

The Case for Outdoor Digital Menu Displays

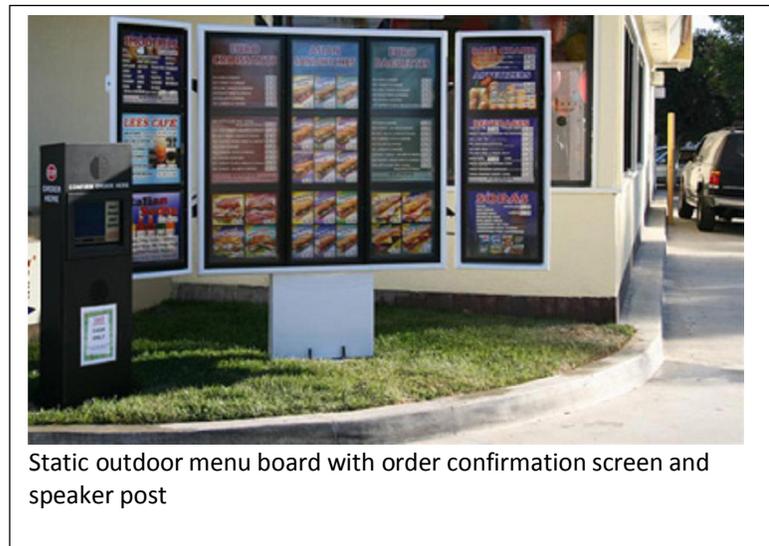
Restaurants depend on their menus to showcase the breadth of their offerings to their customers. Without a menu board, customers have nothing to guide them in their ordering.

Menu Board History

Since the very first road side inns and taverns, restauranteurs have displayed their menus outside to entice those that pass by to order their wares. Over the years, these outdoor menus have evolved from carved and painted wood, to slate-boards with chalk. As drive thru restaurants began to proliferate in the 20th century, these outdoor menus served an expanded role of not only advertising, but being the primary point for ordering from a customer's car. Outdoor drive thru menu boards became increasingly more complicated as restaurants expanded their drive thru operations to 24 hours a day. 24 hour operation meant that the menus had to be lighted at night, and had to be manually switched every day between breakfast and dinner menus.

Issues for Today's Restaurant Menus

For today's global, mass-market, restaurant chains, menu management has become a major challenge and expense. Beyond changing the menus for breakfast and dinner, modern chain restaurants are continually introducing new menu items to keep customers coming back, and have to manage pricing across geographic, metro areas (DMA), and zip code boundaries. Ensuring chain-wide compliance is nearly impossible. In addition, the new health laws that



Static outdoor menu board with order confirmation screen and speaker post

went into effect in January of 2015 require that the menus display the correct calorie information for every item! In an effort to minimize menu board content changes, franchise brands often add items to a "wing" that hangs off the side of the menu board, so that the franchisee does not have to change out the entire board. However, this approach often makes the menu scattered and less organized, making it harder for the consumer to find things to try, slowing the whole process down, and taking the "fast" out of fast food for everyone behind them in line.

A Better Way

There has got to be a better way to keep menus up to date and showing menu items in the most enticing way possible. That better way is a digital menu board. An outdoor digital menu board is a commercial grade, super bright video display, shrouded in a weather-proof housing, and connected to a computer that combines photos, videos and text to dynamically create the menu board on the screen. The digital menu board has several key advantages over last century's static printed menu boards:

- A Menu for Every Day Part – Unlike static menu boards that can at most support only a breakfast and dinner menu, outdoor digital menu boards, can have any number of menu variations throughout the day, such as breakfast, lunch, after school, dinner and late night. In addition the menu can change on weekends or holidays as well. Restauranters can now highlight those items the customer desires most for any hour of the day or night. The options are endless for the restaurants marketing and menu management staff to experiment with.
- Chain-Wide Compliance – Unlike static menu boards that require local store-level personnel to be responsible for switching out or sticking on new menu items and pricing, outdoor digital menu boards can all be managed by a remote computer server at the corporate office. Now the corporate menu manager, regional district manager, franchise owner or store manager can quickly and easily update menu items and pricing. Centralized control also helps to alleviate the problem of compliance with health law officials, and knowing that the items and prices are accurate is critical for corporate staff to be able to crunch the numbers and compare apples-to-apples when looking at store data across the chain.
- Moving vs. Static Menu Graphics – Nothing says piping hot, fresh out of the oven, than seeing steam rising from a plate of food. Unlike static menu boards, animations and videos on digital menu boards can do this and so much more. Seeing the finishing touches being added to a plate, condensation dripping down the side of a cold ice tea, or an animated burst drawing attention to a new menu item are all things that just are not possible with a static menu board.

Perhaps the biggest advantage that digital menu boards have compared to yesterday's static menu boards is their ability to dynamically change in an instant as conditions change for the customer or restaurant. For example, digital boards can automatically highlight hot chocolate, coffee and oatmeal when the temperatures dip below freezing, or recommend a full meal when a customer only orders a burger or sandwich. The computer that is connected to the digital menu board can take inputs from a

variety of sources and use that data to construct the perfect menu for that situation. As another example, the digital menu board computer can connect with the restaurant back office system and automatically remove out-of-stock items from the menu so the customer does not order them.

Can't Afford Not Going Digital

The preceding benefits alone make a compelling case for switching from static menu boards to 21st century outdoor digital menu boards; however, when a restaurant operator adds up all the costs, there is only one conclusion: they can't afford not to go digital. When compared, side-by-side, digital menu boards are clearly the better choice.

For example, if an operator compares, typical restaurant industry costs, a static two panel, dual-sided menu board costs around \$4,800, and when an order confirmation display and speaker post is added to the drive thru order point, the hardware cost rises to \$9,800. Most restaurants update their menus at least 8 times a year, which adds \$1,680 in printing and labor costs annually for dual-sided (breakfast and dinner) static menus.



Outdoor digital menu board with embedded order confirmation screen

On the other hand, a two panel digital menu board costs \$17,000, but the order confirmation screen, speaker and order microphone are built in. Annual costs for the digital menu board are only \$600 for hosting the menu software. Of course every restaurant brand is different, and these costs can vary a bit from restaurant to restaurant, but the following chart provides a good side-by-side comparison:

	Static	Digital
Hardware		
2 Panel Board	\$4,800	\$17,000
OCS + Speaker Post	5,000	incl.
Annual Content		
<u>Translite / Duratrans Printing Costs</u>		
\$50 per panel / side		
8 refreshes per year		
Annual Printing Cost	1,600	
<u>Labor to Update</u>		
30 minutes @ \$10 per hour (burdened)		
Annual Labor	80	
<u>Digital Hosting</u>		
\$50 per month		
Annual Hosting Fees		600
5 Years of Content	8,400	3,000
5 Year TCO	\$18,200	\$20,000

When the restaurant operator considers the marketing and compliance advantages, outdoor digital menu boards clearly win the day. Sales have to increase only \$1.00 a day for digital menu boards to equal the Total Cost of Ownership (TCO) of the old-fashioned static menu board solution. If the outdoor digital menu board sells one more cup of coffee on a cold morning, one more ice cream dessert after school, or one more limited time offer a day, the system will more than pay for itself. The case is clear, the time is right for drive thru restaurants to enter the 21st century.

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