



Digital Menu Boards and Labeling Laws

How technology can reduce the hard and soft costs of displaying nutritional information to customers.

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The new menu laws that passed with the healthcare reform legislation are a relief to restaurants that were trying to comply with differing city and state law requirements.

“Consumers will get consistent nutrition information in most chain restaurants, and restaurant companies won’t be burdened with a patchwork of conflicting laws in cities and states,” NRA president Dawn Sweeney wrote on the association’s blog.

The new laws presents plenty of challenges, however, that will impact more than 200,000 restaurants in the United States.

Restaurants with 20 or more outlets will be required to post, next to each item on the menu board, the caloric content of that item. A clear statement concerning suggested daily caloric intake and a statement about the availability of additional nutritional information upon request also must be posted on the menu board. Within 120 days of the bill’s passage in March, the Secretary of Health and Human Services will post the terms and conditions for implementation. The FDA has one year from the

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bill’s passage to determine specific regulations.

Some challenges include obtaining a nutritional analysis of each item (including relying on the analyses provided by suppliers of recipe components) and new training programs to ensure portion control. Every time a supplier changes a recipe, or the restaurant wants to add new items, the analyses must be recalculated and communicated.

Complying with the law will be difficult with printed signage. Owners will have to fit the new information on the menus while keeping them attractive, post the new menus on existing menu frames and be able to adapt to change.

If a restaurant business has held out converting its printed signage to digital, the new requirements may represent the opportune time to make the transition.



Digital menu boards offer a way of complying with new menu laws, without requiring operators to print new signage every time a new menu item is introduced.

This white paper will discuss four ways digital menu boards ease compliance with the new legislation.

Flexibility and space management

“Gee, it took three words to describe the ‘16-oz Ribeye steak’ and 16 lines to set forth the nutrition facts,” commented a customer blogging about the new laws. “Reading ‘War and Peace’ may be less daunting than working your way through a menu in the future.”

Restaurants already are concerned about how to fit all the necessary information onto menu boards. If not planned for properly, nutritional information could take up space usually reserved for the more desirable marketing messages.

Digital menu boards help alleviate space restrictions by providing far greater flex-

ibility in how information is communicated. By manipulating color, motion and graphics content, developers can draw attention to specific messages and promotions.

Flexibility also improves; it is far faster and less costly to experiment with digital menu design than it is to try different print designs. With digital menu board design, the creative services department can efficiently present different designs to management for approval. The information is presented for review exactly how it will appear on the digital menu board before it goes live. Also, unlike printed signs, errors can be corrected immediately.

Content control

Ease of delivering and controlling content on digital menu boards is imperative for restaurants that want to remain progres-

sive while staying in compliance with the labeling laws.

Many critics of the new laws believe they will create reluctance on the part of restaurants to introduce new menu items as frequently, since those new items will require new signage. Digital menu content delivery eases the burden. While adding items will mean changing the menu board content, the electronic delivery of that signage eliminates the fees, shipping costs and wait times associated with printed signage. Furthermore, because the law exempts limited-time offers, some chains may offer more LTOs and require more menu board changes. This means the ease of content delivery offered by digital menu boards will be crucial.

Another way the benefit will be felt is when suppliers change their recipes, because any change that affects the caloric count will impact the signage.

Analyzing customer behavior

There is some debate as to whether posting nutritional information alters customer purchase decisions. Some cities and states with previously enacted laws say there was little change. Others, however, indicate differently.

A study from Stanford University reported, “Based on transaction data provided by Starbucks, researchers from the Stanford Graduate School of Business found that calorie posting in New York City in 2008 led to a 6 percent reduction in calories per transaction. According to the study, beverage choices at Starbucks were unaffected by calorie posting. However, calorie posting led consumers to buy fewer food items,



Once calorie counts were posted, Starbucks customers purchased fewer food items and chose lower-calorie selections. Real-time data analysis will help managers understand customers' buying preferences and adjust marketing and promotional efforts accordingly.

and to switch to lower calorie food items.”

To maximize profitability, restaurants must pay attention to how the new caloric information affects their customers' purchase decisions. To do so most effectively, management should have access to real-time data analysis, such as that offered in WAND Corporation's NextGen Enterprise Manager. Real-time sales analyses indicate exactly what is selling and why, and quick message control allows management to help drive sales according to those analyses. Adding calorie counts to those variables will give management more data from which to make decisions. Management will then be able to react to real-time trends by reflecting changes to price or menu mix on the digital menu boards almost instantly.

Maintaining compliance

Many restaurant owners are understandably worried about an increase in litigation stemming from the new menu legislation. Therefore it is going to be more important than ever that information is communicated accurately and in a timely manner. Digital menu content creation and distribution allow for consistency in how and where menu information is delivered. Any time an ingredient changes, the change in nutritional information can be made immediately, from a central location. That information can then be reflected in as many stores as are affected by the change, whether it is one store or 100.

If a restaurant owner has been waiting for the best time to transition to a digital menu system, the time is now. The sooner digital systems can be put in place to centrally create, disseminate and manage menus, including nutritional information, the easier it will be to adapt to the new legislation.

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About the sponsor: WAND Corporation is a leader in QSR technology, providing NextGen POS and digital menu solutions. With nearly 25 years in the QSR space and 13 years in digital engagement, WAND is the first company to have developed and sold a Conversational Ordering, NextGen POS system and a completely dynamic three-panel outdoor digital menu solution. WAND provides full management services for QSR operators with 24-hours-a-day, seven-days-a-week technical support 365 days of the year. WAND works with powerful international partners, including NCR, Panasonic, IBM, Samsung, LG Electronics and more.