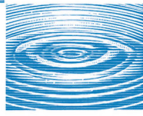




KING-CASEY



# King • Casey REPORT

Insights and Trends in Retail Branding, Merchandising and Design



## Menu Strategy Modeling

Navigating the Way to Optimized Menubords

# Menu Strategy Modeling

## Navigating the Way to Optimized Menuboard\*

A KING-CASEY REPORT by Howland Blackiston, Principal, King-Casey

### What is a “Menu Strategy”?

This report is not about creating a hand-held menu strategy. Nor is it about creating a menuboard strategy. A “Menu Strategy” is all about identifying and prioritizing your brand’s desired business objectives as related to the food and beverage products offered.

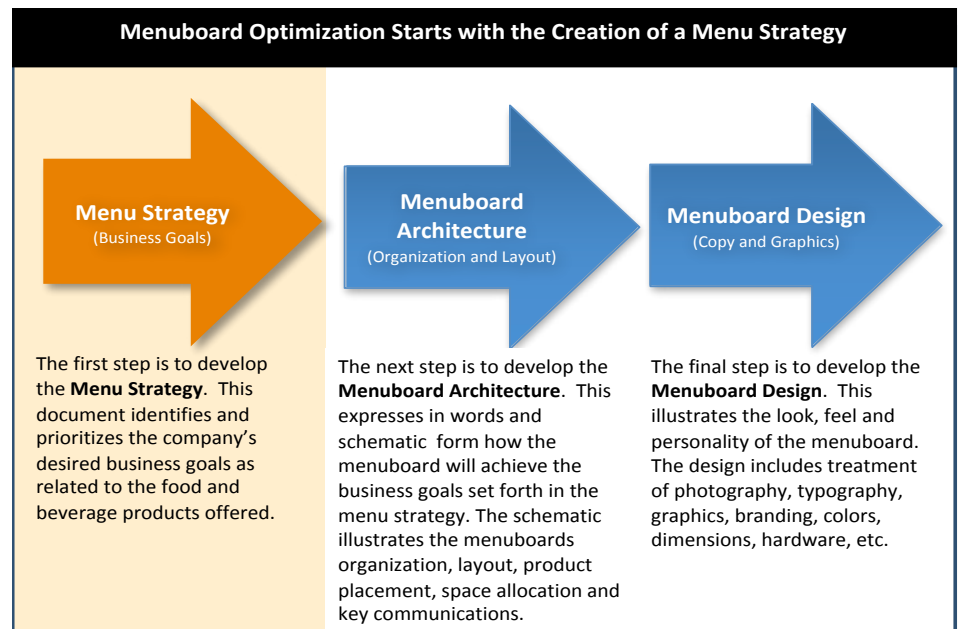
### Optimized Menuboard

#### Begin with a Menu Strategy

Before you decide what goes on your menuboard or where items will be placed on your menuboard, and long before you decide what the menuboard will look like, you need to create a Menu Strategy.

### The Missing Link

Surprisingly, many restaurant chains do not have a cohesive and well-documented Menu Strategy linked to high-level business objectives. It’s the missing link to realizing menuboard optimization. As a result, strategy is not guiding what products are offered, their priorities, and how the menuboard should be designed to get the desired business results. Creating and agreeing on a Menu Strategy is a critical step in how effective menuboard are developed. Having a Menu Strategy navigates the way to optimized menuboard.



### Inputs for Creating a Menu Strategy

There’s some homework to do before you begin to work out the details of your new menu strategy. The inputs are varied, and they are all business-centric. The following should be in place before you sit down to create and document your new or enhanced Menu Strategy.

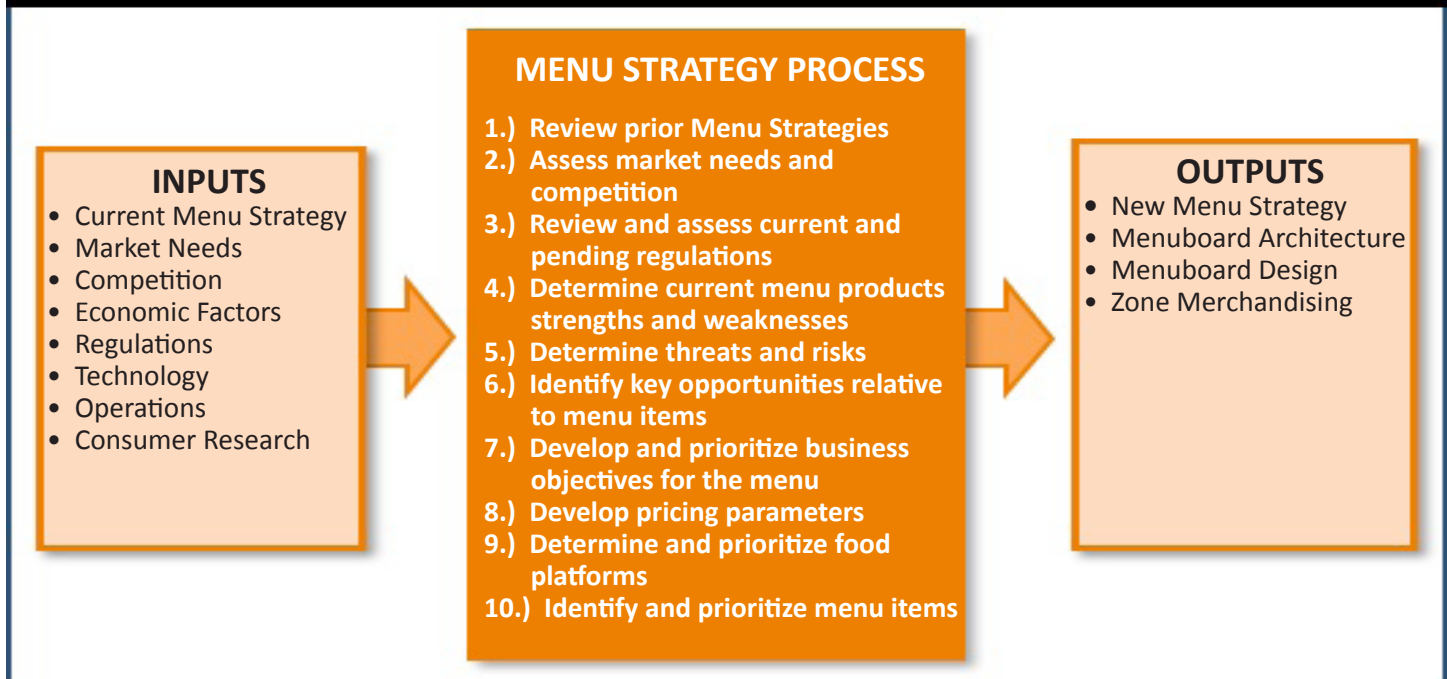
**1. Review Your Current Menu Strategy.** Identify the objectives and strategies you have now relative to your food and beverage offerings. These may be documented or you may need to document them. What you have now is your starting point.

**2. Determine Market Needs.** What is trending within the general restaurant industry. What are the drivers within your segment specifically.

**3. Understand the Competition.** Develop an understanding of the food/beverage landscape and the offerings of your key competitors. See where your brand stands relative to the competition from a menu offering standpoint. It will help determine if your brand has distinct advantages which can be capitalized. Or if there are disadvantages which represent threats that must be addressed. Competitors may include non-restaurant segments (supermarkets, c-stores, etc.)

\*Menu Strategy Modeling can also be used to optimize hand-held menus

## Menu Strategy Modeling: The Process



**4. Identify Economic Factors.** What is the current economic climate? What is the outlook for the next 2-3 years? Look at broad economic indicators and consumer trends along with those of the restaurant industry, your segment and target audience.

**5. Understand Regulations.** What are the pending and potential legislation that may impact the restaurant industry and your brand? For example, the pending menu-labeling legislation has implications for Menu Strategy (i.e. do lower calorie menu options need to be developed?)

**6. Review Technology.** What is the latest equipment and technology? What is required to positively impact your Menu Strategy from the standpoint of quality, cost and speed?

**7. Consider Operations.** Operations are a critical factor in determining your brand's Menu Strategy. Staffing levels, knowledge of production line set-up and other key operational factors must be considered prior to developing a new Menu Strategy.

**8. Conduct Consumer Research.** Consumer research is critical in the development of your Menu Strategy. It should be used to help determine your brand's "elasticity" with respect to its menu. One such approach is a TURF study which will identify the relative interest and purchase intent consumers would place on various menu concepts and/or specific menu items.

### The Menu Strategy Process

With the inputs in place, it's time to develop your new or enhanced Menu Strategy. Creating the Menu Strategy typically involves a day-long, interactive workshop with key stakeholders (e.g., marketing, finance, operations, research, key franchisees, etc.). It's a good idea to have a trained facilitator lead the session. This will ensure discussions stay on point, and no single participant dominates the workshop or biases decision-making. These are the typical steps and objectives of the workshop session.

#### Establish Business Objectives.

What are the business objectives you ultimately want to accomplish from

your menu? Examples might include: increase beverage incidence to grow profitability; increase sales between the lunch and dinner day part; grow average check. There might be a dozen or more on your wish list. These business objectives should be prioritized in order of importance (which will have the greatest positive impact on your business). You should establish specific targets and metrics for each objective.

**Identify and Prioritize Your Food Platforms.** List your food platforms and/or categories and put them in the order of strategic importance. Are beverage sales more important to your business than sandwiches? Are sides more important than desserts? This step will require a good understanding of where your sales and profits are coming from now and where key opportunities lie.

**Identify and Prioritize "Key Opportunities".** These are those tactical things you can do to reach your menu's business objectives. For each of these "opportunities",

provide a specific, tactical example of how you will accomplish a stated business objective. Examples might include: establish a new cup set to increase beverage sales, develop a snack menu to increase afternoon day part sales, develop a “large-combo” offering to grow average check. The resulting list of opportunities should be prioritized in their order of importance to your business.

**Understand Your Critical Success Factors.** These are the menu strengths, characteristics and signature products that your brand is known for and does well. This is what differentiates your brand from the competition. These should be leveraged to your advantage as you develop an enhanced Menu Strategy.

**Understand Your Critical Weaknesses.** These are those things that you do not do well from a menu offering standpoint. Identifying these in your Menu Strategy helps you circumvent or correct these weaknesses.

**Identify Threats and Risks.** These are typically outside forces that could prevent you from reaching your business objectives. An example might be include competitors with similar or better products and menu offerings. You need to get these on the table as they may ultimately impact your Menu Strategy.

### Menu Strategy Outputs: Optimization

Once there is agreement regarding your new or enhanced Menu Strategy, it’s time to bring specialists in menuboard design into the process and develop optimized menuboard and zone merchandising.

**Menuboard Architecture.** The Menuboard Architecture expresses in words and schematic form how the menuboard will achieve the business goals and objectives set forth in the menu strategy. The schematic illustrates the menuboard’s organization, layout, product placement, space allocation and key communications.

**Menuboard Design.** This is the final step in menuboard optimization. This is when everything comes together in colors, graphics and visuals. It is during this final step that we illustrate the look, feel, and personality of the menuboard. The design phase includes specific treatment of photography, typography, graphics, branding, colors, dimensions, hardware, etc.

**Zone Merchandising.** Effective customer communications involve more than just the menuboard. What about your other in-store communications (posters, stanchions, window clings, register toppers, counter mats, tray liners, etc.)? Apply your new Menu Strategy to communications in all of the customer zones in your restaurants.

### Validating Your Efforts

Make sure what you have come up with will resonate with customers. Consider quantitative and/or qualitative research to evaluate and validate your new Menu Strategy and the resulting menuboard design. See what works well, and what needs tweaking. Well-constructed research will determine if the new menuboard will achieve the business objectives set forth in your Menu Strategy.

King-Casey is one of the top retail consulting and design firms in the U.S. For more than half a century, we have been helping companies build competitive brands by dramatically improving the customer experience. Our highly creative design solutions are firmly grounded in scientific insights derived from research and hard data about consumer behavior. Our strategies and designs are crafted to realize measurable and meaningful results for your brand. We provide a complete range of services including assessment, research, branding, visual merchandising, retail prototype design, and rollout. We will help you develop creative, innovative solutions that result in increased customer loyalty, higher sales and greater return on investment.

King-Casey has developed a significant clientele from the restaurant industries (including QSR, Fast Casual and Casual Dine). Our work within these segments now accounts for a large percentage of King-Casey’s overall business and includes restaurant design, branding, identity development, merchandising, and menu/menuboard optimization.

**King-Casey (USA),** Howland Blackiston Principal, T: +1 203 571 1776

**King-Casey-Arabia,** Ziad Kaddoura, Managing Partner, T: +966 11 279 5113

**King-Casey-PARUS (Russia),** Anastasia Tsarevskaya, T: +7 911 928 0123

[www.king-casey.com](http://www.king-casey.com)