KING-CASEY *Insights & Trends in Foodservice Merchandising & Design*

REPORT



TOTAL STORE COMMUNICATIONS

How Kum & Go is growing sales and improving the customer experience by optimizing foodservice communications along the entire "path-to-purchase"

KING-CASEY REPORT

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

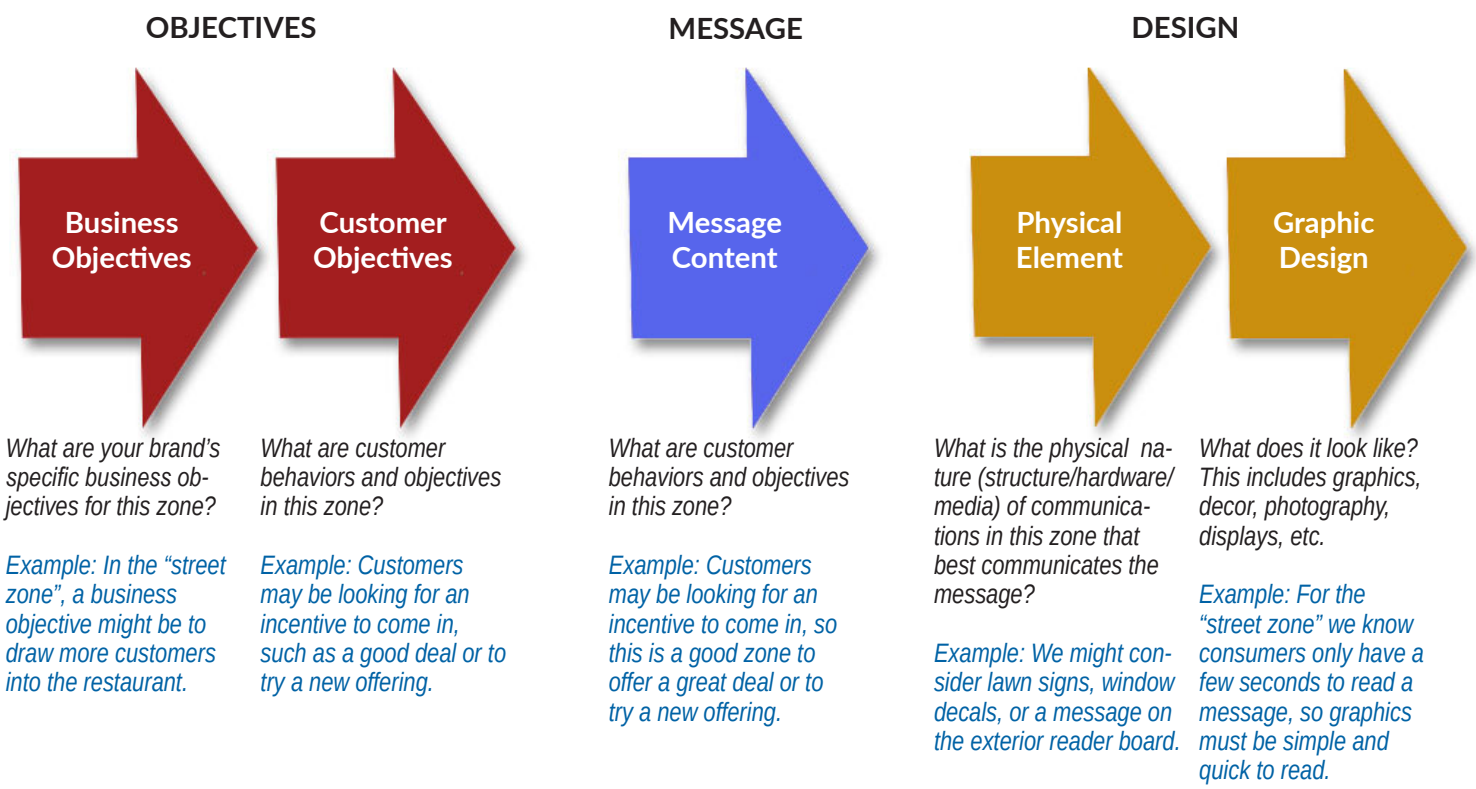
OVERVIEW & OBJECTIVES

Kum & Go is a convenience store chain primarily located in the Midwestern United States. Based in Des Moines, Iowa, Kum & Go operates 400 stores in 13 states.

Kum & Go brought in King-Casey to develop a “Total Store Communications” strategy and guidelines that would support and leverage their menu strategy and business objectives.



PRINCIPLES OF ZONE MERCHANDISING



TOTAL STORE COMMUNICATIONS STARTS WITH IDENTIFYING EVERY CUSTOMER ZONE IN THE STORE ENVIRONMENT

While the menuboard itself is arguably the most critical communicator of foodservices in Kum & Go stores, there are many additional opportunities along the customer path-to-purchase (P2P) to reinforce Kum & Go menu messaging and influence customer purchase decisions. That's because any convenience store is a series of different customer zones (forecourt, entry zone, pre-order zone, food order zone, beverage zone, dine-in zone, Center store zone, etc.). In each zone, customers have different needs, attitudes and behaviors. In addition, a brand will 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 for their foodservice program.

King-Casey developed Total Store Communications solutions by identifying the key customer zones within the Kum & Go store environment, and then, establishing zone-specific business objectives along the entire path-to-purchase. The result is a Total Store Communication strategy to drive desired business outcomes and delight Kum & Go customers.

Best Practice Zone Communication Strategies

1. Street Zone

- Trigger store awareness
- Communicate deals to draw in customers
- Promote LTO's of strategic high priority items ★



2. Forecourt Zone

- Start staged messaging ★★
- Communicate specials and LTO's of strategic high priority items ★



3. Entry Zone

- Promote strategic high priority items ★
- Introduce new items and LTO's
- Continue staged messaging ★★
- Suggest add-ons and up-sell



4. Vestibule Zone

- Promote high priority F&B items ★
- Introduce new items and LTO's
- Continue staged messaging ★★
- Suggest add-ons and up-sell



5. Order Zone

- Focus on narrowing customer's decision
- Encourage sales of strategic high priority items ★
- Conclude staged messaging ★★



6. Beverage Zone

- Trigger awareness of product variety
- Suggest food pairing of strategic high priority items ★
- Cross merchandise with snack options (center store items)



7. Center Store Zone

- Identify and explain specialty item benefits
- Cross merchandise strategic high priority items ★ with snacks
- Create unique curated spaces within gondolas



8. Pre-Pay Zone

- Promote foodservice take-away strategic high priority items ★
- Promote LTOs and seasonal items
- Influence impulse decisions (Center Store snack items)



9. Pay Zone

- Include foodservice messaging for next-time visits using strategic high priority items ★
- Add front counter displays with curated specialty items



10. Dine-In Zone

- Messages for next-occasion using strategic high priority items ★
- To-go messages for specialty beverages, curated snacks, HMR



11. Exit Zone

- Messages for next-occasion using strategic high priority items ★
- To-go messages for



Thirty pages in all, Kum & Go's Merchandising Manual provides their creative team with a strategic roadmap to follow as they develp best-practice strategies for each "customer zone" in their stores.

Each of the eleven zones are assigned one or more communication strategies that are helpful to the customer while helping the brand realize the prioritized business objectives identified at the start of the initiative.

Merchandising Guidelines Manual

Types and Roles Of Merchandising

TYPE & ROLES	EXAMPLES
Zone Wayfinding Role: Identify critical customer zones, and strategic item locations to encourage purchase. *Business objective: Encourage Trial and Up-sell Today*	
LTO (limited time offer) Role: Drive traffic and awareness of popular, seasonal, and non-core products, frequently with special pricing to encourage purchase. *Business objectives: Create Traffic Today and Encourage Trial*	
Product Promotion *(arrival)* Role: Provide awareness of strategic product categories or other flavors of existing products *Business objective: Stimulate Trial of high priority categories/items*	
Product Pairing Role: Suggest add-on of food or beverage product to build check and create a more fulfilling customer experience. *Business objective: Up-sell Today*	
Alternate Daypart Role: Provide awareness of other occasions. *Business objective: Stimulate Future Visit*	
Product Promotion *(exit)* Role: Provide awareness of existing products to communicate variety and encourage trial, and return visits *Business objective: Stimulate Future Visit and Trial*	

This section of the manual identifies the different "types" of merchandising communications and the roles each plays in moving the business forward. For example , "Wayfinding" helps the customer shop the store and find what they are looking for. "Product Pairing" is a suggest-sell strategy that will increases basket, and grow sales and profits.

Messaging starts before entering the store, first in the street zone and here at the forecourt. In this zone best practice is to entice consumers with messaging that lure them in with fresh and fast made-to-order meals.

Forecourt Zone



Zone Merchandising Solutions

A Product Promotion



aged Message

B Alternate Daypart

- Encourages return visits
- Communicates product variety
- Encourages trial
- Drives future traffic



Entry Zone



Zone Merchandising Solutions

A Product Pairing

- Suggest add-on to increase check
- Cross-merchandise opportunity
- Communicates product and category variety
- Encourages trial



B Product Promotion

- High priority products as defined by current Menu Strategy
- Communicates bowl variety
- Encourages trial



2ND Staged Message

C LTO (Limited Time Offer)

- New item to encourage trial
- Drives traffic to food service



Messaging at the entry zone utilizes several merchandising strategies: a “perfect pairing” message (to increase basket); “5 recipes” to communicate variety and proprietary menu items; and a new LTO offering that drives trial.

Order Zone

Order Preview Zone
(last staged message)



Zone Merchandising Solutions

A Zone Wayfinding
- Product imagery attracts attention
- Communicates product variety
- Encourages trial

B LTO (Limited Time Offer)
- Provide special pricing



At the order zone new way finding directs customers while promoting high priority products and LTO items.

Beverage Zone



Zone Merchandising Solutions

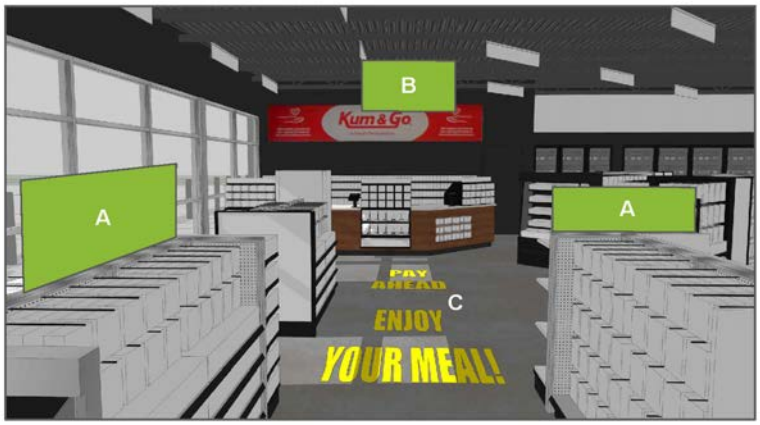
A Product Pairing
- Suggest add-on to increase check
- Cross-merchandise opportunity
- Communicates product and category variety
- Encourages trial



The beverage zone includes merchandising that entices customers to add a snack of food items to their beverage purchase. Additional merchandising promotes returning for an alternate daypart occasion (increasing frequency).

The pre-pay zone is where customers approach the registers to pay. The guidelines manual identifies opportunities for helpful way finding, and promoting last-minute add-ons before check out (to increase basket).

Pre-Pay Zone



Zone Merchandising Solutions

A Zone Wayfinding
- Product imagery attracts attention
- Communicates product variety
- Cross-merchandise opportunity



B Alternate Daypart
- Encourages return visits
- Communicates product variety
- Encourages trial
- Drives future traffic
- Digital signage would allow message by daypart



C Zone Wayfinding (floor applique)
- Aids navigation to Pay Zone line-up

Dine-In Zone



Zone Merchandising Solutions

A Alternate Daypart
- Encourages return visits
- Communicates home meal replacement
- Drives future traffic
- Encourages trial





Messaging at the dine-in zone is all about communicating other occasions (home meal replacement; take out, catering, other day parts).

KING-CASEY IS THE FIRM THAT THE WORLD'S LEADING FOODSERVICE AND RESTAURANT 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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