



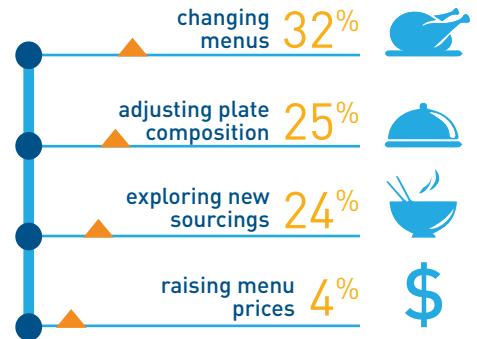
THE DIRECTV® FOR BUSINESS SOLUTION FOR Restaurants



THE SITUATION

In today's competitive restaurant landscape, there are more choices than ever for diners. Many people are frequenting fast-food chains and food trucks when they're in a rush at lunchtime or want to grab dinner on the go. Others are seeking the special offers promoted by the well-known neighborhood chains. To achieve success, casual-dining establishments need to entice customers to come in for an enjoyable experience centered around a high-quality, full-service meal. One easy, affordable way to drive more traffic through the doors is to complement good food with the great entertainment provided by DIRECTV.

HOW TO BEST HANDLE THE INCREASING COST OF INGREDIENTS



Source: <http://chefalsblog.com/infographic-whats-hot-in-restaurant-2013/>

DID YOU KNOW?

The average American spends more than \$2,500 dining at restaurants per year. And according to recent surveys, 58% of Americans eat out at least once a week and lunch was the most common meal diners ate at a restaurant, by a wide margin.

Sources: <http://restaurants.about.com/od/Restauranthistory/a/10-Things-You-Didn't-Know-About-Restaurants.htm>, http://www.rasmussenreports.com/public_content/lifestyle/general_lifestyle/july_2013/58_eat_at_a_restaurant_at_least_once_a_week <http://www.ask.com/question/how-often-do-americans-eat-out>

A RECIPE FOR SUCCESS

"We live and die by DIRECTV here. It's very, very important because of the quality and the sound. We've got four live DIRECTV sports—we show them all. It's just like being at the game. We've never, ever had a problem. We've been a DIRECTV customer for 15 years. That's 15 good years."

–Manager, Sagebrush Cantina



Source: <http://www.youtube.com/watch?v=dcgKK9MBT4>

TOP 5 INDUSTRY TRENDS



Electronic receipts

To cut costs, more restaurants have moved away from issuing paper receipts, instead offering to e-mail customers their receipts. Many customers are viewing this transition as a service, since it helps cut down paper waste. So restaurants also create a secondary benefit of being eco-friendly. It has been estimated that 9.6 million trees are used to create the 640,000 tons of paper that make up a year's worth of receipts.



Variable pricing

Restaurants are embracing variable pricing strategies to bring in more traffic. They're seeing value in reducing menu prices at off-peak times. So an entrée that costs \$15 on a Friday might cost just \$11 on a Tuesday.



Focusing on slower dayparts

Designing programs and promotions to pick up business during historically slow periods is an increasing trend among casual-dining restaurants. They may offer a late-night happy hour, known as a "reverse" happy hour. In fact, 41% of consumers between the ages of 21–34 say that drink specials are very important to their decision to visit a late-night restaurant.



Staffing costs

Labor costs, such as salaries, hourly wages, benefits, unemployment taxes and service commissions, are typically a restaurant's second-largest cost. That cost continues to rise as the minimum wage increases. In response, management is taking action to manage labor costs by improving worker productivity. It's common for managers to closely monitor scheduling, and cross-train staff so they can handle additional responsibilities and conduct frequent staff audits to assess performance.



Ditching daily deals

In recent years, struggling restaurants have experimented with daily deals in an attempt to drive business. But there has been a dip in daily deal popularity among restaurateurs. Why? Mainly because many restaurants aren't adept at determining the success of such experiments.

Sources: <http://www.gsrmagazine.com/outside-insights/what-s-cooking-2014> <http://www.creditcards.com/credit-card-news/9-things-to-know-about-credit-card-receipts-1273.php> <http://www.restaurant.org/Manage-My-Restaurant/Marketing-Sales/Food/Happy-Hour-and-Late-Night-Success>

TOP 10 INDUSTRY CHALLENGES AT A GLANCE



A recovering economy

According to National Purchase Diary (NPD) Group, a New York-based market research firm, restaurants will need to contend with the stable consumer mindset for cautious, controlled spending. Though there are reports of growth in disposable income.



Convenience counts

These days, every minute of a customer's time matters. To increase the convenience factor, many restaurants are offering curbside pickup to bolster their take-out service. A customer can park in a special spot and a staff member will bring out their order.



Rising ingredient costs

Recent surges in food prices have forced restaurants in turn to raise their prices to maintain revenue. Over a three-month span in early 2014, the price of steak increased 25 percent. Dairy prices are also on the rise. And the California drought has reduced avocado production 30%, making the versatile fruit more expensive.



Emerging diversity

Less affected by the recession, older patrons are frequenting restaurants more than younger generations. It's important for the industry to cater to their needs and preferences to keep them coming back. Similarly, Hispanic and Asian populations are growing in the United States, which is increasing the popularity of flavorful spices and specialty sauces, as well as fruit, noodles and rice.



Incentive strategies

NPD says that while tiered pricing, combo meals and value menus are appealing, restaurants need to incorporate rotating offers into their marketing plans and create new ways to entice customers. For example, a restaurant can promote an extended happy hour during an upcoming game, bring in big eaters for all-you-can-eat specials or appeal to parents with a "kids pay what they weigh" night. Special promotions are a relatively easy way for a restaurant to drive traffic.



Local commitment

To gain a neighborly vibe, many restaurants are going local when purchasing ingredients that are sold in farmers markets. Customers appreciate when a restaurant "keeps it in the community" by sourcing their meats, seafood and produce locally.



Healthier fare

Promoting a healthier menu is not a new initiative for the industry, but it is an ever-changing one. Going forward, restaurants need to provide options for consumers who prefer healthy alternatives, such as gluten-free foods. In a recent survey of more than 1,800 professional chefs in the American Culinary Federation, 55% said they will make efforts to adjust dishes to be more healthful.



Redefining fine dining

To build their customer base, higher-end establishments are going after the casual-dining crowd. Many are loosening up their attitude and cutting back on dress code requirements to accommodate more casual diners.



Customer service

There are several service-oriented challenges that can cause issues for a restaurant. Among the most common customer gripes are dirty utensils, dirty restrooms, impolite servers and servers with poor hygiene.



Increased competition

When a new establishment opens, nearby restaurants need to stick to their "bread and butter." There's a natural curiosity to try new restaurants, but those offering a unique, high-quality experience profit over time. Features such as service, menu specials or signature events help create a competitive advantage.

Sources: <http://nrn.com/food-trends/10-trends-shaping-restaurant-industry-2014> <http://chefalsblog.com/infographic-whats-hot-in-restaurant-2013/> <http://www.businessweek.com/articles/2014-04-17/burrito-alert-chipotle-is-raising-prices> <http://portlandfoodanddrink.com/consumer-reports-top-restaurant-service-issues/> <http://restaurantenginc.com/restaurant-business-cashflow-problems/>

HOW DIRECTV SERVES UP A BETTER CUSTOMER EXPERIENCE

In the ultracompetitive restaurant business, if you don't stand out, you'll sink fast. Establishments need to offer a top-notch customer experience that goes beyond the menu. Providing unbeatable DIRECTV entertainment is the extra ingredient to attract more customers.



1 MAKE EVERY MEAL MORE ENJOYABLE

PROBLEM — "Our customers rave about our food, but there's something missing from the overall experience. It would be great to combine our food with entertainment that really gets people talking."

SOLUTION — Nothing goes better with a delicious entrée than popular news, sports and entertainment channels. DIRECTV has a wide variety of channels to satisfy customers who are hungry for a more well-rounded dining experience.



2 BE THE HOTSPOT FOR EVERY BIG EVENT

PROBLEM — “Right now, our restaurant is a place to eat. We want it to be more of a destination where people can come to meet and be entertained.”

SOLUTION — With over 50,000 live sporting events each year and a wide variety of national news networks, DIRECTV keeps customers connected to all the big games and breaking stories.

3 CREATE A LIVELY OR RELAXING ATMOSPHERE

PROBLEM — “When our restaurant isn’t busy, you can practically hear the fryers sizzling in the back. When it is busy, there’s a lot of chatter, but not much ambiance.”

SOLUTION — Studies show that music contributes to healthier dining habits and can influence consumer behavior and perception. DIRECTV offers SonicTap® Music Channels to help restaurants attract the type of customers they need. Play upbeat music for a younger crowd. Put on soothing sounds for more mature diners. And every SonicTap® song is officially licensed, so there’s no need to worry about being fined for playing unapproved music.

DIRECTV HELPS CREATE A RECIPE FOR SUCCESS

With so many places to eat, customers will head to the restaurant that gives them the dining options they want with other enjoyable amenities on the side. DIRECTV brings several benefits to the table for every type of restaurant.



Make wait times feel shorter—Show customers who are waiting for a table or other guests in their party the best news, sports and entertainment. A recent survey shows that 84% of business viewing subscribers believe DIRECTV service keeps customers entertained even if they’re waiting.



Give your servers a break—Watching DIRECTV is the perfect way to de-stress for a few minutes in the middle of a hectic workday.



Get in the game—Become the sports headquarters for fans of all kinds. DIRECTV offers out-of-market games from all of the major sports leagues.



Make your place family-friendly—DIRECTV is a big hit with children. Show the most popular kids’ shows and cartoons, and parents will thank you.



Set the mood for your customers—Scroll through the SonicTap® Music Channels to find the right tunes for your restaurant’s style.



4 PLACES DIRECTV MAKES A DIFFERENCE

- 1 Make wait times fly by showing popular shows, or by playing SonicTap® Music Channels in your waiting area
- 2 Display the latest news, sports and entertainment in your main dining room

- 3 Fill every seat in your bar area for any sporting event
- 4 Add an extra perk to your private offices and breakroom

52%

Percentage of adults likely to use a smartphone or tablet to order takeout or delivery.³



72%

Percentage of adults who are more likely to visit a restaurant that offers healthy options.¹

\$683.4 BILLION

Projected restaurant industry sales in 2014, which is up from \$586.7 billion in 2010.²



92%

of bar and restaurant subscribers agree that adding **DIRECTV** to their business has been a good decision.^o

88%

of bar and restaurant subscribers believe **DIRECTV** provides a more enjoyable experience for customers.^o

¹ National Restaurant Association, Technology Innovations Consumer Survey, 2013

² National Restaurant Association 2014 Restaurant Industry Forecast

14

years in a row, **DIRECTV** has rated higher in customer satisfaction than cable.*



In fact, **DIRECTV** is #1 in customer satisfaction over all other cable and satellite providers.*

*As compared to the largest national cable & satellite TV providers. 2014 American Customer Satisfaction Index.

^oResults are based on a March 2014 national survey of 503 **DIRECTV** business viewing subscribers with at least 3 months' tenure who expressed an opinion.