White paper

Improving ROI with digital menu boards

At a glance

Businesses on the frontlines of consumer retail have always sought out the best tools to communicate effectively with customers in their stores. As technology has improved, many have found digital displays bring numerous benefits, but have concerns around the potential cost compared to older, static display options. However, upon closer examination, the costs associated with these displays tell a different story.

In a direct comparison between analog and digital menu boards, Samsung SMART Signage shows a significant quantitative and qualitative advantage over static lightbox menus. While digital displays require a slightly higher upfront cost, individual stores would realize a higher return on investment from digital displays within two years of installation — as high as $10,000 per store within 5 years.

In addition to providing savings on hard costs, Samsung Digital displays provide a premium visual experience and enhanced features driving store sales, improving the effectiveness of promotions and providing a better in-store experience.

Advantages of Digital Menu Boards

For years, system integrators and solutions providers have seen the advantages of modern digital menu boards over outdated analog boards. Digital boards are constantly improving and provide a better experience both for the business and its customers with up-to-date information and enhanced functionality of the latest technology.

By now, many have visited a restaurant or other retail location that uses digital displays. Not only is the consumer experience noticeably superior, but visiting subsequent establishments that continue to use outdated displays can start to feel substandard.

Beyond benefits in direct financial costs, digital menu boards provide:

- An enhanced brand experience, through an elevated atmosphere
- An updated, modernized store environment with greater visual appeal
- An improved customer experience with better visibility and dynamic content

Brand Enhancing

Modernized Store Environment

Pleasant Customer Service

But qualitative benefits are only half the story. Digital menu boards also provide a proven direct financial benefit within the two years of installation.

Analog Menu Board Scenario

To illustrate the financial benefit of digital boards, let's take a look at a hypothetical quick-service restaurant chain, "Burger."

In this scenario, Burger is a well-known QSR brand with 250 stores nationwide. With its current restaurant setup, it uses a total of six static lightbox-style menu boards at each location. Each store location requires three printed menu boards for breakfast and another three for lunch. Each printout board is typically replaced once every two months – six times total for the year – to update menu items and special offers.

In order to maintain visual quality, fluorescent lamps for the lightbox menu boards should be replaced once and electrical ballasts should be replaced every 18 months. This specialized maintenance requires a professional service visit each time. The total maintenance cost comes to $600 per store each year.

| Light Box Menu Board | Installation Labor | Menu Prints | Maintenance |
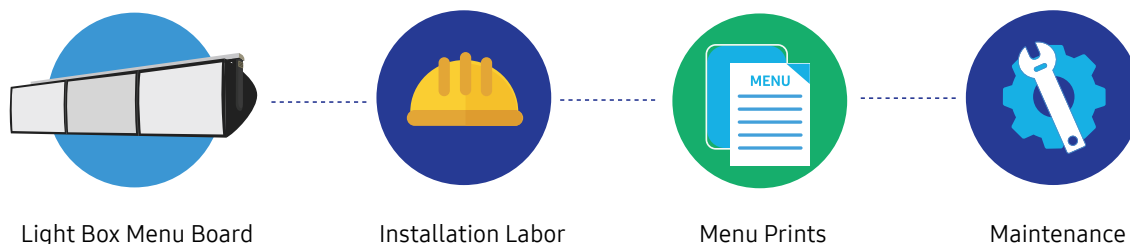
A detailed cost simulation for this scenario is included below. This scenario does not take into consideration additional time and investment for shipping and installation.

(USD)

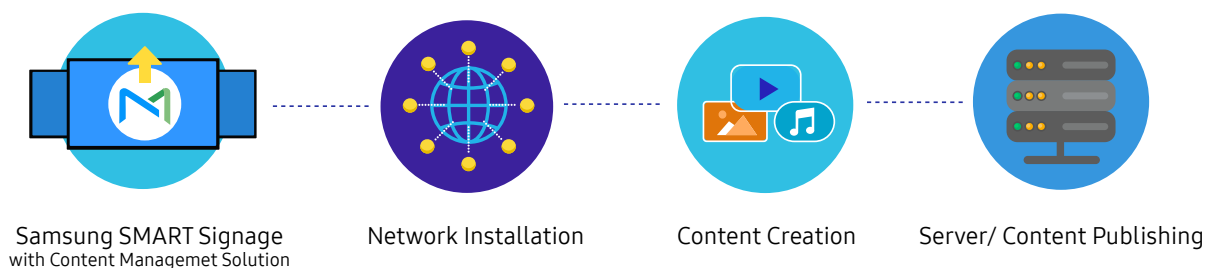| Item	Initial installation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Light box menu borad - Vertically rollable, 1 set with 3 screens	5,000	0	0	0	0	0	0	0	0	0
Light box installation fee - Ceiling mount (2 persons)	150									
Light box menu print - Total 6 menuboards (3 morning menus, 3 lunch menus) - Once per every 2 years (6 times a year)		2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Light box menu borad maintenance - Fluorescent lamp replacement (every year) - Electrical ballast replacement (every 1.5 years) - Replacement labor cost (professional)		600	600	600	600	600	600	600	600	600
Labor costs for print materials replacement - Each store employee can easily replace	0	0	0	0	0	0	0	0	0	0
Total cost	5,150	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Cumulative cost	5,150	8,450	11,750	15,050	18,350	21,650	24,950	28,250	31,550	34,850

Samsung Digital Menu Board Comparison

Now consider a scenario where the restaurant chain decided to instead install Samsung SMART Signage. Built for commercial settings, Samsung SMART Signage provides bright and highly visible content with vivid color far beyond what is possible with a static lightbox menu board. Paired with Samsung's powerful MagicINFO content management solution, the business is now able to conveniently manage content and hardware across its retail stores nationwide from one centralized location.

The digital boards eliminate the costs related to specialized maintenance and the extensive efforts of creating, shipping and deploying static menus along with any capital or payroll costs required any time a menu needs to be updated. The central management system allows the company to do more with less, enabling detailed changes that can be implemented instantly, across locations.

Beyond simply providing menu items, SMART Signage can display effective advertisements, promotional videos and dynamic content to engage with customers and drive purchase behavior. The displays are built to operate 24/7 which means in addition to providing better visibility when customers are in the store, they also provide an opportunity for easily updated branding or other communication when the store is closed.

In our comparison, we'll even add one additional promotional screen in addition to the three existing displays we're comparing to the analog lightbox menu board setup.

Samsung SMART Signage
with Content Managemet Solution

Network Installation

Content Creation

Server/ Content Publishing

What to consider before going digital

1

Network connectivity

Remote management of displays requires building out a network

2

Video content

New video content will need to be developed in place of printing and replacing physical menu boards

3

Content distribution

Content is distributed from central servers to branches nationwide, so server operation and content distribution services will need to be outsourced

Below is a detailed cost simulation for a digital menu board scenario.

(USD)

| Item	Initial installation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Samsung QHR 49" - 4 units per store - MagicINFO license - Wall mount & installation cost	7,000	0	0	0	0	0	0	0	0	0
Network cabling/setup - Dedicated network setting	500									
Content creation - Cost per store (based on 250 stores)		1000	1000	1000	1000	1000	1000	1000	1000	1000
Server operation & content publishing - including network/internet usage - Cost per store (based on 250 stores)		220	220	220	220	220	220	220	220	220
Total cost	7,500	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220
Cumulative cost	7,500	8,720	9,940	11,160	12,380	13,600	14,820	16,040	17,260	18,480

* This hypothetical scenario represents a potential business case. Actual outcomes may vary based on various factors including differing market conditions and other external factors.

Analog vs. Digital

In the direct financial comparison between analog and digital menu boards, the initial cost of digital signage is slightly higher for installation – which may be the reason some expect a higher cost when installing digital displays. However, when factoring the long-term cumulative costs common with every business, digital boards prove to be more cost effective within just two years of use, and the difference only gets bigger from there.

After 5 years, the price difference between digital and analog menu boards is $10,000 per store. In our scenario comparison of 250 stores, this equates to an estimated $2.5 Million in savings when using digital menu boards — and this is without considering potential increases in sales and an improved customer experience.

If a business expects to be operating for more than a year, which virtually every business is, the ROI speaks for itself.

Analog signage cumulative cost   Digital signage cumulative cost   (USD)
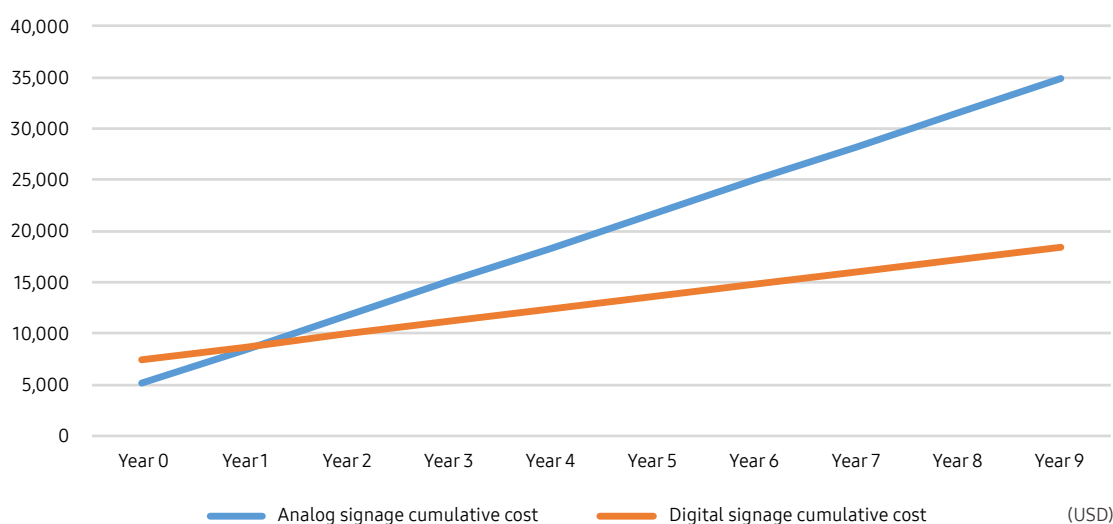
More than a Menu

The real value of digital menu boards goes far beyond a quantitative comparison to analog boards. Digital signage combined with a content management solution provides innumerable benefits to a business in addition to simply displaying items and pricing. Digital menu boards open up a world of possibilities with content that can be updated in near real-time.

When developing new content, the time from ideation to implementation can realistically take as little as two weeks. Simpler modifications including updating existing product information or complying with new legal requirements, such as new legislation around posting calorie counts, could be developed in as little as two hours. In any scenario, all content can be distributed instantly across a network. Utilizing a central content management system, updates can be scheduled in advance and errors can be identified and addressed in real time.

Digital displays can provide other measurable financial benefits by providing more engaging promotional content driving increased sales. In an industry like quick-service restaurants, the majority of purchase decisions are made on the spot, as customers are looking at the menu. With analog boards, content, pricing and menu options must be generic and as broadly applicable as possible, and often necessitate legal language around product pricing and availability, which can be a distraction. Digital signage allows for dynamic effects, providing additional upsell opportunities, such as take-over images that show graphics across multiple screens driving focus to seasonal and the most valuable promotions.

6AM ˜ 10AM

10AM ˜ 2PM

2PM ˜ 6PM

6PM ˜ 10PM

10PM ˜ 6AM

Daypart menu options

In the Burger QSR example, five custom menus could be displayed at various times during the day as shown here. The appearance of different menus would be determined by analyzing the sales of best-selling menu items by time. The menu information can quickly and easily be adjusted based on changes in sales trends.

Seasonal promotion

When promoting limited-time or seasonal menu items, users can drive customer attention with a special take-over effect across displays, using all simultaneously as shown below. These graphics can be linked directly to sales, to create greater efficiencies in marketing efforts.

SMART Signage

For more information about SMART Signage, visit
www.samsung.com/business or www.samsung.com/displaysolutions

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