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How Digital Signage Can Increase Basket Sizes to Make Any Meal Mukbang-Worthy

In a dynamic and highly competitive market, digital signage helps c-stores and quick-service restaurants stand out with compelling visual content

EXECUTIVE SUMMARY

Convenience stores and quick-service restaurants can learn a lot from mukbangs.

Also called an "eating show," a mukbang is a webcast or streaming video in which the host prepares and consumes huge quantities of food while interacting with viewers. The format became popular in South Korea a decade ago and has since become a worldwide phenomenon. Popular broadcasters can earn thousands of dollars per month from viewers alone, not counting sponsorships, advertisements and other revenue streams.

Mukbangs offer an important lesson for c-stores and QSRs: The right visual content can grab people's attention, create a loyal following and induce viewers to spend money.

Digital signage is the perfect medium for delivering enticing, dynamic content that encourages customers to add-on items, increase basket sizes, and make every meal mukbang-worthy. Unlike static, printed signage, digital displays allow operators to modify messaging based on a wide range of criteria to create a more compelling experience. It also gives operators unprecedented agility to address changing consumer behaviors, tastes and demands.

C-stores and QSRs depend on signage as their primary onsite communications medium, from pylons to pump toppers, endcaps to windows displays, menu boards to point-of-sale. There's a digital signage solution for each of these customer touchpoints, which can combine to create a brand-building digital experience.

The numbers tell the story. Digital signage garners 400 percent more views than static signage, according to Intel Corp. A Nielsen study found that replacing static signs with digital displays increased sales up to 33 percent.

This whitepaper will explain how digital signage can help convenience stores and quick-serve restaurants increase basket sizes to Mukbang-worthy proportions and enhance the customer experience. It is divided into sections based upon the location of displays in the store, to show specific use cases.

FORECOURT

The convenience store forecourt is often the first customer touchpoint. Getting that first impression right is crucial. Forecourts are no longer just a place to purchase fuel but rather an integral part of the shopping experience

Filling a car with gas takes three to four minutes. For years, smart c-store operators have used digital signage to entertain and market to this briefly captive audience. Whether installed on top, beside or inside the pump, digital signage can deliver welcome messages and public service announcements along with cross-sell and upsell marketing, promotions, and loyalty program info.

However, consumer behaviors have changed, creating new opportunities for digital signage. According to market analyst Lumina Intelligence, consumers now visit forecourts primarily to purchase food to go. They're still buying fuel but that's not the primary reason for their visit.

For today's c-store, the objective isn't necessarily to draw customers into the store to purchase higher-margin items, but to bring the store to the forecourt. Pump-side ordering and delivery, facilitated by digital signage and mobile technologies, entices customers who would not enter the store to make a purchase. This results not only in incremental sales but larger basket sizes and more frequent visits.

The COVID-19 pandemic has upped the ante for the pump-side ordering and delivery model. Today's consumer wants not only convenience but a frictionless, contactless transaction. By enabling customers to order and pay at the pump, convenience stores can provide that experience while minimizing the number of customers queueing at the register.

AT THE DRIVE-THRU

Drive-thru sales account for as much as 70 percent of a QSR's revenue, and most of that revenue is generated during the lunch and dinner rush. In light of that, QSRs are continually looking for ways to boost basket size in the drive-thru by encouraging customers to purchase more items overall and items with a higher profit margin.

What's displayed on the menu board and how it's presented has a direct impact on the customer's purchase. However, traditional static menu boards offer limited opportunity to increase basket size. Changing the menu board is expensive and time-consuming, and customizing menus for different locations and times of day is cumbersome

Digital signage is made to order for drive-thru menus. Digital displays are remotely programmed and updated, providing the flexibility to add or remove menu items and adjust prices as needed. Dayparting makes it possible to change the display — both menu items and promotions — based upon the time of day. QSRs can promote weather-related offerings and use suggestive selling based upon the customer's order.

When integrated with location-based Wi-Fi analytics that can detect the mobile devices of loyal customers, digital signage systems can be programmed to display content based upon the customer's buying preferences. When no cars are present, the digital signage converts to a billboard.

Despite these benefits, just 19.3 percent of all drive-thru visits included a digital menu board, according to a 2019 study by SeeLevel HX. QSRs that invest in this technology have an opportunity to gain competitive advantages through increased sales and customer loyalty.

Convenience Stores Begin Adopting Drive-Thrus

Convenience store operator Wawa has announced plans to open a drive-thru ONLY store in Pennsylvania in December 2020. The concept was already in the works before the COVID-19 pandemic, but the health crisis accelerated efforts to launch the new concept.

Florida-based Farm Stores has offered drive-thru service since 1957, and now has about 70 drive-thru locations in five states.

Because many c-stores now offer made-to-order food, a drive-thru can entice customers to purchase food there even if they don't need gas. C-stores can differentiate themselves from QSRs by also offering non-food items in the drive-thru.

INSIDE AND OUTSIDE

Storefront digital signage can help c-stores and QSRs drive more foot traffic through the front doors. But while the signage looks great from the street, consumers inside the store only see the back of the display or enclosure. A dark slab of metal or plastic isn't very compelling.

Some operators have attempted to solve that problem by installing pairs of displays back to back. However, that creates a bulky unit that costs twice as much to implement and manage.

Dual-sided digital signage offers a better alternative. These systems incorporate two back-to-back displays in one thin enclosure. Best-in-class solutions have one display with sufficient brightness to compete with the sun's glare, and the other designed for indoor lighting conditions.

The two displays operate independently in terms of content. The outward-facing signage can display messages to customers in the forecourt or parking lot, offering in-store specials to draw them inside. Inward-facing signage can display point-of-purchase promotions to influence impulse buying and increase basket size.

Of course, there are additional opportunities to leverage digital signage inside the store. Entrance kiosks, video walls, endcaps and more can deliver news and entertainment as well as marketing messages. Content can be tailored to the time of day, neighborhood, weather or even customer loyalty info when combined with Wi-Fi locationing.

Digital signage has proven valuable for assuaging customers' fears amid the COVID-19 pandemic. Content related to health and safety measures builds goodwill among customers while helping to ensure that policies and procedures are followed.

DIGITAL MENU BOARDS

The traditional "light box" menu boards used by most c-stores and QSRs offer little flexibility. They simply provide a backlit frame for printed menus that must be changed manually.

Digital menu boards, by contrast, can be dynamically updated based upon time of day, weather, neighborhood, kitchen inventory and other criteria. The electronic displays make it easy to test new offerings, specials and price changes and to create interest in specific menu options. Digital menu boards can be integrated with point-of-sale systems to encourage the purchase of complementary items based upon order.

Although digital menu boards cost more than light box menu boards, they significantly reduce total cost of ownership (TCO). They are programmed through a centralized content management system and remotely updated across all locations. According to a Forrester Total Economic Impact (TEI) study, operators can save $30,000 in printing costs per year per location while eliminating the labor expenses associated with updating traditional menus.

More importantly, digital menu boards can increase the average value of orders by 2.5 percent, and the conversion rate on promotional items by 2 percent. The technology also increased overall traffic volumes by 9.1 percent. Together, these factors increased profitability by almost $1.5 million over a five-year period for the composite QSR used in the study.

Digital menu boards make it possible to quickly modify health and nutritional information to meet changing regulatory requirements. Operators can also leverage video to show how items are made and what ingredients are used to appeal to today's health-conscious consumer.

BACK OF THE HOUSE

The back of the house often gets little attention, but it plays a critical role in restaurant operations. Customers may not see it, but the back of the house serves as the central command center where food is prepped, cooked and plated before it is delivered to the table. The back of the house also provides space for administrative operations.

Improved communication between front and back of the house can streamline operations and increase profitability — especially in these challenging times. It's important to keep employees up-to-date and even up-to-the-minute in a quickly changing environment.

Digital signage is typically customer-facing, but it has a role to play in the back of the house. It can inform staff of daily specials, slow-moving items and dishes that have been 86'd. It can also confirm that employees are aware of and adhere to new health and safety requirements.

Videos explaining steps the business is taking to ensure employee safety can improve morale. Messages from leadership can also enhance employee confidence and engagement.

CONCLUSION

The mukbang phenomenon illustrates the very human connection that can be created over a shared meal. Particularly in an era of social distancing, the desire to connect has become amplified. Digital Signage technology provides c-stores and QSRs an opportunity to safely connect with customers at the pump, in the drive thru, or in-store. With compelling content, retailers can encourage customers to "add fries to that," making every order a mukbang-worthy one. Operators that replace static printed signs with digital signage can increase sales, repeat visits and customer loyalty. Digital signage even has a role to play in the back of the house, where it can improve staff communication and engagement.

Digital signage is successful because it gives operators the agility to adapt, adopt and adjust to changing business conditions and customer demands. Content can be updated on demand based upon a variety of criteria and delivered across the organization to boost the bottom line.

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