

KING-CASEY

Insights & Trends in Food Service Merchandising & Design

REPORT



Customer Zone Merchandising

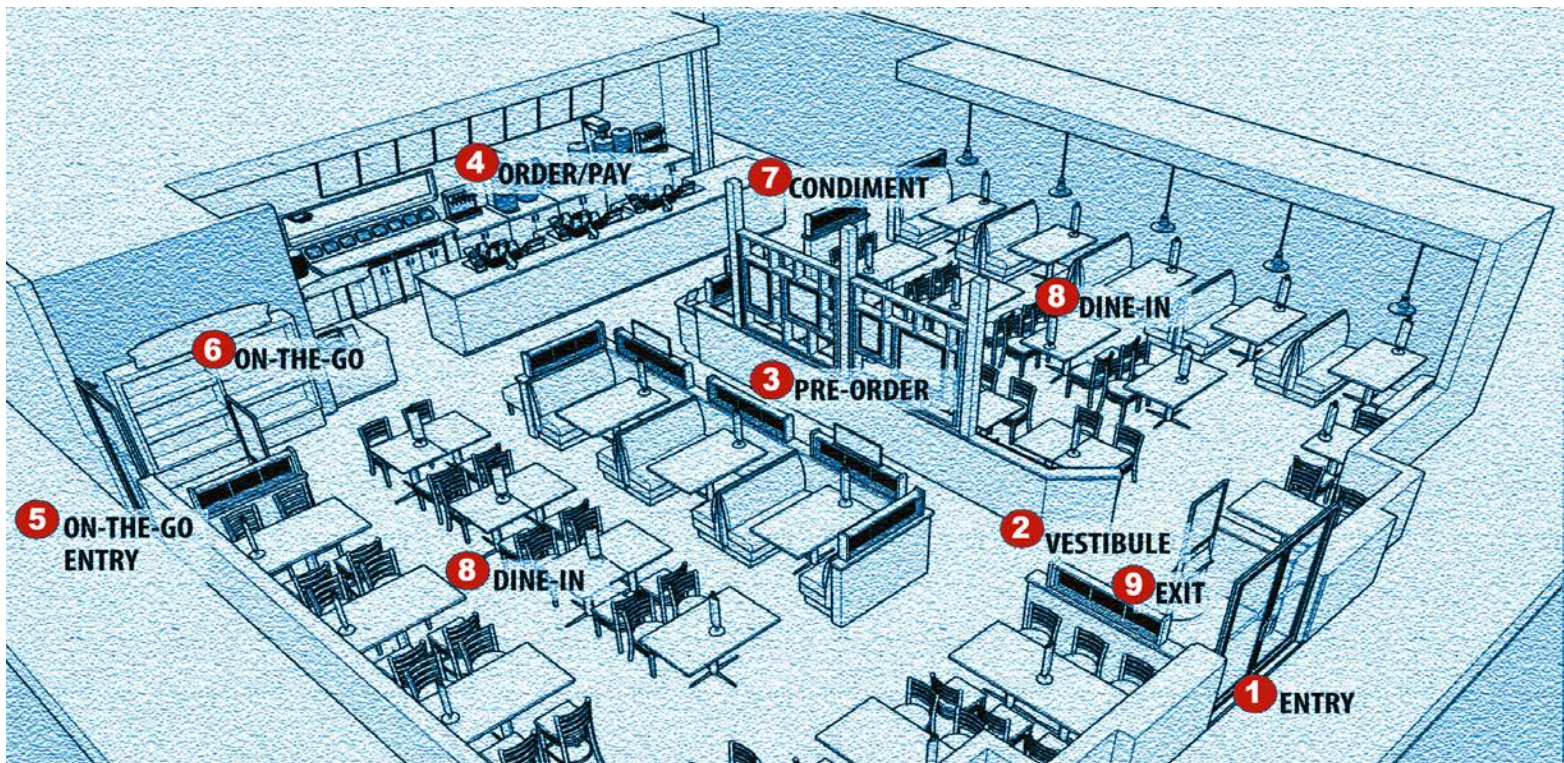
Developing Strategic Path-to-Purchase Communications Strategies
That are Responsive to Business Objectives and Customer Needs & Behaviors

Start Thinking Zones

The concept of developing merchandising and communications strategies based on “customer operating zones” was pioneered by King-Casey decades ago. Our proprietary methodology (COZI[®]) is an acronym for “Customer Operating Zone Improvement”

The most successful brands have recognized that their stores are actually a collection of many individual “customer operating zones” along the path-to-purchase. Customers behave differently in each zone. Their needs, expectations and objectives are different. On top of that, the restaurant business objectives likely differ on a zone-to-zone basis. So each of these unique zones turns out to be right for one message, and dead wrong for another.

By identifying these zones and understanding how customers behave in each zone, you can craft zone-specific communications and merchandising strategies that are keenly responsive to how customers use these zones, and more effective at realizing your desired business objectives (grow ticket, increase profitability, ensure loyalty).



This floorplan (above) identifies the typical customer zones within a QSR or Fast Casual restaurant.

Customer Zone Merchandising

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COZI® Strategic Discipline

Understand your environment and your customers. Begin by identifying all of the COZI® zones along your customers' path-to-purchase. What are your "zones of opportunity"? Using a QSR or Fast Casual restaurant as an example, these zones along the path-to-purchase typically include the following:

- * Entry Zone
- * Vestibule Zone
- * Pre-Order Zone
- * Order/Pay Zone
- * On-the-Go Zone
- * Condiment/Beverage Zone

* Dine-In Zone

* Exit Zone

COZI® Absolutes

From our experience with many hundreds of COZI® initiatives, we have identified the key things that you should absolutely do:

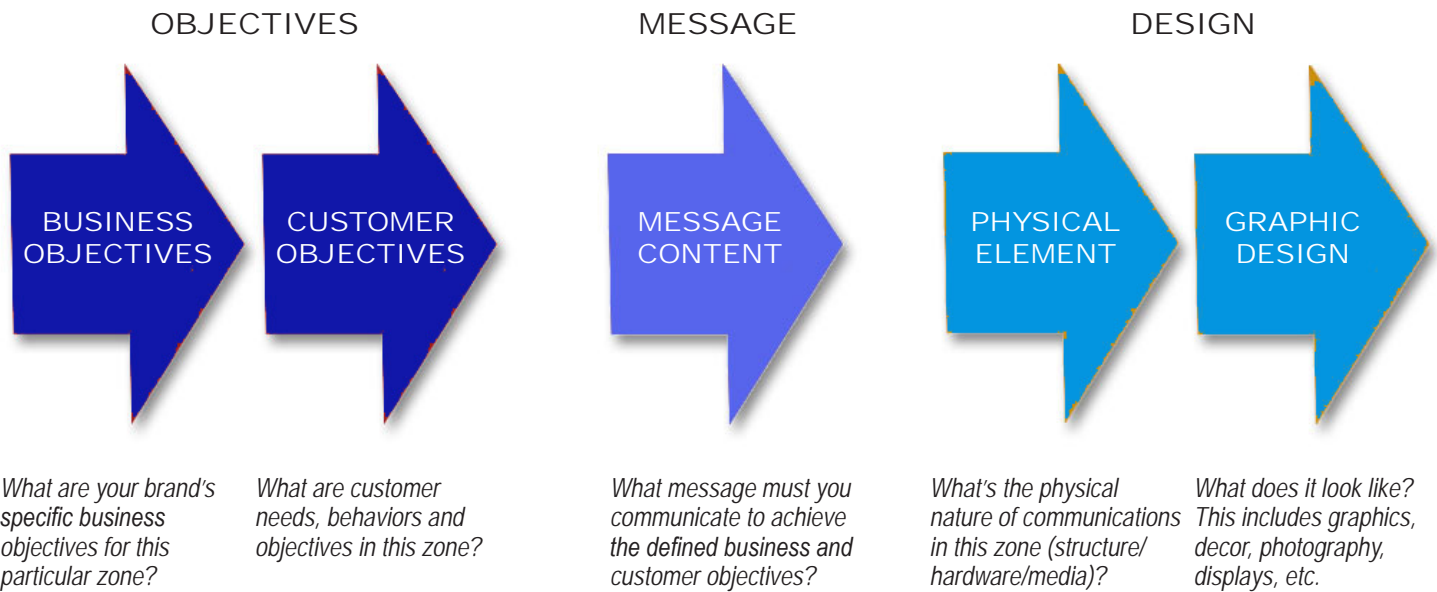
- * Avoid "holistic" merchandising strategies by recognizing that a store is a collection of many different customer zones.
- * Understand exactly how customers use each zone. Customer research helps objectively determine customer behavior and problems

and identify opportunities for improvement.

- * Develop merchandising and communications strategies that are responsive to each of these zones.
- * Develop strategies designed to achieve specific business objectives while responsive to customers' objectives and behaviors in these zones.
- * Develop KPI's and measures of success and monitor results. Measures will help determine ROI.
- * Based on results, enhance strategies to continually improve outcomes.

COZI's Strategic Approach to Customer Zone Communications

Once all of the customer zones have been identified, it's time to develop a communication strategy for each and every zone along the customer path-to-purchase. This ensures that the resulting merchandising and customer communications resonates with customers, and work effectively within specific zones. Note that "design" is the last step in this process.



Path-to-Purchase Customer Zone Communications Guidelines

King-Casey develops a P2P Customer Zone Communications Guidelines Manual (below) the client's marketing team can follow as they develop optimized interior store communications to drive their business forward.

Types and Roles of Merchandising

Vestibule Zone: Recommendations

Pay Zone: Recommendations

Dine-in Zone: Recommendations

Pre-order Zone: Recommendations

Exit Zone: Recommendations

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

King-Casey 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

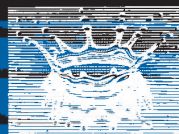
- Consumer insights
- Attitude and usage research
- TURF analysis
- PMIX analysis
- Menu performance analysis
- Menu Operations analysis
- Menu reengineering
- Menu strategy
- Menu communications
- Customer Zone Merchandising
- Total Store Communications

The Benefits Are Immediate and Meaningful

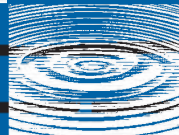
- Increased sales and profitability
- Improved customer experience (P2P)
- Totally integrated solutions
- No loss or dilution of insights and data due to their transfer from one consulting resource to the next
- Cost and timing savings resulting from combining the full suite of services under one umbrella

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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