

PLANNING THE ULTIMATE PATH TO PURCHASE

PLUS

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IN THIS ISSUE



What's in Store for 2020: Retail and Point-of-Purchase Display Industry Trends

Frank Mayer and Associates, Inc. point-of-purchase experts weigh in on their predictions for the upcoming year.

SERIES: Common Challenges When Planning a Visual Merchandising Campaign (And Their Solutions)

In the second article of our four-part series, we outline how brands can cater their path-to-purchase strategies to stay in step with how customers shop.



Self-Service Kiosk Technology Offers Multiple Benefits

Self-service software provider GRUBBRR details the many advantages of self-service technology in quick service and fast casual restaurants.



On the Road with FMA

Our latest photos from the recent trade show circuit.

Frank Mayer and Associates, Inc. is a leader in the development of in-store merchandising displays, interactive kiosks, and store fixtures for brands and retailers nationwide. The company helps retailers and brands utilize the latest display solutions and technologies to create engaging customer experiences.



Visit www.frankmayer.com for more information.

WHAT'S IN STORE FOR 2020 Retail and Point-of-Purchase Display Industry Trends

Katie Kochelek, Marketing Specialist | Frank Mayer and Associates, Inc.

2019 has been a wild ride for retail. The year began following a rocky 2018 (so long, Toys "R" Us) and continued with sad news of store closings from recognized brands like Gap, Payless, Gymboree, and more. But before you write it off as more proof of that played-out retail apocalypse argument, the year also saw its share of big wins (welcome back, Toys "R" Us), thanks to strategic partnerships, reimagined customer experiences, and so much more.

In sum, 2019 leads the way for 2020 to continue the trend of healthy brands that stay nimble setting themselves apart from the retailers that are married to the strategies-of-old.

We asked some of Frank Mayer and Associates, Inc.'s point-of-purchase display experts to weigh in on what 2020 has in store for retail as well as merchandising displays and interactive kiosks. Here they address everything from fresh customer experience ideas and brand alliances to replacing outdated mall concepts with fresh experiential models.



The New Face of Customer Service

2019 saw a continued decline of the jobless rate, with unemployment falling to 3.5 percent as of November. While a low unemployment rate is often an indicator of a healthy economy, the tight job market can present its own set of challenges for the retail industry, especially as the market shows similar signs of strength for 2020.

"In theory, a small job pool could force retailers to pay more to attract talented workers, which can be a difficult requirement. People just have so many more options in the current climate," Steve Etzelmueller, Senior Vice President of Finance says.

With less interest in retail service positions, retailers may find that tools like interactive kiosks can easily fill the void for customer education and sales.

"As the current labor force shrinks in this sector, kiosks, and even point-of-purchase displays, can step in and take on some of the load by offering self-service capabilities and product information," Etzelmueller states. "And when you factor in wages, insurance, workers compensation insurance, and more, kiosks end up being a cost-effective answer to the problem."

Look for more self-service kiosks factored in to brands' customer service strategies in industries like hospitality and quick service restaurant.

Dave King, Senior Vice President of Operations, agrees we'll continue to see the trend of self-service kiosks infiltrating verticals where people feel comfortable being self-sufficient with their ordering and checking in.

"Within this new landscape of omnichannel strategies, good merchandising is still a fundamental necessity." Cheryl Lesniak, Integrated Marketing Manager

"People have really become more adept at educating themselves before buying," he states. "So, we're noticing more people enter places like hospitals, dispensaries, and fast food restaurants knowing what they want and feeling comfortable placing an order or checking in for a reservation without the need for assistance."

But what does this mean for the current jobholders in these industries? Will the argument that kiosks will replace human labor have weight in 2020?

"No," King asserts. "The intention behind offering self-service kiosks is to complement a company's customer experience strategy. And redeploying labor to go toward other customer-geared tasks – like keeping a clean environment or decreasing wait times – is essential to the overall plan."

Digital Goes Physical and More Surprising Strategies

The trend of digitally-native retailers going offline with brick-and-mortar stores or partnerships with traditional retailers has been covered quite a bit this past year. According to Integrated Marketing Manager Cheryl Lesniak, this pattern will continue.

"There's a reason we're hearing more about online retail going into the physical space," Lesniak says. "Channels are more blurred than ever because crossing the imaginary line from e-commerce to brick-and-mortar is proving to be a winning strategy."

Recently, Resident, the company behind online mattress brand Nectar, spoke about its success partnering with traditional retailers to sell its products.

The company realized 80 percent of shoppers want to test a mattress in-store before buying, so they teamed up with legacy retailers, resulting in a mutually-beneficial relationship. Now, they send customers through the shops' doors, while offering potential

consumers a chance to try out their mattresses. The company reports their in-store sales are currently growing faster than online sales.

"E-commerce is obviously not going anywhere," Lesniak states. "So instead of spending time fighting against the stream, innovative brands and retailers are finding ways to work with each other to benefit the end customer."

Nothing shows this more clearly than the well-documented partnership between Kohl's and Amazon. In 2017, Kohl's announced a pilot program to accept Amazon returns in-store. A recent Retail Dive article wrote that research confirmed participating stores showed "increased sales, transactions and customer growth compared to other locations." It's no surprise, then, in early 2019 Kohl's announced plans to roll out the Amazon returns program to all stores by mid-summer.

And the obvious benefit to Amazon? The king of frictionless online shopping now offers an easy avenue to return items without the hassle of boxing, printing, and shipping.

"It's not shocking to see other brands follow Amazon's lead and experiment with taking advantage of what physical can offer that digital can't," Lesniak says. "UPS and FedEx have announced partnerships with major retailers to manage pickups and drop-offs, benefitting consumers with convenience, retailers with foot traffic, and the environment with less carbon footprint. It's like a trifecta of advantages."

We're seeing this same omnichannel mix-up with programs like Buy Online, Pick Up In-Store (BOPIS) as well. In fact, the latest data shows 2019 was a pivotal year for the program, with studies showing almost 70 percent of shoppers made multiple BOPIS purchases. This phygital strategy will continue to grow, with 90 percent of retailers expected to implement a BOPIS program by 2021.

So where do point-of-purchase displays and kiosks fit into this retail horizon?

Kiosks naturally fit in this new environment, according to Lesniak. Locker and kiosk programs, like Amazon's Hub Locker kiosks, enable customers to easily access their goods on their own. And merchandising displays are still relevant in the retail landscape.

"Traditional retail is going through a restructuring to bring the most convenience to customers by being prepared when the consumer's path-to-purchase carries on offline," says Lesniak. "With continued foot traffic to stores, brands need to ensure their merchandising still grabs attention and educates the consumer. Even within this new landscape of omnichannel strategies, good merchandising is still a fundamental necessity."



Capturing the Elusive Crowd

The slow death of the traditional mall has been happening for some time now. There are many arguments pointing to the "why," ranging from the rise of e-commerce to the loss of department stores in large anchor spaces. At the end of the day, though, asking why doesn't matter so much as asking how shopping malls will need to evolve in order to function in a changing landscape.

"While the term 'experiential' has become clichéd, it really is the perfect word to describe the new shopping of the future," says to Ryan Lepianka, Creative Director. "Moving forward, the malls that thrive will focus less on retail being the sole traffic driver and more on services, experiences, and living spaces."

As e-commerce takes greater bites out of mall numbers, retailers must stop trying to get people to the stores, and instead work on bringing the stores to the people.

"These new retail centers have everything, including condos and apartments," Lepianka states. "Now, people can walk from their homes to grab a bite to eat, see a movie, visit the dentist, and run in to a store to buy a new pair of jeans."

As malls continue to progress into mini villages, specific retailers are adopting the same idea of bridging the gap between merchandising and experiences.

Brands like Lululemon have perfected the art of encouraging customers to interact with product through exciting experiences, resulting in greater brand loyalty and product interest.

"It's not a new concept, as retailers have been experimenting with activating their shopping experience for a while," Lepianka admits. "But, as we go forward into 2020, we're going to see even more creative ways to seamlessly blend product with exciting, Instagramworthy experiences. Look at what Nike Live is doing with its locally-personalized stores and Canada Goose with its Cold Room. We're moving past the days of run-of-the-mill pop-up shops serving as 'enough' when it comes to brand encounters."

2020 Looks Bright

As retail continues to develop within the new parameters of today, the point-of-purchase display and interactive kiosk industries will play crucial roles in helping retailers to provide the best customer experience on his or her path-to-purchase.

As a leader in the point-of-purchase industry, Frank Mayer and Associates, Inc. works with countless brands and retailers to deliver merchandising, kiosk, and self-service solutions to fit their needs. Learn a little more about our history here, and then let us humble-brag about some of our favorite work. «

PLANNING ULTIMATE PATH PURCHASE

Katie Kochelek, Marketing Specialist | Frank Mayer and Associates, Inc.

This is the second article in a four-article series in which we address common pain points clients face while planning a visual merchandising campaign as well as multiple solutions to address these challenges. Look for the next article, "*Securing Buy-In From Box Stores*" in our April 2020 Spring Issue, or read last month's article "*Getting the Best Design Without Blowing the Budget*" here.

We humans are locked in. We've got a smart fridge reminding us to pick up milk, we ask our voice assistant to check the weather, and we can access every review online about a product without having to leave the couch.

This means we've come to expect information fast and easily accessible. It also means we've gotten really good at wearing blinders to messaging when it's coming from all angles.

So, while marketing to today's consumer, brands must cater their path-to-purchase campaigns to dial in on how he or she wants to shop. And when it comes to designing a visual merchandising display, the objective to interrupt this busy shopper requires careful planning and thought.

Below, we detail five strategies to capture the in-store customer's attention and interest with your display merchandisers.

SHOW, DON'T TELL

In the current information-verse, people are consuming data drastically different than the pre-digital age. In fact, recent studies have indicated that skim reading has become our new norm.

So, what does this tell us? People want easily-digestible information in bite-size pieces to keep their interest. This means employing digital or experiential components in a display can show what your product does or how it can benefit a consumer in a way that feels easy to comprehend.

Sometimes these display elements seem clear for specific verticals. If you're selling speakers, you want customers to hear the clarity of your product by building audio capabilities into your display. It also makes sense for lighting companies to help shoppers discover



the best option for their needs by utilizing working displays that showcase the look of various product selections.

But this can extend past the obvious, too.

Highly-technical products can benefit from video loops detailing simple instructions or featuring the merchandise in use. Even something as straightforward as a knife display can offer interaction so a customer can test the feel of a blade handle or the weight of the product in his or her hand.

At the end of the day, creating displays that deliver product information in palatable ways and engage a person's senses will highlight a brand's advantages much better than asking customers to take their word for it.

LET'S BE CLEAR

More than 65% of people are visual learners, which means your product merchandising needs to be organized in a way that feels clear and aims to educate. Pretty straightforward, right?

But organization can go even deeper. Yes, clean lines, coordinated colors and lack of clutter is important when making a positive impact, but proper categorization can really benefit your sales.

Let's take most paint displays as an example. Often, the bulk of paint chips are shown together by color family, but sometimes these same displays will have special sections on the unit devoted to various collections, too.

These areas aim to inform shoppers about complementary colors or trending hues for various rooms in the house. Sometimes the section might highlight colors to invoke a specific mood or they might leverage a celebrity's clout by pinpointing colors from his or her exclusive line.

And while each paint brand will decide what sections to highlight based on their target customer's demographics, the companies recognize their patrons are looking for additional guidance when choosing wall colors and provide a solution to help them feel in control of the process while making knowledgeable decisions.

As brands look to best display their merchandise, they'll want to investigate beyond the apparent methods to organize in search of ways to answer additional questions from their potential buyers.

STAYING RELEVANT

I identify as many things – a marketer, a mom, a Packer football enthusiast – which means brands have countless avenues to pique my interest at different times of the year. If I missed your product display during the summer, you might easily hook me with back-to-school messaging come fall.

An easy way to make sure your marketing stays current and seasonally appropriate is to incorporate changeable visuals into your display with magnetic graphics.

Not only do updatable graphics speak to a variety of audiences depending on holidays or seasons, but they're also perfect for displays that will be in multiple locations that target different audiences. For instance, a merchandising display for an activity tracker might be found in sporting goods stores as well as department stores, both of which might use different graphics to appeal to the audience that frequents those settings.

Changing up imagery on a display can also save on costs as a brand's marketing initiatives change throughout the year. It keeps messaging fresh without the large expense of a brandnew display.

ENDLESS AISLES

Brick-and-mortar is currently going through a rebirth with retailers pressed to implement strategies that provide customers with a well-rounded experience of a brand – both in-store and online. The same can be said for visual merchandising.

Successful displays not only showcase product and educate consumers, but many incorporate digital elements. A popular feature is the endless aisle, accessible through an interactive kiosk on the display or within a shop-in-shop.

Imagine: your visual merchandising display just did the hard work. Your customer is standing in front of your product and has decided to purchase. However, the retailer doesn't carry your full line of colors or they're out of the specific size the customer needs.

Enter an endless aisle opportunity to keep the momentum going on your customer's impulse decision. If she were to leave with the intent of later buying online, you run the risk of her talking herself out of the decision. Even worse, she could decide a competitor has a similar enough product with better color options available in-store.

Allowing for special orders with endless aisle options provides another avenue to sell product when and where your customer is actively going through the buying process.

BACK TO THE BASICS

Sometimes the art of grabbing a shopper's attention can really be credited to delivering the basics. Good, effective signage. Proper lighting. Impactful messaging.

Sounds straightforward, but focusing your efforts on these foundational elements will lay the right groundwork for your merchandising display.

Consider what works best for your merchandiser. Do you have a shop-in-shop program? A circular halo sign can lure customers to your area from across a store. Looking to stand out on an otherwise dull shelf? Lighting adds life (and the perfect spotlight) to your product.

Messaging should be succinct, on-brand and helpful. Remember, you're appealing to a new culture of skim readers who want information quickly.

LAND YOUR LOYALISTS

At the end of the day, you know your target customer intimately, so your relevant merchandise is already set to succeed. With extra consideration paid to your path-to-purchase strategy, you'll help your future brand loyalists discover that product easily.

FEATURED DISPLAY

BABBV

WATER

T 0

BUBBA Retail Merchandise Display

Manufacturer of angling equipment, **BUBBA** came to Frank Mayer and Associates, Inc. with several guidelines to consider when developing display designs, including a design that would fit a small retail footprint, a look that endorsed the sport fishing lifestyle, and imagery that could be easily updated in the field.



PLATE

Learn more about the display's interactive features that allow customers to use the product and understand the ergonomics associated with the BUBBA knife's handle and blade.

SELF-SERVICE KIOSK TECHNOLOGY OFFERS MULTIPLE BENEFITS

Alex Gomez, Marketing Manager | GRUBBRRTM

The same self-service kiosk technology offered by giant chains like McDonalds and Panera Bread is now available to businesses of all sizes. Self-ordering brings diners a frictionless order and checkout process. There are multiple advantages a self-service kiosk system offers to business owners. See a few of the benefits below.

Reduce Customer Wait Time

Even customers who are hesitant at first come to enjoy the shorter lines and reduced wait times available when using a self-ordering kiosk. The majority of customers would rather order from the kiosk than wait in line. With self-service technology, you can customize your kiosk to make your customer's experience unique and in line with your brand. External hardware color and logo placement are just two of the ways your kiosk can be customized.

Increase Employee Happiness

Unhappy employees result in poor customer service and high turnover rates. These high turnover rates and subpar customer service have become hallmarks of quick service and fast food restaurants. Not to mention the expense of continually replacing staff. Interactive, easy-to-use self-service kiosks can benefit the working environment, freeing up employees to do more satisfying tasks. Satisfaction with work is one of the best ways to keep your best employees.

Increase in Average Check Amount



Less ordering time, increased order accuracy, and effective upselling are just a few of the ways a self-serve kiosk can increase sales. Research has shown that customers order more when they use a touch-screen kiosk. Attractive, highly-detailed images, pre-programmed upsell messaging, and the ability to customize their own orders are just a few of the reasons why average check amounts are higher with this technology.

Increase Order Accuracy

Receiving the wrong order is a common complaint from restaurant customers. It's easy to see why. If the order is wrong, not only do customers have to wait until they get the right order to eat, their dining companions finish before they do. This can create a negative dining experience and keep people from returning. With self-service software, customers get exactly what they ordered.

Improve Customer Loyalty

Shorter lines and increased order accuracy are just two of the ways a touch-screen kiosk can create customer loyalty. People like to return to restaurants they know will give them fast service and deliver exactly what they ordered. Self-service software does more with automated promotions, customer facial recognition, and loyalty programs, such as customized offers, that will improve customer loyalty and return visits.

With so many restaurants out there, it is crucial to differentiate yourself from your competition. A self-service kiosk can help you stand out from the crowd, especially if you are among the first to implement cutting-edge technology.

About GRUBBRRTM

With GRUBBRRTM, we are enabling businesses of every size to join the future of the restaurant industry, today! GRUBBRRTM makes the perfect self-service kiosk point of sale system for any business looking to optimize their business operations. The system is suitable for many kinds of business types such as restaurants, retail stores, stadiums, movie theaters, concerts, food trucks, and hospitals. GRUBBRRTM promises quick configuration and easy setup, 24-hour support and an experience that customers will enjoy returning to time and time again. Visit GRUBBRR.com to schedule a demo today!

ON THE ROAD WITH FMA

WE'RE STILL UNPACKING FROM THIS SEASON'S TRADE SHOWS. For more pictures of the fun, follow us on instagram!

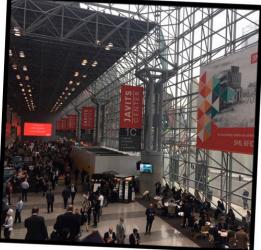
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