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Good Design

Innovation that creates a superior customer experience over the long term

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Introduction



Good design is rooted in customer understanding. This understanding—combined with a strong knowledge of your industry and your outlined goals—delivers success every time.

Orlando Espinosa

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During the design process there is a lot of internal and external selling and communicating that is required....having unique insights and knowledge regarding your customers preferences will help position your project for success.

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Long before you put your sights on design...







- Conduct a sincere effort to understand your customer.
 - Understand how they feel about food and how food and dining fits into their lives
- Be mindful and curious.
- 'Connect the dots' between behaviors, preferences and food in creative ways.
- Your result will be a superior customer experience for the long term.

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How to stay competitive over the long term

Plan in advance

The Long View

- Bring <u>diverse skill sets</u> into the discussion
- Experiment with <u>'what could be'</u>
- <u>'Connect the dots'</u> between diverse sources of information and experiences

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- Take a <u>broad view</u> about the larger retail experience beyond food
- Be cognizant of the latest <u>trends</u> in food, consumer behavior, retail and other areas of hospitality
- Understand the <u>emotional triggers</u> for an outstanding customer experience

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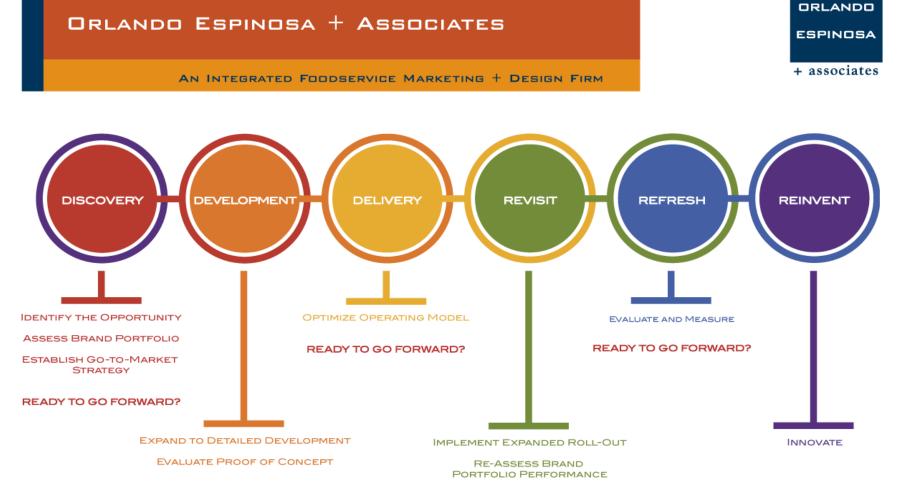


Tools

- Focus Groups
- Charrette process
- Surveys
- Concept Studies

Resources

- Human Resources
- Foodservice Director Magazine
- Technomics and other industry reports
- Hospitality best practices
- Home and Fashion Design



READY TO GO FORWARD?

CREATE ONGOING COMMUNICATION AND PROMOTIONAL STRATEGY

ORLANDO ESPINOSA + ASSOCIATES

AN INTEGRATED FOODSERVICE MARKETING + DESIGN FIRM

DEVELOPMENT DISCOVERY DELIVERY REVISIT REFRESH REINVENT OPTIMIZE OPERATING **IDENTIFY EVALUATE AND MEASURE** THE OPPORTUNITY MODEL · Identify gaps to achieving the destination • Perform a "Fresh Eyes" assessment • Identify additional participants • Seek out new products, services, and Engage in one-on-one interviews • Finalize vendor support technologies EXPAND TO DETAILED • Implement measurement reporting plan IMPLEMENT INNOVATE · Gather information from internal Respond to customer behavior and insights EXPANDED ROLL-OUT DEVELOPMENT · Establish promotions, incentives for Activate channel for continuous creative Assess lifecycle and market drivers and external sources • Develop products, service, or concept • Measure, assess, and report · Establish leadership in the development Conduct a structured brainstorming discussion Review team performance Review creative direction of new products, services, and technologies with team • Organize grand opening and launch support · Improve delivery with new skills Generate marketing and communication · Evaluate adherence to objectives · Respond to migration of consumer insight Establish a desired destination Launch concepts and standards and behavior Understand the customer experience • Build supply chain • Continue vendor negotiations and support READY TO GO • Leap-frog industry successes ASSESS BRAND Identify success measurement metrics **READY TO GO** FORWARD? • Attract new customers and segments RE-ASSESS BRAND FORWARD? PORTFOLIO EVALUATE PROOF PORTFOLIO PERFORMANCE · Reconfirm commitment and support · Perform Category review; Analyze data OF CONCEPT · Review category movement · Identify gaps and opportunities for • Test early ideas and best practices Understand current customer experience achieving destination Develop local champions · Review efficacy of organizational design Develop early ideas · Course-correct product, technology, Course-correct · Seek out current best practices marketing, and communication Benchmark against industry CREATE ONGOING Seek customer insights • Evaluate scalability and technology needs COMMUNICATION AND · Adjust metrics as needed **PROMOTIONAL STRATEGY** ESTABLISH GO-TO-MARKET Engage in purposeful communication to internal STRATEGY READY TO GO team and stakeholders Formulate early strategy

- Prioritize for speed to market • Evaluate against the destination
- Establish milestone timelines

Evaluate go/no-go risks

READY TO GO FORWARD?

• Confirm all stakeholders agree and align behind the strategic direction

FORWARD?

· Confirm commitment from decision makers

- Promote to customers
- Develop public relations strategies
- Discover new opportunities
- Test new ideas with customer trials
- Update marketing plan
- · Link with strategic partners

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Apple Store in NYC

Innovation

- Bring the right resources to the table:
 - Qualitative, Quantitative, Intuitive





Genius Bars





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Lexus found inspiration outside their industry

- The Genius Bars inspired Lexus set up their own and provide answers from "smart, friendly, highly engaged employees."
- To advance the Lexus customer focused experience, they also looked to the Ritz-Carlton for best practices in customer service

The Wall Street Journal reported that "all sorts of little touches add up to a big impression—from fresh flowers in the showroom to marble floors in the bathrooms to bottled water and chocolates in the cup holders when customers pick up their cars from the service department."

It's not just the business of selling luxury cars; Lexus is in the business of making deep and enduring connections with customers who have come to expect greatness from Lexus.

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Other Merchandising Leaders

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Seek out nontraditional inspiration; move outside the industry













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Think Big



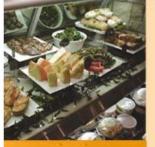


- Brainstorm 'what could be'; 'Connect the Dots'; Investigate the possibilities
 - Practice
 - Stand up conversations and sit down meetings
 - Capture many points of view, especially the different components of your demographic

Think about the long term with a Big Picture view; develop a road map but be open to the possibilities that your project may take you in ways that you cannot predict...you will find that you arrive at offering a superior customer experience

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Business Case

OE+A met with representatives from Medicis and DMJM to identify the goals and objectives of the foodservice requirements at the new location.

Assumptions

Medicis has stated that foodservice will be positioned as an employee benefit used for both recruiting and retention, located in a comfortable environment that will promote rest and refreshment as well as interaction among employees.

Most food items being purchased can be reproduced similarly at or below current cost by alternate foodservice sources.

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Implemented Medicis employee foodservice preference survey and identified:

- Demographic profile of employees
- Current eating habits and spend

Researched the cost and profitability of the menu items currently being purchased and identify the cost and profitability to provide the same or similar food items in- house.

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Findings

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- Food offerings
 - Identified foodservice styles and offerings profile
 - Developed costs to produce and deliver
- Recommended foodservice management to be outsourced
- Researched key performance indicators of similar foodservice operations with similar employee counts, participation, menu offerings and costs to operate and provide
- Created baseline to benchmark against

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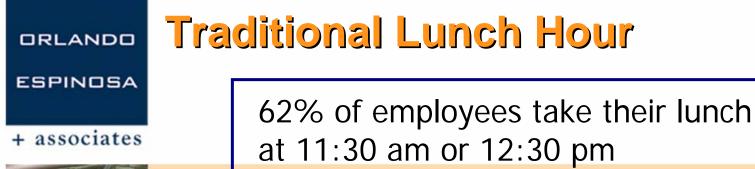
Non-Manager

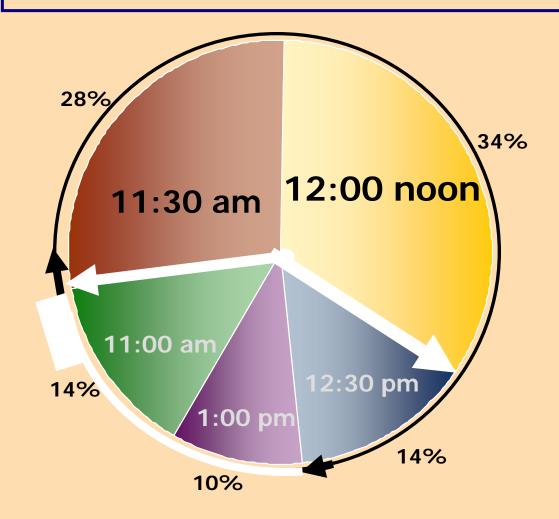
Manager

Administrative Support

 Other
 0%
 10%
 20%
 30%
 40%
 50%

Women participated in the survey at a rate of 3 times that of males; Most survey respondents were non-managers.





Employees Eat at their desks frequently

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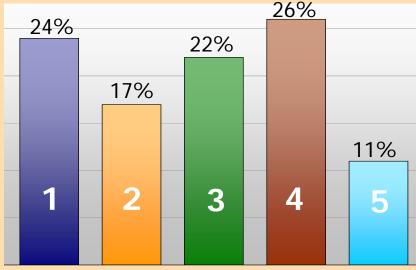
94% of employees eat at their desk 1 or more times per week with almost 60% eating at their desk 3 or more times per week.





NO 6%

If so, how many times per week?



19

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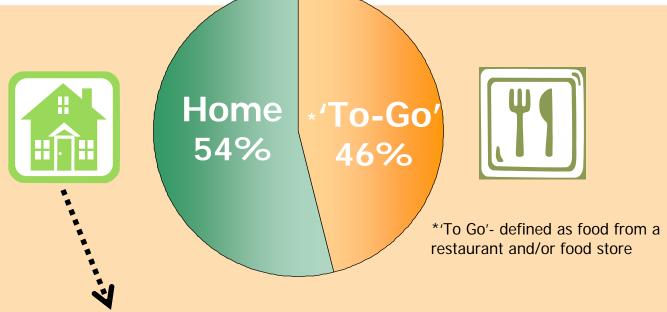
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Bringing food from home is common; it is perceived to provide a cost savings

Where does the lunch you eat at your desk primarily come from?







If you bring your food from home, what is the primary reason you do so?



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Most preferred food brought from Home

Fruit, Salad, Sandwiches/Wraps, Yogurt, Chips/Pretzels Crackers

Snack Bars, Microwave Meals, Leftovers, Cheese, Nuts, Vegetables, Oatmeal

> Entrees, Chicken Breast, Cottage Cheese, Pasta, Soup, Assorted Breads Cookies Bagels

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Top off-site restaurants/food stores that you preferwithin a ten minute drive of your current location

Most Preferred foods when purchased

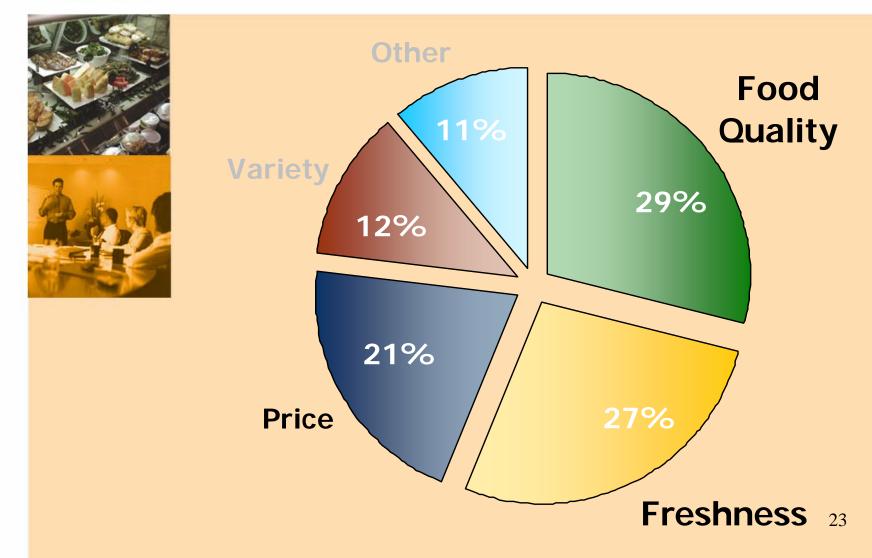
Sandwiches and other Grab-n-Go

Name of Venue	Type of Food	Avg. Amt. You \$pend	Why you prefer this venue
Chipotle	Mexican burritos	\$6-\$8	Quick, great value, close proximity, fresh, very tasty
Subway	Subs & Wraps	\$5-\$6	Fast, close proximity, nutritious, variety
Jade's Palace	Chinese	\$8-\$10	Love Chinese food, close proximity
El Paso BBQ	Salads, Fish, BBQ Sandwiches	\$12-13	Waitress service, great flavors, quality food, hot food, close proximity, variety
Paradise Baker	Sandwiches & Salads	\$5-\$10	Great chicken walnut salad, quick, healthy, tasty
Buster's	Salads, Sandwiches, Lavosh	\$12-\$13	
McDonald's	Fast food, Salads	\$5-\$7	Quick, inexpensive
Blimpie's	Subs	\$5-\$6	Close, fairly cheap, healthy, quick, easy, not messy
China Lite	Chinese Food	\$6-\$10	Orange chicken, great menu. Healthy, good food, close
Sweet Tomatoes	Salad Buffet	\$6-\$10	Convenient, quick, fresh, healthy
Jason's Deli	Sandwiches, Wraps	\$6-\$8	Healthy, reliable. good
Le Peep	Salads, Sand, Omelets	\$10	Close, cheap
Burger King	Fast Food, burgers	\$3-\$5	Cheap, quick
Albertson's	Boxed lunches, sand.	\$4-\$5	Location, good prices, ATM nearby, convenient
Taco Bell	Mexican	\$4	Inexpensive, good variety, fast
Vermont San. Co.	Sandwiches, Salads	\$7-\$10	Unique salads, homemade salads & fresh sand.
Claim Jumper	Sandwiches, Salads	\$12-\$20	Available through delicious delivery, customize orders to people's diets, selection, quality
Mongolian BBQ	Asian	\$7	Healthy, quick, cheap

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<u>Food Quality</u> and <u>Freshness</u> are *Most Important* to food purchasing decisions followed closely by <u>Price</u>

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There is no clear singular attitude on how wellness factors into food decision making

•Similar numbers of respondents believe that wellness is Somewhat Important Important or Very Important

Important

28%

Somewhat Important

32%

Not Important 1%

Very Important

39%



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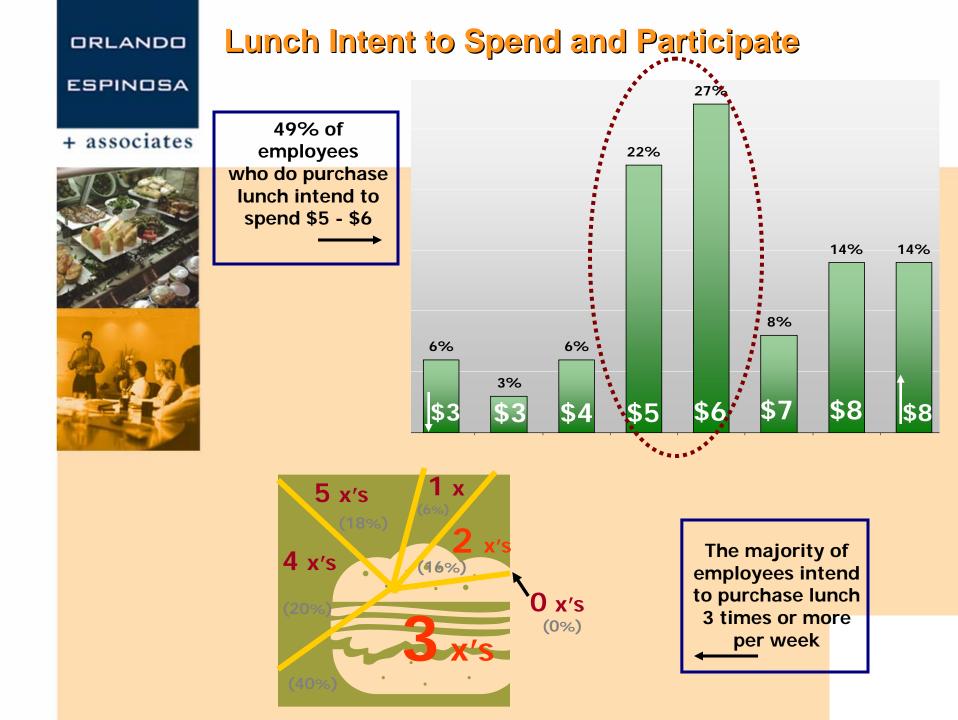
Current Lunch Spending

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56% of employees currently spend \$3-\$6 /day § 21% spend \$7-\$8 /day § 12% spend \$9 or more





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Design Result

Findings:

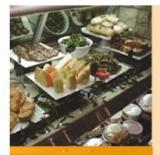
Size and space requirements for the foodservice operation. Kitchen = 840 sfServing area = 960 sf Dining room = 1800 sfTotal 3,600 sf Identification of capital requirements for the foodservice equipment. **Findings**: Kitchen = \$92,400.00 Serving area = \$115,200.00 $\underline{\text{Dining room} = \$9,000.00}$ Total \$216,600.00

Smallwares to be provided by the contract foodservice management selected.



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Trends

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Convenience/Speed/Freshness + associates

- Grab and Go many more dayparts
- Getting in and out quickly and easily
- Packaging

Consumer Trends

Natural and

specialty store

Farm stand

CONSUMER PERCEPTIONS OF FRESH Sliced Peeled. Loose. -Stacked Cut PACKAGING Refrigerated -Whole -Washed - Frozen Preserved -Canned CLEAR GLASS OR PLASTIC JAR/BOTTLE CLEAR WRAP/BAG NONE CLEAR WRAP OR STEEL CAN BAG/BOX/BOTTLE FRESHEST EAST FRESH CHANNEL packaging

Club store/

Drugstore-

Supercenter Convenience store

Grocery

store

Fcofriendly/" green"

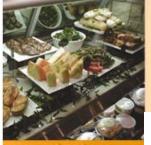
www.Hartman-Group.com



www.Hartman-Group.com

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Consumer Trends Food Quality and Food Safety

- Confidence in the safety of food has dropped dramatically.
- Create trust with your customers to create a differentiation among your competitors

THE SHADOW OF FOOD SAFETY www.Hartman-Group.com

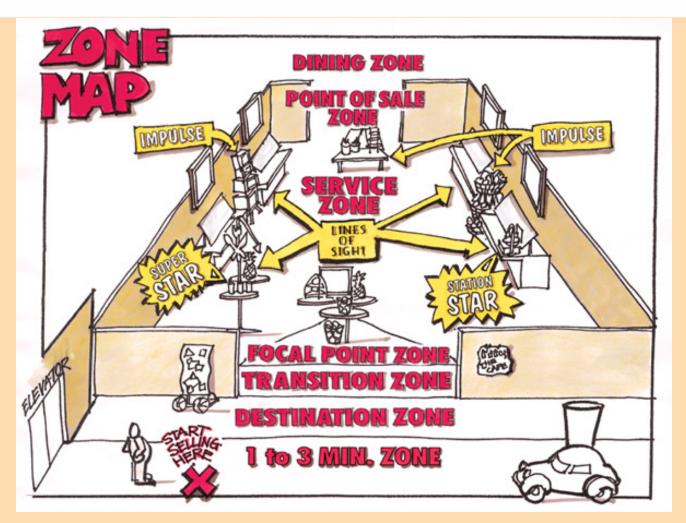
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Zone Trends

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ARAMARK Corporation

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Color trends according to CMG

Looking "Green"

- Looking natural, hand-made, un-dyed and unbleached
- Texture with all the natural imperfections proudly showing through
- Off-whites, sandy and lineny-colors, rock and soil colors, brownish-greens
- The colors of nature are seriously fashionable now.

There's News in Blues in 2008

- In all areas of decor, blues that remind us of sky and water -inspired by environmentalism -- remain prominent, even in the kitchen.
- New next year will be the emergence of a much blacker blue inspired by technology

Color Marketing Group forecasts color trends up to three years into the future for its members, many of whom must plan ahead for product, space and materials introduction. For more information: www.colormarketing.org

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Color Trends

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Specialized Finishes, Warmer Metallics

- Advances in technology have made shimmery, specialized finishes really hot.
- In 2008, metallics will go warmer.
- After so many years of brushed chrome and nickel, look for warmer shades -- coppery, bronze-y tones

More Ethnic Accents

- Globalism continues to inspire our love for ethnic accent colors from India, China and Latin America
- Moroccan reds and glowing oranges, rosy pinks, sunny golden yellows and lots of turquoise.

Already here in fashion and home design, these ethnic accents will show up as "punch" colors in hotels, restaurants and retail environments, too – often paired with rich browns as neutrals.

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Shape Trends

- Square
- Modular
- Oversized pieces







Resource: The Hubert Company



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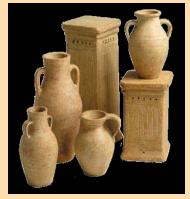
Dining Theme Trends

Asian/Zen

Tuscan

Euro/Bistro Areas

- Coffeehouse atmosphere
- Cozy nooks for relaxing and hanging out
- Gaming areas
- Renewed emphasis on socializing/small group activities





Wellness and Organic



Resource: The Hubert Company

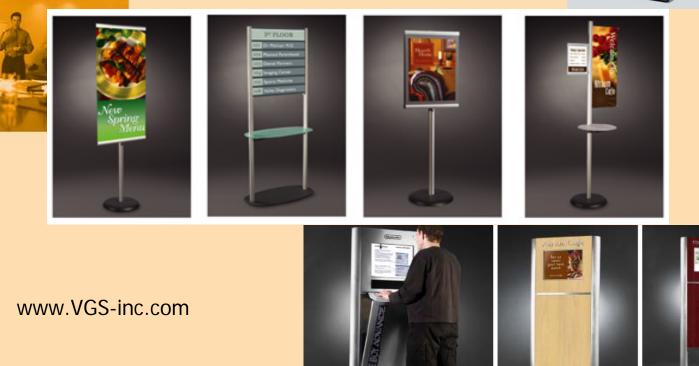
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Wayfinding Trends

- Communicate the message
- Support the brand
- Retail look and feel





Equipment Trends

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Euro styling Easy access Good display lighting Meal combinations Energy efficient



Equipment Trends – cont.

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Multi tiered product display



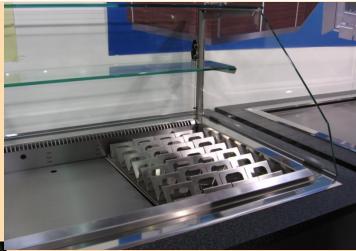


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Equipment Trends – cont.







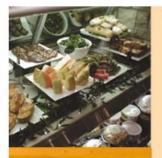


Product display racks

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Equipment Trends – cont.







Multiple product display



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Equipment Trends – cont.



Lighting and graphics

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Equipment Trends – cont.

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Different shapes and sizes



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Equipment Trends – cont.



Innovative food work stations and merchandising

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Equipment Trends – Cont.



Modular display

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Equipment Trends – cont.



Complete "Point of Service " action stations

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Equipment Trends – cont.

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Innovative shapes and sizes

Focused on energy use and Merchandising



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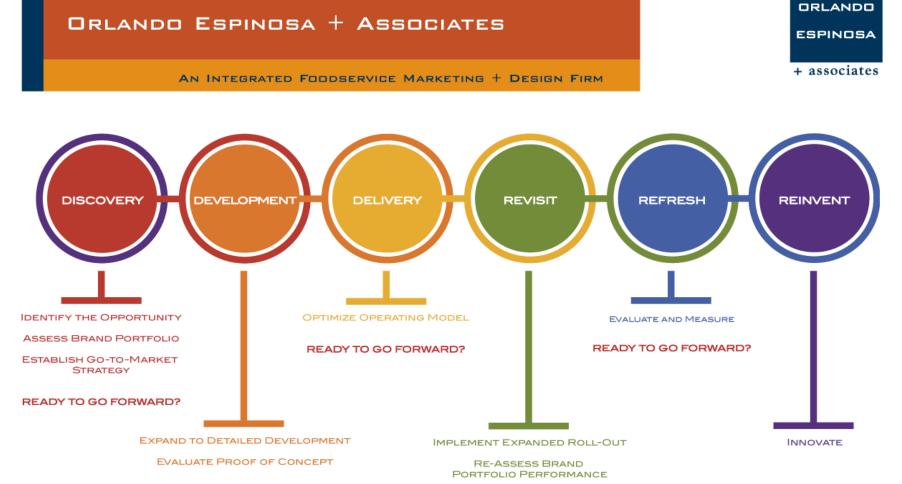
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Equipment Trends – cont.



Creative end caps and island displays



READY TO GO FORWARD?

CREATE ONGOING COMMUNICATION AND PROMOTIONAL STRATEGY



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By truly knowing your customers, you will develop more creative, innovative solutions. The result is a truly differentiated product, a more satisfying dining experience and more productive and profitable dining venues for your customers over the long term.