

# SMART CHAIN

MARCH 2018

VENDOR RESOURCES / TRENDS / NEW PRODUCTS Limited-Service, Unlimited Possibilities

**QSR**

**Switching to Digital**  
S2

**Transitioning from Print to Digital**  
S12

**Doing More With Data**  
S16

**Key Players**  
S19



**BREAKFAST Combos**  
ANY SANDWICH OR WRAP INCLUDES HASHBROWN OR FRUITCUP AND MEDIUM BEVERAGE.

**Sandwiches**  
Served hot with side of choice and drink.

1 Bacon & Egg Bagel \$4.80	2 Sausage & Egg Muffin \$5.75
3 Bacon & Egg Croissant \$4.75	4 Ham & Egg Muffin \$3.75

**Wraps**  
Served hot with side of choice and drink.

5 Sausage & Egg Wrap \$4.80	6 Southwest Chicken Wrap \$3.80
-----------------------------	---------------------------------

**Drinks**  
\* Breakfast served until 10:00 AM only.  
Combo drinks can be substituted for coffee or hot chocolate.  
Small: \$1.25 Medium: \$1.75 Large: \$2.25  
Water • Milk • Apple Juice • Orange Juice • Lemonade

**HOT Coffee**

**\$1**  
Any SIZE

**BREAKFAST Combos**  
BOOZ ANY SIZE

**Sides**

7 Hashbrown \$1.80	8 Fajita \$1.75
9 Apples \$0.99	10 Doughnuts \$0.99
11 \$4.80	12 \$2.20

**Drinks**  
Combo drinks can be substituted for coffee or hot chocolate.  
Small: \$1.25 Medium: \$1.75 Large: \$2.25  
Water • Milk • Apple Juice • Orange Juice • Lemonade



# THE DIGITAL REVOLUTION

With advancements in consumer insights, digital signage is driving restaurant sales like never before.  
**BY DAVINA VAN BUREN**

PEERLESS-AV

# Moving to Digital

As the industry matures, more quick serves are investing in this technology.

Not long ago, digital signage was a “wow factor” item. In recent years, however, the industry has matured significantly. As more players enter the market and the full capabilities of digital signage are realized, more quick-service operators who once considered the technology a luxury are jumping on board.

“Digital signage is no longer this cutting edge,” says Richard Ventura, vice president of strategy, DSCE for **NEC Display Solutions of America**. “It is becoming the standard and the requirement in order to communicate and engage with the audience.”

In the beginning stages of the digital signage revolution, cost kept many restaurants out of the game. As with all new technologies, early adopters paid more to have the latest innovative equipment. “Previously, it was more expensive to have the hardware and software to make digital signage work,” says Brian Elles, senior director of marketing and communications for **Mood Media**. “Now, the cost of entry is much lower. You can have digital signage at multiple points in a quick-serve location for under \$100 per month.”

While cost of ownership was a challenge in the beginning, restaurant leaders saw one benefit of implementing signage almost immediately: They no longer had to print new menus when items were added or removed. “It’s true that it costs more to install digital signage than printed signage,” says Chris Mims, technical product manager at **SICOM**. “The value of digital, however, far outweighs that of printed signage. With digital signage, restaurant operators can schedule content updates with just a few clicks, and chains can easily maintain brand standards. The



challenging logistics involved with the printing, delivering, and installing of printed signage are also gone.”

“This allows for more menu experimentation and creativity within a single location or an entire chain. Restaurants can also engage customers with content that is customized to localities, time of day, the

weather, and much more.

In addition to upfront costs, many operators speculate that it would take too long to see a return on investment. Recent studies, however, indicate just the opposite. In a 2017 study commissioned by Samsung, five-year risk-adjusted results have shown an ROI of 196 percent and



payback timeframe of 11 months.

Equipment has drastically improved as well. “Digital signage has seen significant developments in regard to hardware, with displays offering increased brightness, higher resolution, and larger screen sizes, just to name a few,” says Hal Truax, vice president of sales for **Crimson AV**.

“Software has changed dramatically, offering the ability to provide dynamic content, facilitating an advertiser’s need to deliver unique messaging through a multiple zone approach delivered by a single display or video wall.”

These factors have created the perfect conditions for many quick-service restaurant owners and managers to make the leap to digital. “Prices have come down, hardware and software have improved, and most content management systems have evolved to provide an easier experience for users to more efficiently manage a single site or a network,” says Douglas J. Watson, president and CEO of **The Howard Company**. “It feels like most people are ready to make the move in 2018.”

Those who do will have a whole new arsenal of marketing opportunities at their fingertips, particularly in the outdoor space. The consensus among industry experts is that the digital drive thru is the new frontier of digital signage. With drive thrus accounting for up to 70 percent of quick-serve business, any improvements to drive-thru technology can have a tremendous impact on sales.

“The new big thing that is resonating around the industry at this time is high-brightness outdoor LCD panels,” says Dave Moeglin, operating director for **SOAR, an LSI Solution**. High-brightness outdoor displays make it easy to clearly read what is on the menu in all types of weather. In addition, engineering allows these displays to survive virtually any environment without active cooling provided by an air conditioner.

“Because of these changes, we are seeing the quick-serve market’s adoption rate increase, and the larger quick-serves are starting to implement these system-wide,” says Dave Meier, director of digital signage product management for **NCR VitalCast**. “This trend will only continue, and eventu-

ally mid-tier quick serves will follow.”

These engineering and technological improvements allow the effectiveness of digital campaigns to now address the outdoor solutions. “In the quick-serve world, so much emphasis is placed on drive thrus,” Moeglin says. “This will become the haven for a digital solution.”

Robert Heise, executive vice president at **Global Display Solutions**, believes pre-order and pre-sell boards will provide the greatest ROI. “Providing better digital information to customers on what they could order before they get to the order

point will always remain the smartest decision for owners,” he says.

Also on the horizon, digital signage in the drive-thru lane will soon incorporate ordering apps, beacons, and facial recognition technologies that will make the digital menuboard system smarter. Soon, the menuboard and order-confirmation pedestal will merge as one. “A quick-serve restaurant’s menuboard is one of the most important marketing and communication tools the store has in its arsenal,” says Jennifer Bissell, director of sales and marketing at **ITSECLOSURES**. “Maximizing the

**“Providing better digital information to customers on what they could order before they get to the order point will always remain the smartest decision for owners.”**



THE HOWARD COMPANY

## Premier Mounts



intelligence and utility of a digital menu, drive thrus will ultimately prove useful and profitable for the establishment.”

Early adopters can look forward to system upgrades, like more data-gathering capabilities, dynamic content—such as cheese that dribbles or steam rising from a bun—and near-field communication in drive thrus that can predict a customer order based on past purchases. “We will begin seeing advanced digital signage options roll out between 2018 and 2020,” says Brian McClimans, vice president of sales, Americas and APAC for **Peerless-AV**. “This technology is robust enough to last five years or more, making it a cost-effective option for quick-service restaurants.”

Another upcoming change is that more end-users will want to have larger-format video walls added to their locations. Studies show that in 2018, video walls will represent 18 percent of all panels shipped. “With the cost of new technology coming down, end-users can afford to go big,” says Curtis Rose, marketing manager for **Premier Mounts**. “Large-format digital signage is attention-grabbing, can enhance the customer experience, and can create

**“Content should be refreshed at least monthly to keep the consumer engaged and to ensure the content has a chance to be effective.”**

interactive environments that will lead to higher ROI on digital signage.”

And those large-scale video walls? They’ll be crystal clear with vivid color. “I see 4K resolution being the next thing that starts to gain traction as the price of that technology comes down,” says Gary Hoover, sales engineer at **WAND Corporation**.

Over the past few years, the consumer television industry has experienced the proliferation of 4K content, which has not only revolutionized the way consumers view content, but also transformed the modern viewing experience as a whole by impacting the way consumers expect to view content. “As a result, busi-

nesses today seek to provide the same picture quality and rich colors that consumers experience in the home,” says Garry Wicka, head of marketing at **LG Electronics USA Business Solutions**. “In quick-serve restaurants specifically, 4K resolution and crisp, immersive colors from wide viewing angles are critical for menuboard and wayfinding signage.”

Quick-service operators who are just starting the transition to digital signage should remember that it is just one piece of the marketing puzzle. In other words, don’t think of digital signage as a single-point solution—it should be part of a thoughtful, multifaceted, and well-planned digital campaign. Owners and managers should have a clear content strategy from the outset. Heise suggests owners formulate a content plan by asking questions about how digital signage will be used, how it will tie into other restaurant technology—such as POS—and how it can help customers make choices that will improve relationships and drive sales.

For operators who’ve been in the digital signage game for a while, it may be



worth revisiting and updating your content plan. “A common misconception is that once you have an installed solution, it doesn’t need to be changed often,” Meier says. “That’s a mistake—content should be refreshed at least monthly to keep the consumer engaged and to ensure the content has a chance to be effective.” He also says that with a well-managed marketing program that includes digital signage

broadly and say it’s using any type of physical surface to talk with a person and promote an opportunity for commerce.”

Indeed, many quick serves are expanding their use of digital signage to include nontraditional ways of ordering and payment methods, departing from decades of status quo. “Kiosks and touch applications are allowing restaurants to encourage self ordering,” says Doug Starr, execu-

for integrated systems and leveraging AI to create adaptive, personalized, and dynamic content,” says Ken Neeld, chief executive officer at **Delphi Display Systems**. “Selecting technology solutions that can provide integration and real time access to actionable data across the entire enterprise will be critical going forward.”

As digital signage continues to move into the future, we will see more direct



**“Selecting technology solutions that can provide integration and real-time access to actionable data across the entire enterprise will be critical going forward.”**

in quick serves, operators should expect to see anywhere from 3 to 5 percent sales increases, with individually showcased product increases greater than 10 percent. Scaled across multiple locations, the ROI on digital signage can be exponential.

Another lingering misconception among quick-serve operators is that they will have to add marketing and IT support that is fully dedicated to running the network. “That’s simply not true if you’re working with the right provider,” says Jeff Griffin, executive vice president of retail media networks at **Stratacache**. “Much of that cost and expertise is absorbed by the partner deploying and managing the network. TK emphasizes that digital signage is not just about fancy, high resolution screens. “I view digital signage more

tive vice president of marketing at **Allure**. “This gives an opportunity for influence at the ordering kiosk and ultimately helps to reduce the size of the order-taking labor force in the restaurant.”

Mobile ordering apps can also provide a wealth of personalized data on each customer so that once they enter the physical location, a personalized experience is created. “Integrating location-aware technology, in-store digital signage can be used to greet customers by name, provide information on the status of their orders, offer upsell items, and provide special offers for their next visits, even for friends and family,” Truax says.

Another game-changer is the use of artificial intelligence within the quick-service industry. The use of AI in digital signage helps to define or determine the gender of customers and other pre-defined demographics to help advertisers provide the most relevant message to whomever is in front of the digital sign at the time. Restaurants are deploying new facial recognition platforms to help streamline the payment process, facilitating quicker transaction times. This leads to more transactions being processed in a given time, and ultimately, increased customer satisfaction.

“We hear a lot of talk about the desire

marketing, meaning that an AI interface will determine likes, dislikes, and “hot button” preferences for an individual. Once these triggers are established, a marketing message can be delivered specifically to one individual. “Remember, the brain is complex and no two work exactly the same way,” Moeglin says. “With the advancement of tools such as beacons, facial recognition, Wi-Fi sniffers, and smart apps, this personal information will be available to the AI, which can create a campaign directed at one specific individual. This is the future, and this is the way that we will be able to market to our children and their children in a world filled with electronic stimuli.”

Perhaps counterintuitively, as human interaction becomes increasingly reduced, digital signage will become an even more important asset to quick-serve operations. Digital wayfinding will direct customers where to pick up their order and provide screens to confirm order accuracy prior to leaving the store. These are just a few examples of how digital signage enhances the customer experience and provides increased operational efficiencies for the restaurant owner, proving that digital signage will continue to play a key role with the consumer at every point of digital engagement.



**“With the advancement of tools such as beacons, facial recognition, WiFi sniffers, and smart apps, this personal information will be available to the AI, which can create a campaign directed at one specific individual.”**

Despite significant advancements in digital signage in recent years, the industry still faces its share of challenges. In some cases, vendors still need justification for their digital signage argument. “You must be able to demonstrate how digital signage can provide the requisite ROI, improved brand recognition, and improved customer satisfaction over printed signage,” says Robert E. Creasy,

vice president of business development at **DSA Phototech**. “The best approach, since these measurement objectives are different in every case, has proven to be a combination of education for the customer to help them understand the numerous advantages afforded them through digital display, and the marketing of their message and the building of trust between the purchaser and provider of the technology.”

There is also fierce competition in the space, which has resulted in margin compression and commoditized offerings. “The challenge will be to develop differentiated solutions that address the future needs of the digital signage market and create higher value for the customer,” Neeld says.

Digital Signage Expo show director Andrea Varrone of **Exponation** says that in order to stay competitive, vendors must have a unique product offering that helps them stand out from the crowd. “We are seeing many vendors home in on a few specific vertical markets, as opposed to being all things to all people.”

Finally, services such as UberEats, Grubhub, and other home-delivery companies are reducing the influence of traditional on-premise digital signage. As a result, digital signage companies are shifting focus to the mobile device as another primary digital signage medium, something quick serves should definitely have on their radars.

In order to address these challenges, the industry needs to think holistically about how retail technologies and digital media can augment the new types of connected commerce experiences. “The best approach in helping our industry deliver a better product has to occur through trainings and certifications specific to the technologies that are predominantly used in digital signage,” Truax says. Look for industry leaders to integrate more consulting services as part of their offerings, going beyond simply supporting in-store digital to offering e-commerce strategies and customer data analytics.

Ventura sums up the current situation nicely: “We are in the third phase of this industry. Phase one, with the early adopters, was all about how many screens you could put up—this was pure volume play. Phase two was, how do we make the content more attractive, and how do we make better content? Phase three is about, how do we make things smarter to drive growth and create more equity with the consumer? And then, how do we analyze and truly understand the impact? Phase four, which is coming right up, is, now that we have all this insight, what do we do with it?”



# The Keys To Successfully Implementing Digital Signage

Industry pros reveal the best ways to transition from print to digital.

When a restaurant is ready to make the switch from print to digital signage, where should the team begin? With more vendors entering the space and near-limitless options for responsive and dynamic content, data collection, artificial intelligence, and payment integration, the choices can be overwhelming.

Before jumping head first into the world of digital signage, it's important for restaurant leaders to educate themselves. "The key first step for operators who are evaluating a commitment to digital solutions is to define their objectives and retain a knowledgeable expert to help them prepare a long-term strategy that will enable them to take advantage of both current and future capabilities," says Robert E. Creasy, vice president of business development at **DSA Phototech**.

Digital signage is much more complex than a single-point solution. Hardware, software, and creative content strategies must "play nice" together and have seamless integration in order to maximize ROI. "A true digital campaign includes all of the needed installation and implementation of the hardware to create a digital signage network, but also includes the content creation, delivery, and upkeep of that complete network," says Dave Moeglin, operating director for **SOAR, an LSI Solution**.

Douglas J. Watson, president and CEO of **The Howard Company** says planning is essential. "Potential buyers should inform themselves as much as possible regarding the multitude of hardware and content management solutions available, and really plan out an effective storyboard of the content and messages they wish to relay to their customers," he says.

Gary Hoover, sales engineer at **WAND**



**"Moving to digital allows for the opportunity to create a compelling menuboard strategy that will increase sales margins and generate 10 times more eye contact."**

**Corporation**, considers creative design one of the industry's biggest challenges. To that point, he suggests taking maximum advantage of digital menu technology from the outset.

"The technology will greatly impact your business when it comes to dayparting, inventory management, and controlling pricing and menu changes for mul-

tiples locations," he says. "Keep your goals and motivators at the forefront of your menu design. Are you looking to decrease the amount of time customers spend in line? Are you trying to influence their purchasing decisions? Moving to digital allows for the opportunity to create a compelling menuboard strategy that will increase sales margins and generate 10

times more eye contact.”

Instead of simply trying to re-create standard menus on a digital board, quick-service restaurants should design for digital using rich visual imagery, animated content, and videos to drive customer behavior. And remember, signage is not just for the front of the store or the drive thru; operators should consider a customer’s experience from a broad perspective. “Specifically with quick serves and digital signage,” says Brian Elles, director of product market for **Mood Media Solutions**, “it comes down to understanding the customer journey.”

In other words, the guest experience begins well before he or she steps up to the counter to place an order. “It starts in the parking lot,” Elles says. “What do they see in the entry or as they are walking to the counter to place their order? Really try to narrow down on each touchpoint, because each touchpoint is different.”

These touchpoints are perfect opportunities for ancillary sales. “Restaurants should animate their boards strategically to match their menu design, enhance guest experience, and promote their most profitable menu items,” Hoover says. “It may be as simple as animating their highest-margin items so the eye is drawn to them more quickly, or it might be as impactful as doing a full digital takeover—all boards suddenly displaying a special promotion or LTO—to highlight a product. When creative design is used properly, digital menuboard can positively influence one in five customers to purchase LTO items.”

Because digital signage allows brands to bring their menus to life with vivid, high-definition graphics and videos, it is a powerful suggestive selling tool. “In the drive thru, for example, restaurant brands can suggest turning an à la carte sandwich into a combo by showing the full meal in a new, dynamic way,” says Chris Mims, technical product manager at **SIGOM**. “With a static menuboard, you’re relying on the cashier to ask about the combo, or including a standard, ‘Do you want to make it a combo?’ on your menu. Now, you can show a bubbling soda and steaming fries.”

It’s easy—and fun—to get caught up

in the technological bells and whistles can offer, but remember, when it comes to successful digital signage implementation, hardware matters. “Choose the correct products that are designed specifically for digital signage, whether that is a commercial-grade display capable of operating 24 hours a day or a proper mounting system with all of the adjustments needed for proper installation, servicing, and of

especially at restaurants that offer breakfast, lunch, dinner, and fourth meal options,” says Jennifer Bissell, director of sales and marketing at **ITSENCLOSURES**.

“Properly selected electronics should include solid state media player components and LCDs that are commercial-grade, producing 1,500 nits of brightness or greater to be viewed outdoors.”

Bissell says a site survey be completed



**“Restaurants should animate their boards strategically to match their menu design, enhance guest experience, and promote their most profitable menu items.”**

course, safety,” says Hal Truax, vice president of sales for **Crimson AV**.

This is an important consideration for a quick serve’s ROI on digital signage. “The hardware component of the installation represents between 50–70 percent of your initial expenditure,” says Doug Starr, executive vice president of marketing at **Allure**. “You’ll be repeating that expense too soon if you don’t get it right.”

An effective outdoor digital menu installation should have a media player, an all-weather enclosure, a commercial LCD screen, and creative content. “Consumer-grade electronics are simply not meant to operate for an extended period of time,

before any initial decisions are made.

“Considerations for cabling, power sources, and existing footer size and conditions are also extremely important to understand prior to installation of an outdoor digital menu system.”

The sheer variety of options within the digital signage industry can seem intimidating to those who are entering this market, but Brian McClimans, vice president of sales, Americas and APAC for **Peerless-AV** has some simple sage advice: “The most important thing for a quick serve to ask is, what is the right solution for my business? That will ensure true brand recognition and acceptance.”



# Dynamic Data

Digital signage allows restaurants to collect valuable consumer insights.

With printed signage on its way out and more restaurants hopping on the digital train, quick-service operators have a new world of marketing opportunities opening up to them. Not only has digital signage been proven to show significant ROI within a short period of time, it can provide invaluable data about a restaurant's customer base.

The trend is moving toward providing a unique experience for each and every guest. "Digital signage is now all about personalization and interactivity, therefore creating an unforgettable user experience," says DSE show director Andrea Varrone at **Exponation**.

So, how do quick-serve operators create this personalized experience for their guests? One word: data.

"There are many technologies that can be integrated into digital signage that can help track consumer data," says Ken Neeld, chief executive officer for **Delphi Display Systems**. "These technologies can be used to track weather and traffic patterns, identify and classify gender, estimate age, and by tracking eye movements, can determine what content is being viewed and for how long. All of this data can be used to tailor the most effective content strategy to each customer or psychographic group."

For example, if it is cold or rainy outside, restaurants can update their digital menuboards to promote hot items or comfort food, like hot chocolate or soups. During hot summer days, signage can be used to promote cool items, like specialty beverages, milkshakes, and salads. All of this is done with a few clicks of a mouse with no need for dirty table tents, wasted paper, printing costs, or shipping hassles.

Data can be gathered through multiple inputs: kiosk, anonymous analytics,



**"Digital signage is now all about personalization and interactivity, therefore creating an unforgettable user experience."**

buying behavior analysis, integration of mobility engagement, beacons, and radio frequency identification (RFID). These tools can be tied in with the POS platform, allowing companies to gather much-needed data. Not all digital signage platforms collect data, however; some rely on

integration with a third party. Other platforms have built-in features tightly integrated with the backend of the content management systems. "Data is collected using various types of IoT (Internet of Things) sensors that can track biometrics, gender, age, sentiment, mobile devices, and motion," says Manolo Almagro, managing partner of Q Division, a division of **STRATACACHE**. "Rather than surveying the customer directly, which is very costly, the digital network is gathering this information at all times, which provides a huge ROI to the retailer."

The use of cameras in digital signage is another game changer. "Camera-based facial detection, married with histori-



cal sales data and AI, can provide predictive content execution to drive more sales,” says Dave Meier, director of digital signage product management for **NCR VitalCast**. “If we know that on Wednesday mornings from 10 to 11 a.m. we historically sold more mocha-based cappuccinos and we also know that the major demographic at that time is females, age 30–35, then we can predictively execute content designed to influence that demographic at time of purchase, thus increasing overall sales.” An increasing number of digital signage users have the ability to “see” their customers, and are using these observations to create refined messaging aimed at a specific customer type.

Quick serves can also gather data from customers who opt into mobile applications that require data input. “Advanced or predictive ordering capability is possible by detecting behaviors and patterns in store visits of known guests’ devices—those who have opted in via WiFi or the store’s own mobile app,” says Jeff Griffin, executive vice president of retail media networks at STRATACACHE. “Gathering

these analytics is incredibly powerful for personalizing a known guest’s visit, as well as improving store operations, gaining deeper insight into buying patterns that arm the retailer with predictive intelligence.”

Near field communication (NFC) enables restaurants to understand precisely who is in line and what they are likely to buy, giving data-focused brands the ability to be more prescriptive and predictive with their content and offers. For example, using NFC, restaurants can determine and display a guest’s “favorite order,” and then use that to predict potential add-on items as upsell opportunities.

“With the emergence of beacons and mobile technology in digital signage, restaurants will be able to engage their customers on a whole new level and provide a much more personalized experience at the point of ordering,” says Douglas J. Watson, president and CEO of **The Howard Company**.

Doug Starr, executive vice president of marketing for **Allure**, says audience analytics becomes more difficult with mobile customers and drive-thru patrons. “Digital

signage providers are working to develop methodologies for understanding their audience and communicating effectively to remote customers,” he says. “Making each mobile device the new digital signage pallet opens the door to DooH (digital-out-of-home) and DooS (digital-out-of-store) marketing. Our industry has the opportunity to expand the digital signage landscape to the handheld device and all of the data that it contains.”

Restaurants can also use data to move excess product. “Progressive digital signage companies are employing multiple data feeds in making signage content decisions,” says Brian McClimans, vice president of sales, Americas and APAC for **Peerless-AV**. “Integrating with internal systems, such as POS, kitchen, and inventory, give great data for what content to push to the digital signage. Reaching inside a restaurant to collect audience analytics—including demographics, gender, age, dwell time, and more—will provide further insight for how to shift content to meet the current audience.”

Digital menu technology can also be used to conduct A/B testing, giving quick-serve operators the ability to compare sales results across many stores for a given period of time. This way, managers can make data-driven decisions, and roll out the winning design quickly.

This kind of automated audience analytics is one of the next important developments in digital signage moving forward and is becoming more prevalent in today’s signage strategies. “Restaurant owners should understand that by capturing real-time data about their customers and the trends uncovered after reviewing the data, they will be best positioned to deliver the most compelling, targeted menu offering,” says Hal Truax, vice president of sales at **Crimson AV**.

Quick serves that have been on the fence about digital signage should consider the wealth of knowledge they can learn about their customer bases through the medium. Not only does it help provide a more customized and enjoyable guest experience, but the data collected from digital signage—when used effectively—can also have a major impact on ROI. **SC**