique relationship to the drive-thru customer, the new ways in which a QSR can engage their drive-thru customers are endless.