Digital menu boards deliver flexibility, boost sales

Operators turn to digital menu boards to aid with customer-facing enhancements.

Restaurants are increasingly reliant on digital technology to prepare food precisely and take customer orders. But in recent years digital technology's most significant impact in foodservice is on restaurant menu boards.

Historically, menu boards were static and rarely changed because of the manual effort required and the cost of reprinting the plastic backlit displays. Marketing LTOs mandated the added expense of printed point of purchase, or POP, materials inside the store or training of drive-thru personnel to promote such offers orally.

But with modern digital menu boards, all food and drink content can be displayed on large, wall-mounted video displays managed by back- or above-office computers. Even flash drives storing updated menu information can be used on digital displays.

Customer-facing content can be updated quickly — often in real time — changed automatically in accordance with dayparts and can include customized information for promoting select items.

Such flexibility is especially important for multiunit operators requiring branding, special offers and pricing to be consistent throughout an entire system. Where static menu boards required time-consuming, store-by-store updates, digital menu boards provide the ability to update all information instantly across thousands of units.

And while such innovative upgrades require substantial investments, research shows operators recoup those costs fairly quickly when sales increase using these new devices. According to a study by Eclipse Digital Media, restaurant operators reported revenue increases of 3 to 5 percent, and per-transaction margin increases of 2.5 to 3 percent after installing digital menu boards. As a result, operators surveyed said their digital menu boards paid for themselves in 18 months or less.

For the last few years quick service leaders such as McDonald's and Burger King have invested heavily in digital menu boards, both inside stores and in drive-thru lanes. Yet as the cost of that technology has decreased steadily, smaller operations have adopted them as well. In 2014, 14-unit, Fayetteville, Ark.-based Slim Chickens faced a full upgrade of its static menu boards and decided to

convert to digital. According to cofounder Greg Smart, the customer impact was immediate and fans complimented the change. Customers also spent more, says Smart, adding that dessert sales have doubled and drive-thru order times have decreased.

Yet he was equally impressed with the performance of the cloud-based content management system, which allows him to change positions of certain menu items, specials and prices remotely from his corporate office.

"We have it set to populate the display with new content automatically every 5 minutes," Smart says. "There's so much you can do with it that I doubt we've even scratched the surface."

Nearly all 100 Wing Zone stores have upgraded to digital menu boards, and the operational simplicity is a big benefit, especially regarding menu prices, says Dan Corrigan, director of marketing at the Atlanta-based chain.

"You no longer have to worry about uneven numbers from a store having to customize their board," Corrigan says. "[They] also allow you to rotate between different elements. You can feature more promotions and [improve putting] the food in front of your guest."

Given Wing Zone's chicken-centric brand, the chain believed it needed a digital marketing effort dedicated to its Better Burgers Delivered program. So when it launched its Angus burger line, a single in-store screen was devoted to sharing those messages.

"With the digital menu boards, it was easy for every store to update their screen for this new promotion," says Corrigan.

According to Richard Ventura, vice president of business development and solutions for NEC Display Solutions, operators who are curious about adding digital menu boards should consider the investment carefully, and he advises customers to take the following steps.

Look through the eyes of the consumer and the brand to gauge what's ideal. Both the brand and its consumers must see value in the new technology for it to be effective. Make it a good move for both parties.

Do the numbers to determine the worth of such an investment. "The restaurant should have a way to measure and define the value of the menu board to help determine the true return on investment," Ventura says. But he adds that any estimates should be tempered with realism. "A digital menu board

might not yield an immediate 20 percent increase in sales. But as the restaurant becomes more comfortable with its digital menu boards and learns what type of content works and what doesn't, and as its customers become more familiar with the menu boards, the restaurant should see an increase in sales over time."

Don't assume one size fits all with digital menu boards. What works in one restaurant likely won't work the same in another, despite its outward similarities. Don't assume "the next project will be identical, even if it's for a similar type of restaurant," he says. "Every restaurant has its own design, layout and identity, and its digital menu board solution should reflect its style."

Digital menu boards aren't just menu displays, they're sales tools. "Whether it's a mom-and-pop hot dog stand or a chain with thousands of locations, digital menu boards can be part of a multichannel marketing strategy for a restaurant," he says.