

KING-CASEY

Insights & Trends in Restaurant Merchandising & Design

REPORT



**Menu Reengineering
Improves Business Performance**

DEFINING MENU REENGINEERING

Menu reengineering is the redesign of a brand's food and beverage offering to improve sales and profitability, increase customer satisfaction, and streamline operations.

The Methodology

King-Casey's systematic and clearly defined approach is proven to generate improved business performance for our clients. The process starts with a clear statement of our client's goals and strategies and recognizes that the customer is the driving force behind these strategies and goals.

We follow a methodology that begins with an assessment of the menu "as-is", and concludes with the optimized "to-be" menu and a strategic layout and architecture (menuboard, kiosk, app, website). This process typically takes 12 to 15 weeks to complete.

OVERVIEW & OBJECTIVES

White Castle is an American regional hamburger restaurant chain with 345 locations across 13 states. Founded on September 13, 1921, in Wichita, Kansas, it has been generally credited as the world's first fast-food hamburger chain.

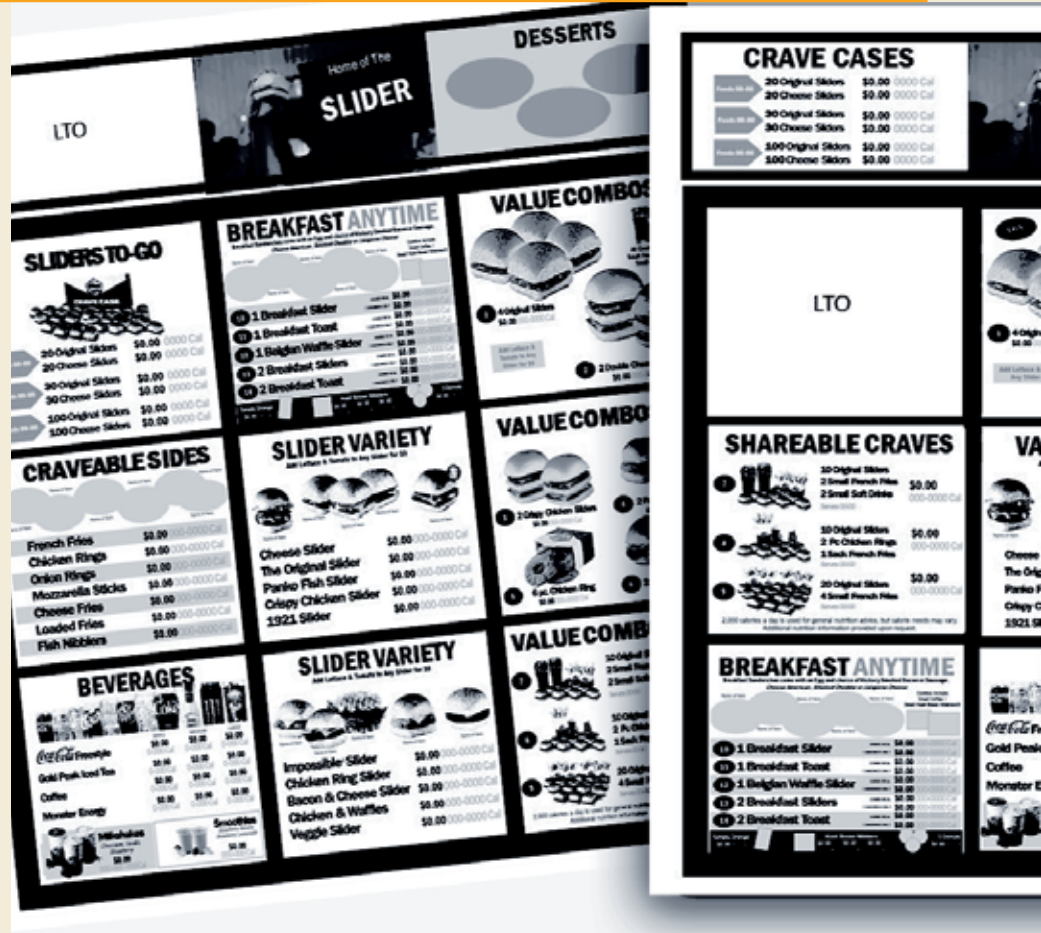
White Castle was aware that the current in-store and drive-thru menuboards had issues that needed to be addressed. They came to King-Casey to undertake a menu reengineering initiative to achieve several key business objectives, that included:

- Increase revenue and profitability
- Speed the ordering process
- Communicate value

The following pages highlight the proprietary menu reengineering process that was used with great success for this project and scores of other King-Casey clients.



MENU OPTIMIZATION FOLLOWS . . .



MENU REENGINEERING STARTED WITH THE CUSTOMER

White Castle Menu Reengineering involved a four phase process. Collectively, the phases drew upon:

- Consumer Research (to determine how their consumers used the current menu as well as problems encountered)
- Menu Performance Analytics (to identify opportunities at the product level to enhance revenue and profitability performance)
- Menu Operations Analytics (to identify the contributing or detracting drivers of profitability).
- Consumer Validation Research (to determine the optimum menu reengineering strategy).

Phase 1: Menu Assessment

- Determined the current menu strengths and weaknesses
- Assessed menu differentiation versus the competitive set
- Identified key opportunities relative to the menu communications

... A STRUCTURED DATA-DRIVEN PROCESS



The Menu Architecture phase involved the development of a range of black & white strategic alternatives illustrating how the menu should be organized, and showing the prioritization and placement of menu items and images.

Phase 2: Menu Strategy

- Established business objectives for the menu categories and items
- Prioritized food & beverage platforms, categories and items
- Drafted a new menu strategy based on all of the above actions

Phase 3: Menu Architecture

- Developed a range of strategic alternatives (based on the menu strategy) to express in words and diagram form how the items would be organized and prioritized on the menu to achieve the objectives set forth in the previous phases.



VALIDATING THE STRATEGIES

**ONLINE RESEARCH
QUICKLY IDENTIFIED THE
OPTIMUM STRATEGIES TO
BE PUT INTO TEST STORES**

**IN-STORE TESTING
IDENTIFIED THE BEST
STRATEGY FOR DESIGN
FINALIZATION AND
SYSTEM-WIDE ROLL-OUT**

Phase 4: Menu Strategy Validation

For this phase, several of the strategic alternatives were developed into color renderings illustrating how they would look when developed into menu communications. The color renderings of the optimized menu strategies (and the current menu communications as a control) were used for online surveys among hundreds of current and potential customers. This technique provided a fast and cost-effective way to identify the strongest strategies before testing in White Castle's interior and drive-thru environments.

Following the online validation research, final menu design and production artwork were created using the strongest reengineering strategy. The new menuboards were then put into test stores.



Above: This image shows the new drive-thru menuboard strategy based on King-Casey's menu reengineering initiative. The same strategy was used for variations of the drive-thru and interior menuboard, as well as digital applications.

Achieved Project Objectives: Validated by In-Store Tests & Quantitative Research

- Positive lift in average check size
- Positive lift to total margins
- 20-41% increase in Share-a-Meal Combo transactions
- 7% shorter customer wait times
- Consumers rated the reengineered menuboard higher than the current for:
 - Easy to read/navigate
 - Value
 - Quality of food



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

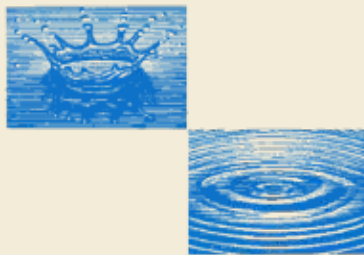
- Consumer insights
- Attitude and usage research
- TURF analysis
- PMIX analysis
- Menu performance analysis
- Menu operations analysis
- Menu reengineering
- Menu strategy
- Menu communications
- Customer zone merchandising (P2P)
- Total store communications

The Benefits Are Immediate and Meaningful

- Increased sales and profitability
- Improved customer experience
- Totally integrated solutions
- No loss/dilution of insights and data due to their transfer from one consulting resource to another
- 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.



KING·CASEY

25 Sylvan Road South, Westport, CT 06880 USA

Tel: + 1 (203) 571-1776

www.king-casey.com