

# Tipping Point

Why digital signage is the new must-have for quick-service operators.

From gas pumps to billboards, there's no question that digital signage is everywhere. Looking to the future of customer communications, many quick-service operators around the country are implementing new menuboards, drive thrus, and messaging platforms in order to capitalize on the trend.

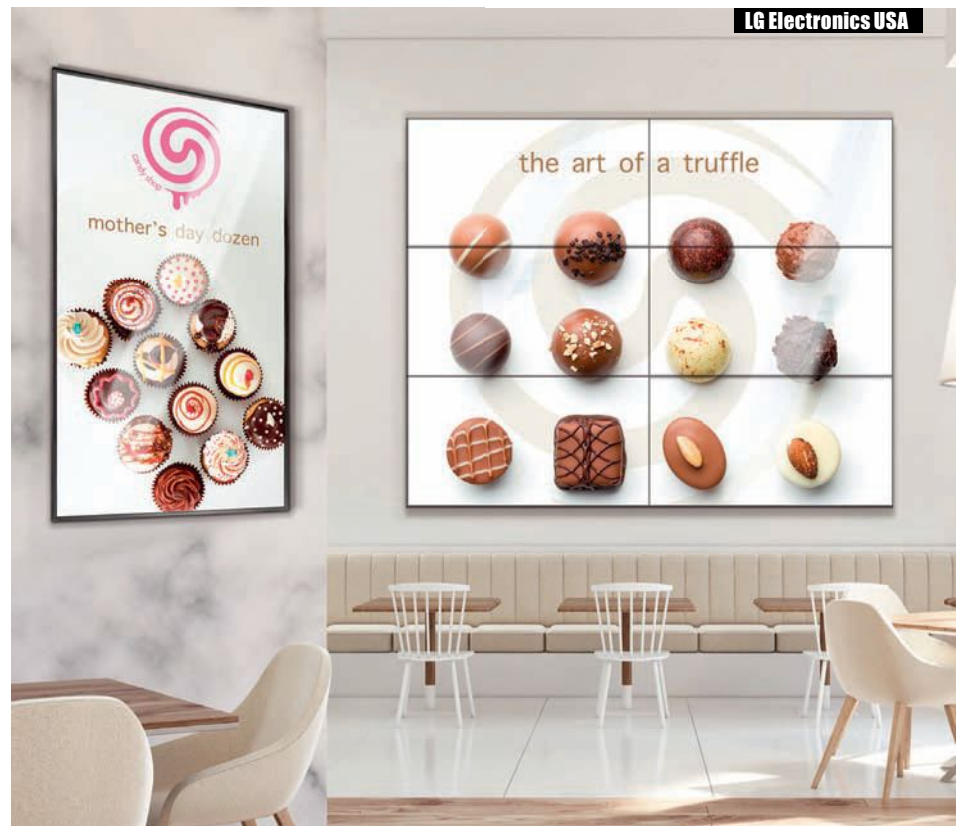
"The industry has reached a tipping point," says Brian McClimans, vice president of sales at **Peerless-AV**. "If a quick-service restaurant doesn't have digital signage installed or a plan to do so, they will inevitably fall behind their competitors in 2019."

Overhauling static materials with digital options is part of a larger ideological shift which ensures brands are on message, all the time.

"Broad technology, including larger displays and projection mapping, will make signage more about creating a larger customer experience," says Charity Rivera, senior vertical account manager for **NEC Display Solutions of America**. "Even further, digital signs have the potential to become part of a larger system that provides analytic insights about customers to restaurant operators."

Digital signage contributes to the customer journey in several ways: identifying store locations at roadsides, notifying guests of special promotions in entryways, communicating offerings with menuboards, guiding transactions through kiosks, and reinforcing brand awareness in dining rooms.

The more customers engage with this technology, Rivera says, the more opportunities a brand has to collect information, which can then be integrated into a loyalty program or other information system for the purpose of continuing communications. The challenge for some operators is



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integrating the various display units while maintaining a streamlined service area.

"Businesses in the restaurant industry want displays with incredible picture quality," says Garry Wicka, head of marketing at **LG Electronics USA**, "but also digital signage that integrates into the restaurant environment."

Wall-mounted units are a popular

choice among operators because they don't compete with walkways or occupy unnecessary space in the dining room. Low-profile displays—such as ultra-narrow video walls indoors or transparent outdoor surfaces that don't block storefronts—are essential, Wicka says.

However, the most important thing operators can do when implementing dig-



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ital signage is to ensure they have a specific reason in mind for doing so and a plan for maximizing the investment. When it comes to menuboards, for example, some operators fail to use the complete range of product functionality, and instead apply the same strategy of a static menu to the digital display.

“The development of the menuboard

parts with dynamic content, implementing high-quality images of offerings, and pushing messages about special promotions or limited-time items.

“Front of house applications need to engage the audience to drive sales,” Rivera says. “Dynamic menuboards can communicate deals to customers—and, perhaps in the near future, even provide cus-

Dining room installations can provide consumers with added value and information in order to enhance their customer journey.

“Digital signage can help engage guests like never before,” Wicka says. “While waiting in line to order or pick up their food, customers can be entertained, kept abreast of wait times, see unique offers, and perhaps get directions for how to upgrade their order.”

NPD research shows that foot traffic in restaurants has increased nearly 60 percent during the past five years—a boon for operators, but also a contributor to longer wait times and slower service. Using static signage to communicate with waiting customers is no longer effective, particularly when it comes to younger populations, such as millennials and Gen Z. By implementing digital displays, restaurant operators have seen up to a 35 percent decrease in perceived wait time, according to a 2018 Nielsen report.

“In-store screens are yet another channel to leverage broader marketing strategies, such as converged media, cross-channel amplification, and A/B testing,” Van Buren says. “It’s all about presenting the right content to the right audience at the

right time.”

On average, guest attention and recall respective to digital signage is significantly higher than with static signage. In addition, digital platforms increase an operator’s ability to sync information between the POS systems on-site and other applications, such as social media or an email loyalty program.

“The world of social media and digital signage are merging with the use of beacons and geofencing,” says Randy Poindexter, senior vice president of marketing for Bojangles’ Restaurants. “These features send prompts to customers when they enter a particular restaurant space to download an app that will then continue to send digital messaging to their smart



LG Electronics USA

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strategy and information design are critical,” says Manolo Almagro, managing partner for **STRATACACHE**. “The best technology is rendered useless if the content strategy is just a digital representation of old analog signs and menus.”

Almagro recommends starting from scratch with strategies that are specific to digital menuboards—optimizing day-

tommer-specific deals based on behaviors or demographics.”

In addition, digital signage can be used to continue messaging to eat-in diners. By promoting social media channels where customers can engage, for example, operators can ensure that customers are thinking about the brand long after they leave the restaurant.

“There’s been a steady trend toward leveraging digital signage in the dining room,” says Morgan Van Buren, global vice president of product management and delivery at **MOOD Media**. “It is critical for operators to know their customers’ expectations and have a specific content objective for each screen throughout the restaurant.”





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**“Digital signage is an important tool in a quick-service restaurant’s arsenal to keep customers coming back time and again.”**

quently—the brighter and lighter nano-lumens technology of digital display screens require less energy and offer a much better display solution.

“The environmental friendliness alone is something that younger customers will appreciate,” Poindexter says. “Add that to the improved customer experience and digital signage is almost certain to generate increased loyalty among patrons.”

“The younger generation has grown up with digital content,” Van Buren says. “They are conditioned to respond to anything that appears on a screen.”

One of the biggest mistakes operators make with digital signage is simply duplicating static menuboard designs into the digital equipment, according to **Xenial’s** vice president for sales Tracy Gallimore. However, the real potential of digital goes far beyond messaging.

“Integrating pricing to POS so prices change dynamically throughout the day based on dayparts and special offers is one way to maximize digital menuboards,” Gallimore says. “There are also dynamic marketing opportunities—such as promoting LTOs more aggressively in order to clear inventory, upsell, and incorporate order confirmation into drive thru—which increase ticket averages and improve order accuracy.”

In addition, operators can typically update the information on digital displays remotely, which can be a huge benefit to those working with multiple units. Through applications installed on their mobile devices, operators can make menu

changes, check on sales, and respond to metrics in real time by pushing out new content or special offers.

“Operators should avoid replicating the look and feel of their old static signage,” McClimans says. “Digital offers a greater opportunity to highlight menu options and rotate between them, which keeps the content fresh and clean.”

McClimans suggests using professional photographs to enhance menu offerings and provide customers with a visual aid for what they’re ordering. Because visual advertisements also trigger consumer behavior, operators can optimize their digital displays with menu items that are best suited for upselling.

“In order to maximize the power of digital signage, there has to be a fundamental shift from traditional static perceptions,” Van Buren says. “An effective strategy becomes essential when you define your audience, your objectives, and your priorities, then execute your plan and sustain your efforts—digital signage doesn’t run itself.”

Many operators anticipate the implementation of digital signage to be too expensive and much more costly than that of static signage, according to McClimans. But he says the true focus should be on the cost savings related to efficiencies offered by digital equipment.

“For example, during recalls restaurants have a very difficult time updating static menuboards and informing customers of product changes,” McClimans says. “If a restaurant has digital menuboards in place, each unit can correct menus within minutes at a much lower cost.”

In addition, digital signage builds brand trust and reputation among consumers. According to a survey conducted last year by Arbitron, 86 percent of business owners who had installed digital signage reported a belief that the signs had attracted new patrons.

“When customers are comfortable at an establishment and feel their needs are being met, they tend to be more loyal,” Wicka says. “Digital signage is an important tool in a quick-service restaurant’s arsenal to keep customers coming back time and again.”