

## Feast for the eyes, business: Restaurateurs begin embracing digital signage

By Lisa Terry



**Seventh Heaven's plan is to sync their digital signage data with its website so customers can capture real-time images of the day's specials and print them.**

(Oct. 25) Digital signs can generate a return on investment, or ROI. Sure, everyone knows they're dynamic and eye-catching and that they can tempt a potential guest with mouthwatering images or upsell a hungry customer. But now those giant, splashy screens also are delivering real benefits for restaurateurs, who are discovering savings and increased sales in those pixels.

Clint Eatherton and his partners in Seventh Heaven Restaurants projected that they would recoup their investment in NEC digital displays from Epicure Digital Systems in four and half years. Instead, it will be closer to two years, thanks to the money the company saves by not having to reprint menus and alter menu boards every time the start-up fast-casual Phoenix restaurant tweaks its offerings.

While digital signage has taken off in vertical markets such as retail and entertainment, adoption of the technology has lagged in hospitality due largely to the cost. But with prices dropping and more hospitality-oriented vendors emerging, the momentum within the segment appears to be building. Seventh Heaven joins a growing list of operations that are tapping the power of digital signage to attract attention, boost sales and avoid the costs associated with static, non-digital methods for presenting menus and promotions. Industry analysts predict the dynamic digital signage industry will reach \$3.4 billion by 2009.

### Images Beat Text

The people streaming through the international concourse at Hartsfield-Jackson Atlanta International Airport in Atlanta aren't there to buy food. So catching their attention as they run the gauntlet of eateries isn't easy, especially when many of the food venues boast household names. But Nature's Table Bistro has found a way to stand out as the only concessionaire with a 50-inch Pioneer plasma display and Mitsubishi 37-inch LCD menu displays, all run by Scala InfoChannel 5 players. The plasma display cycles through a new mouth-watering image every 5 seconds, changing its appearance with the daypart. The signage has helped the 750-square-foot Nature's Table Bistro grab 26 percent of passenger traffic at the airport and boost sales from \$2.7 million to \$3.8 million in just one year, says Lucian Dillingham, president and chief executive of MBC Concessions, Atlanta, the restaurant's operator.

"People don't read," Dillingham says. "In 'Why We Shop,' author Jim Pooler said 75 percent of people entering a fast-food restaurant read the menu after they order. Displays sell themselves," thus the large images. "Where you have a market dependent on impulse, you've got it made. This is a home run for a restaurant that can afford it," Dillingham adds.

Dillingham paid Flyin' High Sign and Display Solutions, a division of Capital Signs, almost \$30,000 for the technology, but with prices declining rapidly, the same setup today would cost significantly less. A 50-inch plasma screen that cost \$9,000 four years ago is around \$1,800 today, and simple one-on-one media and player box solutions are now as low as \$300 to \$400.

That makes having the flexibility to alter menu displays even more compelling, says Seventh Heaven's Eatherton. According to his math, a low- to mid-range static menu board — say \$2,000 for four boards each in five restaurants — is \$10,000. "You'd have to do a huge ROI analysis to see if a 75-cent change on four items is worth it," versus the return on such a change using a more costly set of digital boards, which allow endless, free alterations for any situation, such as beef prices spiking. Seventh Heaven spent \$32,500 for its digital signage setup; with a drop in hardware prices, Eatherton says he expects his next restaurant's signage to pay itself off in from one to one-and-a-half years.

## Managing Content

Technical infrastructure is only half the battle, of course. The other is creating and delivering compelling content. Many digital signage providers offer one-stop shop services, providing the software required to create and maintain content, the creative services that make the content attractive, monthly maintenance plans and even the distribution of content on the operator's behalf. Seventh Heaven's menus, for example, are delivered to the Phoenix restaurant from hundreds of miles away in California, with local storage available in the event of a technical glitch. Fortunately, however, no such glitches have occurred, Eatherton says.

High-speed Internet access is a key ingredient for remote management and content distribution and offers operators the flexibility to alter content from anywhere.

Seventh Heaven worked with Epicure to develop a template and purchases images from a food photographer. Down the road, the plan is to sync Seventh Heaven's digital sign data with its website so customers can capture real-time images of the day's specials and print them from the site — a boon for group orders. Eventually, the company will interface digital signs with the point of sale, allowing both to be updated at the same time.

Most vendors have their own technology for developing and managing content and systems. The Point of Purchase Advertising International, or POPAI, Digital Signage Standards Committee is working to develop software standards, such as a standard way of logging digital content being displayed, as well as hardware control standards, to make management easier for users moving forward.

All the infrastructure in the world will be for naught, however, if the content isn't compelling. It's essential to understand the mission of a sign before determining the look and content of the message. At Thunder Valley Casino in Lincoln, Calif., catching guests' attention is the main goal for the eight to 10 20-inch-to-40-inch NEC flat panel displays the casino is installing through Epicure, but each display will accomplish that goal differently, depending on whether said display is in or for the bars, restaurants or buffet.

"People eat with their eyes," says Scott Kidd, vice president of food and beverage at Thunder Valley. "You have the ability to offer live text, animation, spins, pans, and it helps upsell items as well." When restaurants are closed, signage will promote the casino. Refreshes will be similarly staggered, from six to 12 months for some and daily for the prix fixe menu. "Logging in to adjust the content is simple," Kidd adds.

In his past installations at casinos, digital signage has boosted sales and traffic, Kidd notes. "It's brought people to areas they weren't drawn to before."

The Minnesota-based FourCrown Organization, which operates 59 Wendy's restaurants, installed at two units Wireless Ronin Technologies' RoninCast software, along with four 42-inch menu displays and an additional 42-inch display near the front counter showcasing seasonal and promotional products.

"Being able to maintain and update product displays from a central location will certainly help promote a stronger and more consistent branding message at our Wendy's restaurants," said Michael J. Givens, president of FourCrown.

## Making it Work

Making a digital signage project successful requires several key steps, says Lisa Jachimowicz, president and founder of [Digitalsignageforum.com](http://Digitalsignageforum.com), an online forum for information-gathering and exchange. She suggests that operators:

- Do some research; don't jump at the first digital signage solution you see — ask for case studies.
- Don't overlook the cost of software licensing.
- Figure out what your goals are, what you want your content to be and what your final call to action and results will be.
- Find the skills. "It takes a commitment on the end-users' part to explore digital signage and seek qualified audio/visual or information technology individuals who will search out the best solutions," says Jachimowicz. "Often the task of deploying digital signage falls to employees or restaurant owners who do not have a background in A/V or IT."
- Ensure scalability. "The main thing — I can't stress enough — is to plan for growth today and make sure whatever system is decided on is easily upgradeable," says Jachimowicz.

- Make sure the company you buy from has great support and software updates that are easily available online.
- Make sure employees are trained and can update the system easily. "A system that is not updated daily is bound for trouble and will become obsolete no matter how great the technology behind it is," Jachimowicz says.
- Consider selling ad time to local businesses to defray costs.

"My motto for restaurants is: keep the content as fresh as the food you serve," says Jachimowicz. "In both cases it will keep customers coming back. If done right, your digital signage can work for you as a virtual employee and also keep the patrons entertained and informed while they wait."

### **What's New**

As digital signage matures, users are inventing enhanced uses of the medium. Recent developments include screen zoning, dividing a digital signage screen into separate zones displaying multiple formats and types of information, as well as dayparting. In its second restaurant, due to open in November, Seventh Heaven is considering an inset of CNN to entertain guests waiting in line. On the Digital Signage Forum, moderator Josh Coffman reported on a Japanese restaurant that aimed a camera at the hand-written waiting list and displayed it on signage in the bar area where patrons were waiting.

Implementing a digital signage system always will come at a premium over less high-tech signage. But with the cost gap closing and the benefits becoming clearer, it appears that such signage is moving into the mainstream. "I think this is the wave of the future," says Thunder Valley's Kidd.