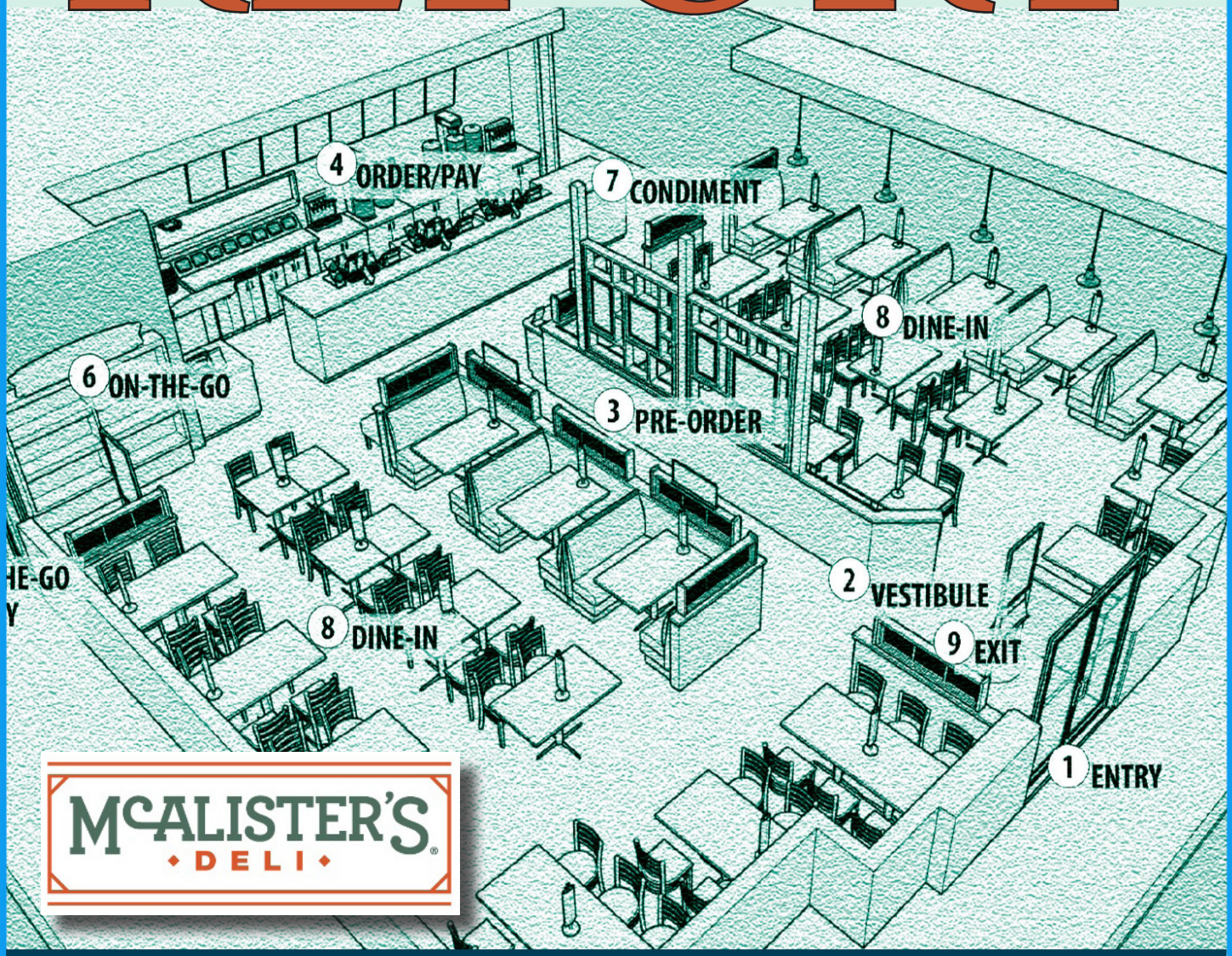
KING-CASEY *Insights & Trends in Food Service Merchandising & Design*

REPORT



IMPROVE SALES AND THE CUSTOMER EXPERIENCE BY OPTIMIZING IN-STORE COMMUNICATIONS

How McAlister's Deli leveraged menu communications along the entire "path-to-purchase"

KING-CASEY INSIGHTS

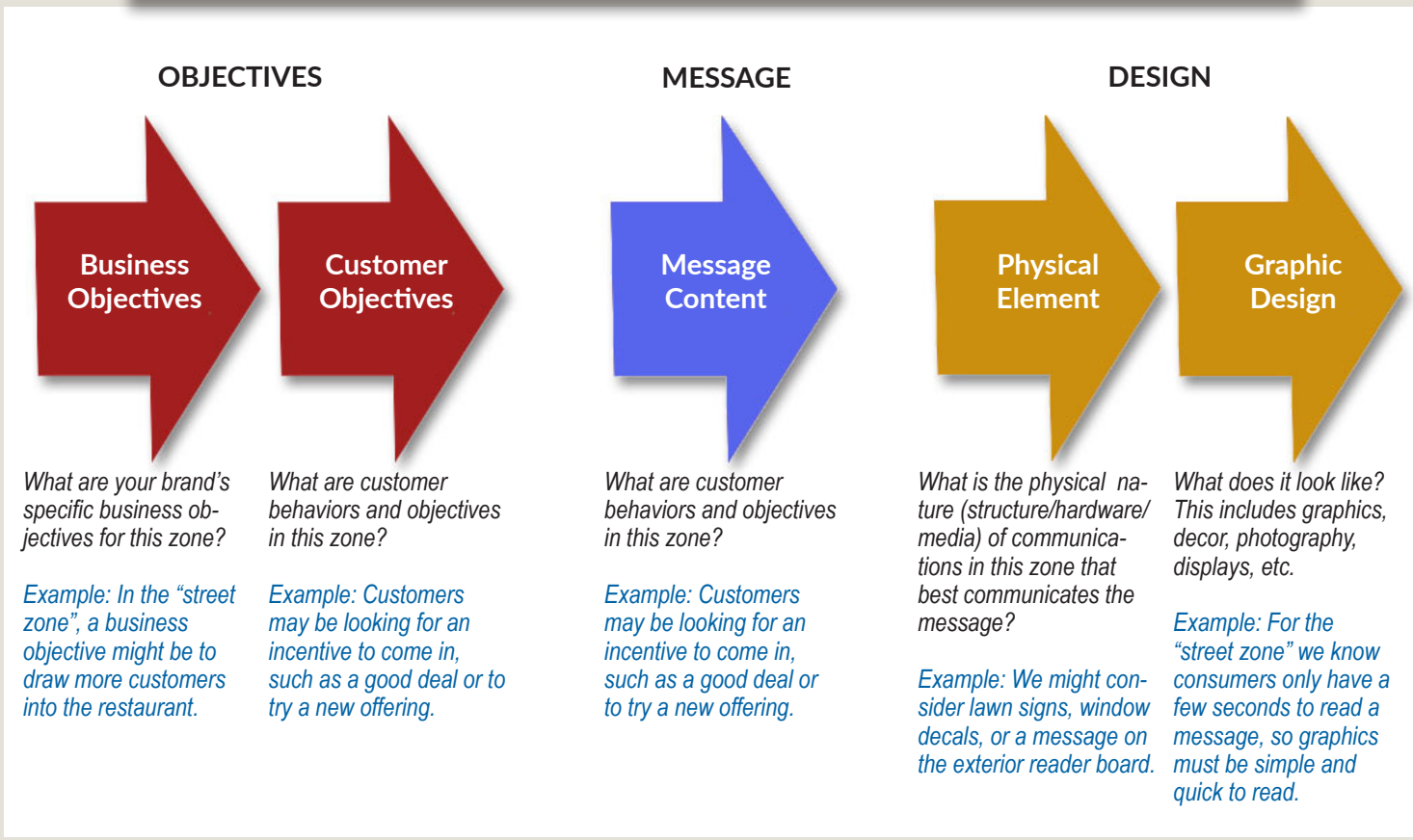
These client case studies are intended to provide valuable insights regarding best-practices and innovative solutions that have been successfully implemented by restaurant and foodservice brands.

OVERVIEW & OBJECTIVES

McAlister's Deli is an American chain of fast casual restaurants founded in 1989 in Oxford, Mississippi by retired dentist Dr. Don Newcomb. There are currently over 400 locations in 26 states.

McAlister's brought in King-Casey to develop a "Total Store Communications" strategy and guidelines that would support and leverage their menu strategy and business objectives. Specific goals for the strategy were to increase McAlister's sales and profits and improve the customer experience.

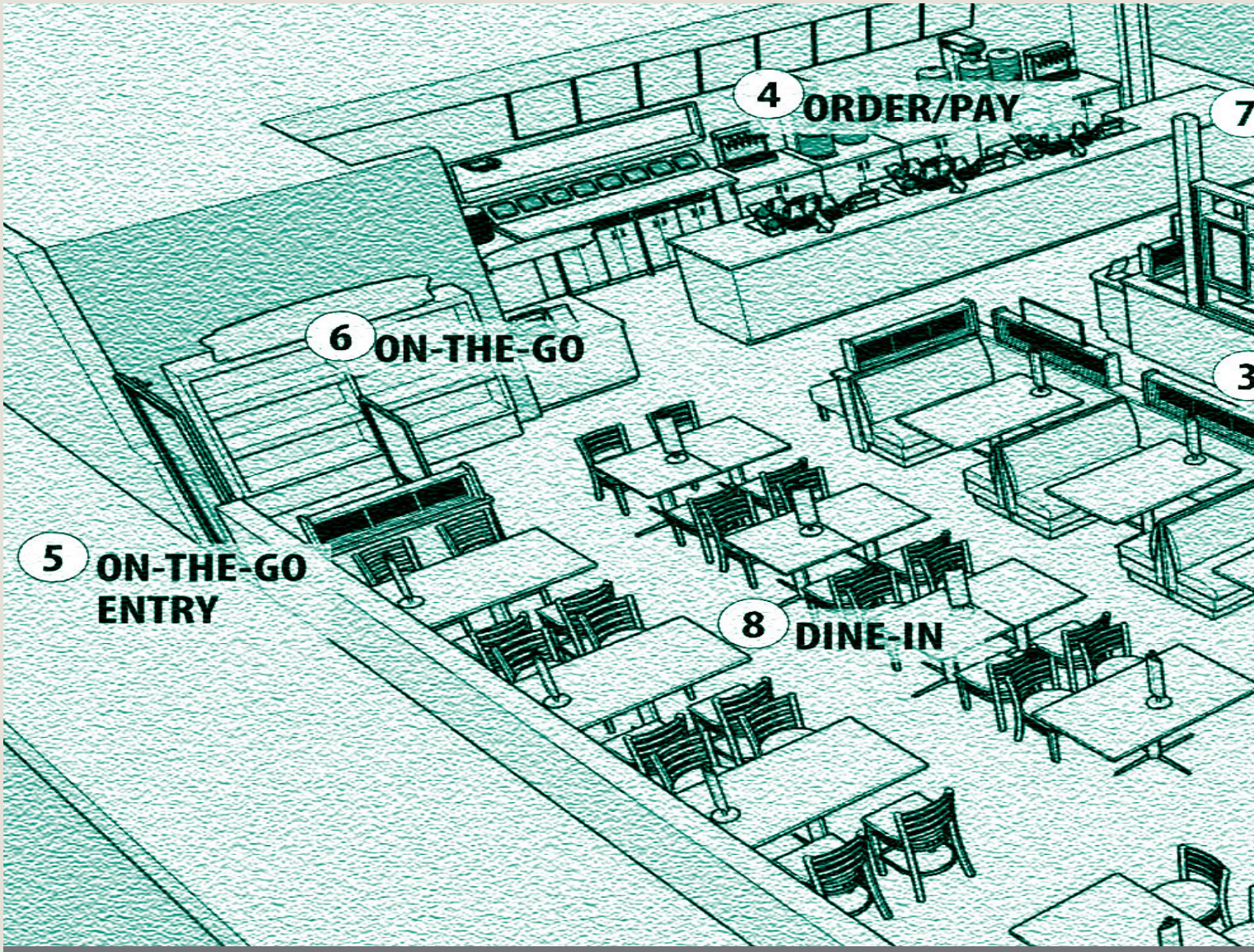
PRINCIPLES OF ZONE MERCHANDISING



TOTAL STORE COMMUNICATIONS STARTS WITH LEVERAGING EVERY CUSTOMER ZONE IN THE RESTAURANT ENVIRONMENT

While the menuboard itself is arguably the most critical communicator in McAlister's restaurants, there are many additional opportunities along the customer path-to-purchase (P2P) to reinforce McAlister's menu messaging and influence customer purchase decisions. That's because every restaurant is a series of different customer zones (entry zone, pre-order zone, order zone, pick-up zone, dining zone, etc.) In each zone, customers have different needs, attitudes and behaviors. In addition, a brand should have different business objectives from one zone to another. What's communicated from one zone to the next should be determined by these customer needs and the brand's specific business objectives.

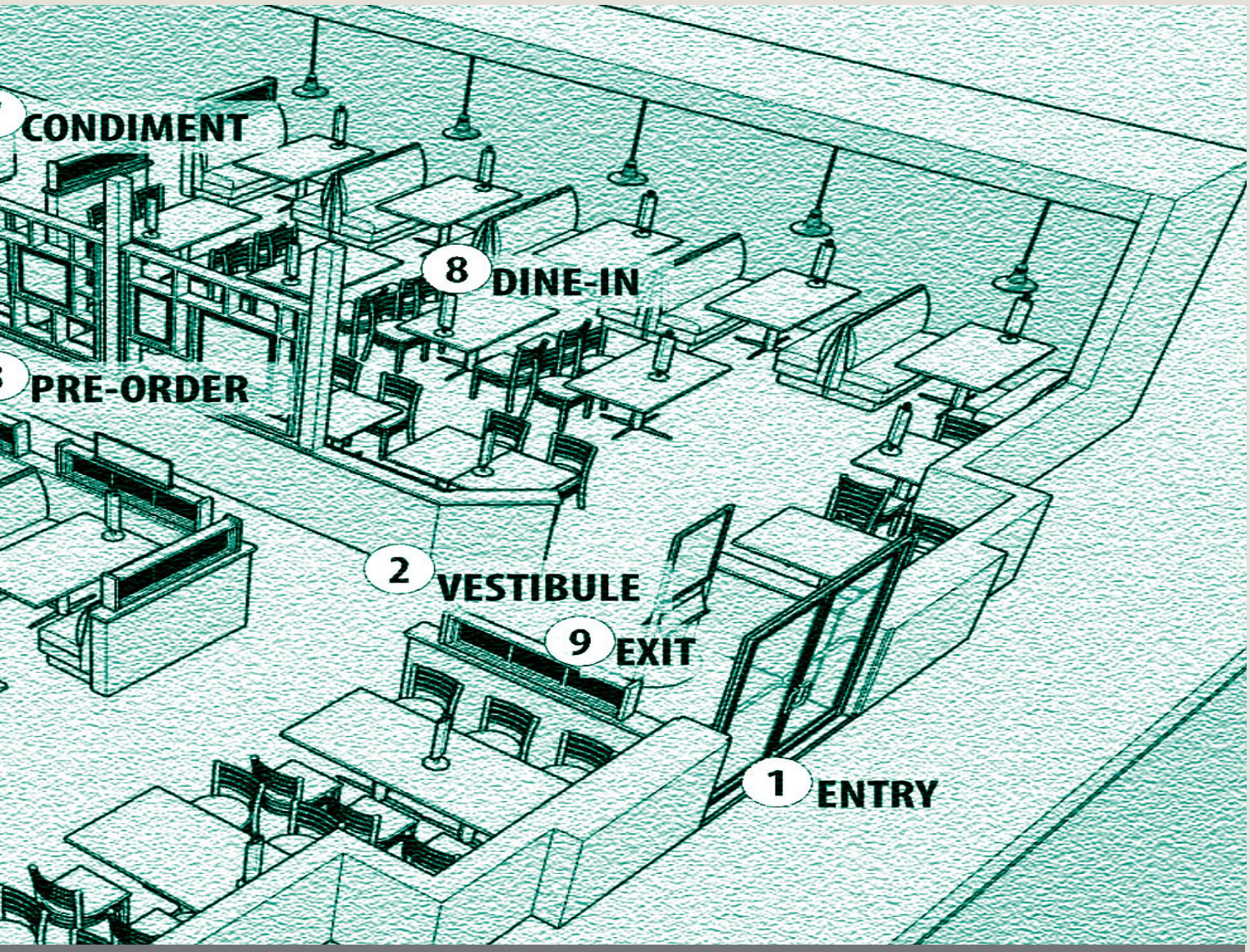
King-Casey developed Total Store Communications solutions by identifying the key customer zones within McAlister's store environment, and then, by determining customer needs in each zone, and finally establishing zone-specific business objectives along the entire path-to-purchase. The result is a Total Store Communication strategy that drives desired business outcomes and delights McAlister's customers.



The diagram (above) identifies the typical zones within a McAlister's restaurant. Identifying all of these customer zones is a critical first step when establishing a Total Store Communication Strategy.

A Path-to-Purchase Zone Merchandising Guidelines Manual (right) was created to document specific strategies and merchandising guidelines that optimize business performance and improve the customer experience. Visual examples of relevant zone communications were created for McAlister's to follow as they developed new in-store communications -- now and in the future. The result is a Total Store Communication solution that is helping drive business outcomes and delight McAlister's customers.





Vestibule Zone

Customer Needs	Business Objectives	Strategic Solution
I need help deciding what to order		Messages help customers decide

Types and Roles of Merchandising

Types and Roles Of Merchandising

Suggest Sell

Role: Suggest add-on of food or beverage product to create more fulfilling customer experience and to increase sales.

one: Recommendations

Communication Elements & Tactics

- Include no more than 2-3 different messages in this zone
- Wall, stanchion and topper cards
- In "lobby" stores, 2-sided stanchion is positioned in front of waiting customers for best visibility

A LTO or New Product

- Specials, new flavors or products attract attention
- Communicates product variety
- Encourages trial

Wall or Stanchion Poster

B Product Promotion

- 3rd Staged Message
- Communicates product variety
- Suggests pairing example
- Includes pricing information
- Assists with order decision
- Encourages trial

Header Card

C Suggest Sell

- Creates awareness of complete beverage offering
- Better enables pre-order decisions
- Encourages trial

Wall Poster

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Vestibule Zone: Recommendations

Middle Line

Lobby

Communication Elements & Tactics

- No more than 2 different sales messages in this zone
- 2-sided stanchion close to entry/exit includes large poster (primary sales message on entry side; return visit on exit side) and hand-held menu display tray
- In "lobby" stores, 2-sided stanchion is positioned in front of waiting customers for best visibility
- Call to action message ("Please Take a Menu")

A Product Promotion

- 2nd Staged message
- Suggests pairing of beverage products with food offer
- Encourages trial

Stanchion Poster

B Product Promotion

- Creates awareness of complete food & beverage offering
- Encourages trial
- Better enables pre-order decisions

Stanchion Brochure

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Entry Zone: Recommendations



Communication Elements & Tactics

- No more than 2-3 different merchandising messages in this zone
- Window or door clings at eye level
- Use awning or other graphic treatment to identify store entry



Window Cling

(A) Suggest Sell

- Increase ticket
- Suggest pairing
- Encourage trial



Door Cling

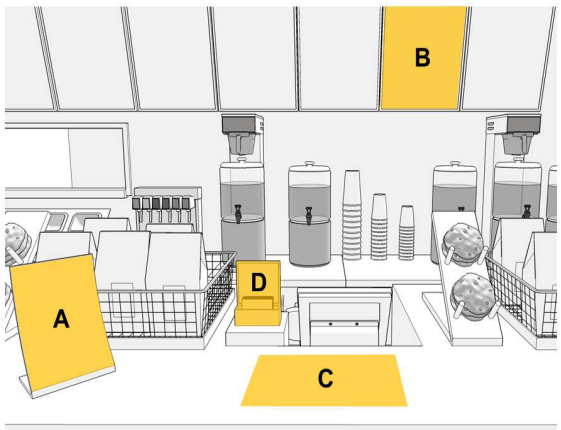
(B) Product Promotion

- 1st Staged Message
- Suggests order example
- Encourages trial
- Drives traffic

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For each customer zone identified, a communications strategy was developed that was responsive to customer needs in that zone, and supportive of McAlister's business objectives for that zone. Visual guidelines in the manual ensured the optimum placement, key message, and established a cohesive brand design look to all store communications. The Entry Zone (above) is used to suggest-sell high priority items (to increase ticket), and to promote special offers (to increase trial and traffic). The Order/Pay Zone (below) is the last chance to increase ticket by influencing the customer's order decision.

Order/Pay Zone: Recommendations



Communication Elements & Tactics

- Include no more than 3-4 different messages in this zone
- Counter card, counter mat, digital menuboard, gift card
- Elements should not interfere with viewing of product displays



Counter Card

(A) Suggest Sell

- Suggests add-on to order
- Promotes beverage flavor variety
- Encourages trial



Digital Menuboard

(B) Product Promotion

- 4th Staged Message
- Call-to-action message
- Promotes option variety
- Encourages trial



Counter Mat

(C) Suggest Sell

- Suggests add-on to order
- Promotes dessert variety
- Encourages trial



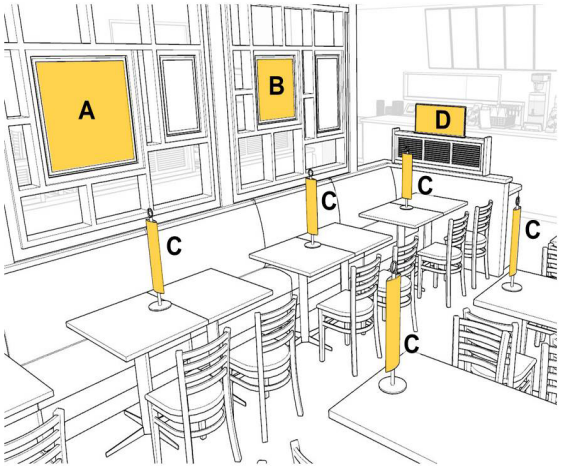
Gift Card

(D) Other Occasions

- Encourages return visits
- Loyalty rewards
- Gift certificates

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Dine-In Zone: Recommendations



Communication Elements & Tactics

- No more than 2-3 different messages in this zone
- Wall posters, topper cards and 2-sided table cards
- Most elements should be visible from seating or on table tops



Wall Poster

A LTO or New Product

- Specials, new flavors or products attract attention
- Communicates product variety
- Encourages trial



Wall Poster

B Other Occasions

- Promotes takeaway and core tea sharing
- Promotes bulk purchase



Table Card

C Other Occasions

- Encourages repeat visits
- Communicates catering
- Promotes online ordering

D Other Occasions

- Increases frequency – alternate occasion
- Communicates catering



Header Card

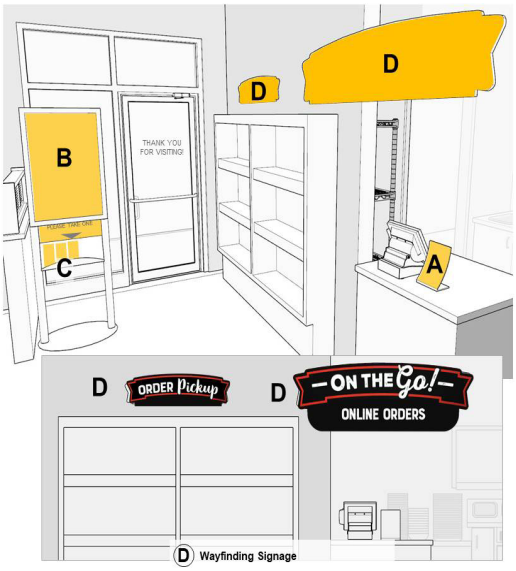
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In the above example, we see how the Dine-In Zone is utilized to communicate "other occasion" messages, e.g., Catering, Iced Tea To-Go, Upcoming Specials, etc.

McAlister's On-the-Go Zone (below) includes various messaging strategies for what is essentially a "store-within-a-store", with it's own entry, pre-sell, pay, and order-pick-up zones. Each has its own strategy for meeting customer needs and achieving the defined business objectives.

On-the-Go Interior Zone: Recommendations

Interior



D Wayfinding Signage

- Identifies On-The-Go point of sale counter and pick-up cabinet to avoid confusion

Communication Elements & Tactics

- No more than 2-3 different merchandising messages in this zone
- Counter card, 2-sided stanchion, take-home brochures
- Pick-up and online order POS signage



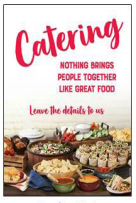
Counter Card

A Other Occasions

- Promotes takeaway and core tea sharing
- Promotes bulk purchase

B Other Occasions

- Increases frequency – alternate occasion
- Communicates catering



Stanchion Poster



Stanchion Brochures

C Product Promotion & Other Occasions

- Creates awareness of complete food & beverage offering
- Encourages repeat visits
- Communicates catering
- Promotes online ordering

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KING-CASEY IS THE FIRM THAT THE WORLD'S LEADING RESTAURANT AND FOODSERVICE BRANDS COME TO WHEN THEY WANT RESULTS

King-Casey, founded in 1953, provides practical, data-driven insights and research-validated solutions for restaurant and foodservice brands. We are renowned as the leader in providing comprehensive, turn-key Menu Optimization Services that increase Sales and Profitability.

Our team of industry professionals provides a suite of totally integrated menu optimization services. Collectively, our services provide advanced solutions that enable our clients to unlock the full potential of their menu communications, and achieve significant, measurable business results. No other firm provides such comprehensive menu optimization solutions.

Our Suite of Services Include

- Consumer insights
- Attitude and usage research
- TURF analysis
- PMIX analysis
- Menu performance analysis
- Menu Operations analysis
- Menu engineering
- Menu strategy
- Menu communications
- Path-to-purchase zone communications
- Total Store Communications

The Benefits Are Immediate and Meaningful

- Increased sales and profitability
- Improved customer experience (P2P)
- Totally integrated solutions
- No loss or dilution of insights and data due to their transfer from one consulting resource to the next
- Cost and timing savings resulting from combining the full suite of services under one umbrella

Want to Know More?

Please call Tom Cook, Principal, King-Casey at (203) 571-1776. Or e-mail Tom at: tcook@king-casey.com. Take the first step in optimizing your menu and increasing your business performance.

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