Customer Analysis Overview

Franchise Food

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Imagine. Innovate. Integrate.

Business Impact

- ✓ Revenue
- ✓ Cost Savings
- ✓ Productivity

Business Description

This quick-service restaurant chain has carved out a niche for itself in 22 states across the US. Through its franchising system, it opens on average twenty new locations per year. It continuously looks to enter new markets and has over 550 quick-service restaurant locations.

Although it expands its reach through franchising, the company maintains brand consistency in a number of ways including strict adherence to corporate standards for all point-of-purchase signage and lighted menu boards. And while it is in a hyper-competitive industry dominated by market giants such as McDonald's and Taco Bell, this company remains competitive by offering new items on a monthly basis and making frequent menu changes. This makes the monthly refresh of in-store signage a key market strategy.

Frequent point-of-purchase special offers are designed to:

- ✓ Drive traffic
- ✓ Increase beverage sales (or sales of the promoted item)
- ✓ Increase the important same-store-sales metric

Frequent menu changes, a franchise growth model and a variety of restaurant configurations increase the challenge of ensuring flawless execution of unified signage across all locations - especially when new signage is distributed on a monthly basis.

Critical Business Issues

- ✓ Increase same-store-sales
- ✓ New signage needed monthly to help achieve growth goals
  - Convert new customers to repeat customers
  - Increase loyal customer visits from 1 visit to 1.5 visits per month
- ✓ Constantly developing new materials
- ✓ Hyper-competitive market requires creativity and ingenuity
- ✓ Difficult to keep up with growth
- ✓ Lower franchisee costs

Results

This organization works exclusively with Serigraph for all point-of-purchase signage needs. The total monthly signage order for all franchise owners costs the company between $20,000 and $150,000 dollars and may include system-wide promotion kits. For franchises, these monthly signage refreshes are crucial to promote new items and increase customer visits. For the organization, they are vital to ensure consistency across restaurants.

> **Serigraph fulfills promotion push-kits and on-demand orders close to perfect with quality materials—quality is so important!**
>
> *- Serigraph Customer*

It is essential to growth at a store level and ultimately company-wide to build brand awareness and attract new customers. Working with a flexible supplier who can meet the unpredictable needs of a growing franchise is critical because disruptions or delays in obtaining signage can be quite costly.

For this restaurant chain, the relationship with Serigraph is all about quality, efficiency, and cost-effectiveness. In fact, there was initially a third-party between Serigraph and the company. But in the interest of cost-effectiveness and efficiency, Serigraph began working directly with the restaurant chain - even managing the fulfillment of signage delivery on a monthly basis.

> [Serigraph] provides a complete solution for us, we have rolled out all new menu boards with Serigraph across every store.
>
> *- Serigraph Customer*

Serigraph's value extends beyond its role as a supplier; it also identifies opportunities and introduces ideas for process and material changes which generate savings, improve processes, increase quality and boost in-store sales. One such idea involved the use of metallic ink. In this case, the change to attractive, eye-catching metallic ink on signage helped increase participation in a promotion and drove up sales of Pepsi products in the process.

The promotion with PepsiCo was this: every guest that bought a Pepsi beverage received a code to win a grand prize. Since Serigraph rolled out all new menu boards using the metallic ink, entries for the promotion increased 5 to 10%.

Serigraph finds ways to reduce costs for the company on an ongoing basis. On average, a franchise store will spend $400 bimonthly on signage for a total of $2400 annually. Serigraph recommended the use of new materials which have reduced this cost by 5% per order.

Metrics

- ✓ Increased same-store-sales
- ✓ Reduced franchisee POP signage costs by 5%
- ✓ Created brand consistency across the franchise
- ✓ Improved specialty item participation (like PepsiCo promotion)
- ✓ Attracted new customers to stores
- ✓ Improved beverage sales
- ✓ Lower fulfillment inspection and administrative oversight