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C O L U M N O N E

Make Promos Come Alive

Imagine a digital poster that can change its message every few seconds, be updated with new, animated graphics nightly, and is too bright to miss.

That's the concept behind AlivePromo's dynamic POP displays. The Minneapolis-based company's signs use a computer with Internet access to add, manage, and schedule promotions by division, city, daypart, and more. These plasma screens (42 or 50 inches diagonal) or flat LCD's (up to 20 feet) can be wall mounts, floor stands, ceiling mounts, or large or small screens. They need an electrical outlet and phone line access so that someone—a store owner, agency, franchise headquarters, or AlivePromo—can transmit messages pushing products, new promotions, pricing, or even community events.

Gary Gimbel, partner in a Taco John's in Marshalltown, Iowa, installed an AlivePromo sign in mid-May. "It's captivating," he says. "It jumps right out at you because it's so bright and changing. You can't help but look at it when you're in the room with it."

Gimbel runs five different messages for ten seconds each. One message encourages customers to mention the sign when purchasing an Apple Grande; sales of the dessert have doubled. Gimbel said the sign helps upsize orders when front counter staff forget to prompt such purchases.

Gimbel pays \$275 monthly to rent the sign and \$5 each time he changes a message. "It's definitely something I'd rather have than a [paper] poster on the wall," he says. "It will do ten times what another picture would do [to increase sales]."

Sam Rogers, AlivePromo's CEO, says the sign allows local marketing with corporate control, so headquarters staff can create templates that franchisees select. While commercials can run on the signs for a higher price, he says the vividness and motion available at the basic level are captivating.

"The technology is pretty powerful and amazing," Rogers says, "because it's flexible and allows people to test promotions and increase sales."

Model Sites

Today even regional offices and franchisees are using technology to judge potential sites. By Carolyn Z. Lawrence

Del Taco president Ron Petty has always insisted on personally approving the location of each new store in his system before the real-estate contract is inked. "It costs so incredibly much today to build a ground-up, free-standing, drive-thru location," he says, "that you really can't afford to make mistakes."

For the past two years, Petty and his real estate staff have also used a sophisticated site selection modeling system to provide extra insight into the sales potential of each prospective site. "The model gives us another piece of information to use in evaluating our site selection decision," Petty says. "It gives me a comfort zone because it helps me identify what the downside—as well as the upside—of a real-estate deal might be."

Del Taco's modeling system analyzes a combination of area trade data for a selected location and consumer variables based on market research studies of the demographic and psychographic characteristics of the chain's primary customers. The resulting report provides a prediction of high and low sales volume for the prospective site. Although the model might sound complicated, Petty says using it is relatively simple. And because it was created using

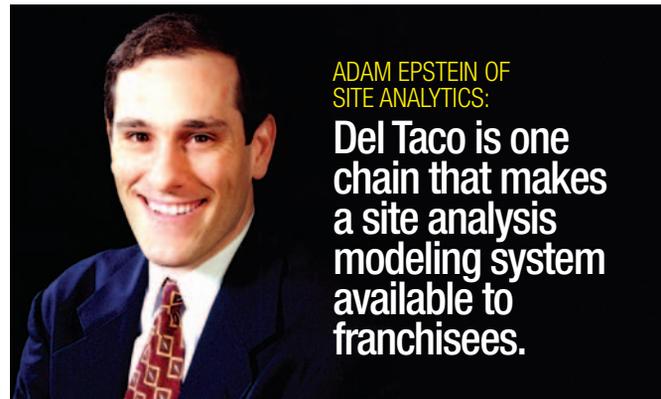
ON LINE @ The Internet makes basic site selection data more accessible to smaller operators. Sites like www.anysite.com and SRC's www.demographraphicsnow.com let quick-service chains and franchisees map the demographic and trade variables for any number of potential sites for one low annual subscription fee.

existing research data, he says, the company was able to spend a lot less money developing it.

Site selection modeling tools have gotten simpler and more cost-effective in the past five years, says Adam Epstein, president of Site Analytics, a New York-based site selection tech-

nology firm. "There has definitely been a paradigm shift," he says, "towards making site selection modeling tools more user friendly and less expensive."

Models used to be a sort of black box—something few people understood or trusted, says Epstein. "The development process to create a model was too involved and too complex, and then once it was completed it wasn't interactive or updatable," he says. "Models



ADAM EPSTEIN OF
SITE ANALYTICS:

Del Taco is one chain that makes a site analysis modeling system available to franchisees.

were seen as something that were controlled by technology wizards that everyone else in the company had difficulty relating to. Now, these tools are much more transparent and easily understood." For that reason, they are becoming valuable additional components to everyday decision-making.

As a result, says Epstein, he's noticed a trend among quick-service operators to extend the availability and use of modeling tools beyond the real estate department. Regional offices and even franchisees are making more use of modeling information. Del Taco, for example, makes a site analysis using its modeling system available to its franchisees.

The Internet is also helping to filter the use of site selection technology throughout quick-service operations. "The Internet allows us to deliver a point-and-click application so that anyone from a real-estate executive to a field rep-

representative can get online and get the information they need immediately,” says Olivia Duane, executive vice president of SRC, in Orange, California. SRC’s Internet-based technology allows businesses to map trade and demographic data for the market areas surrounding prospective sites.

One of SRC’s clients is AFC Enterprises, parent of Popeyes Chicken & Biscuits and Church’s Chicken. With two separate real-estate teams coordinating site selection for each chain, AFCE wanted to ensure that internal territory overlap between franchisees would be avoided at the same time that external competitive conditions were analyzed. SRC developed an intranet-based solution for AFCE that allows company field representatives to go online, type in an address, and get an immediate report of company-wide franchisees in the area.

“This pre-screening speeds up the process because field managers can do this from wherever they are over the web,” says Duane. “Once they know they are not infringing on another franchisee, the field manager can then use the system to investigate further to see if it meets the demographic and trade criteria of their target market.”

Another trend in real-estate management may be using an application service provider, or ASP, to manage the entire life cycle of each retail location. (An ASP is a contractual service that hosts, manages, and rents access to software applications from a centrally managed facility.) At least one firm, Vectiv, is discussing offering real-estate management ASP services to several large quick-service chains. According to Christy Schrader, vice president of marketing at Vectiv, the company would provide a “virtual filing cabinet” for all real-estate transactions, accessible through the Internet, from site selection statistics, blueprints, and engineering reports through lease negotiation and renewal documents. “Bringing all of the paper processes of real-estate management online,” says Schrader, “would provide up-to-the-minute project information to everyone who needs it.”

Still, while technology is providing a valuable edge in retail site selection and management, Del Taco’s Petty doesn’t think he’ll stop visiting prospective sites any time soon. “Technology is a tool. It supplements the knowledge you need to make the right decision,” he says. “But at the end of the day, there’s still no substitute for the knowledge and experience of your people.” 