

Key Benefits of Utilizing Self-Service Kiosks in Quick Service and Fast Casual Restaurants



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Forward

Recent industry news pertaining to quick service restaurants (QSRs) and fast casual establishments has shined a spotlight on a growing trend in both sectors – the desire to enhance the customer experience through digital measures.

Included among the numerous digital options has been the growth of self-service kiosks where customers independently order food and pay using a touchscreen versus placing an order to a cashier behind a register.

In the April 2018 Restaurant Readiness Index™ by PYMNTS.com in collaboration with Bypass and Bank of America Merchant Services, 41 percent of restaurant participants surveyed regarding 2017 Q4 data indicated they had implemented in-store kiosks, a four percent

increase over the previous quarter. Kiosks were also the in-store feature that represented the greatest improvement since the previous study, showcasing the steady momentum behind restaurants incorporating self-order kiosk programs into their growth plans.

There are many advantages to QSRs and fast casuals adopting self-order strategies, but three well-documented benefits include enhanced customer service, improved productivity and increased profits. The solid growth and attractive benefits of self-service kiosks means we'll continue to see our favorite QSRs and fast casual restaurants set themselves apart from the competition.



41 percent of restaurant participants surveyed regarding 2017 Q4 data indicated they had implemented in-store kiosks, a four percent increase over the previous quarter.

Enhanced Customer Service



It's no surprise that in an age when one negative comment can go viral on social media or a mediocre Yelp review has the power to turn away a potential patron, companies have invested a good deal of time and money to ensure their customer experience is solid.

And in a world that has become increasingly automated thanks to smart appliances, calendar apps, and voice technology, a greater number of people have come to expect transactional experiences to mimic the convenience they're used to – frictionless and fast.

In fact, according to a Forbes article titled "Ten Customer Service and CX Predictions for 2018," convenience has become a factor companies can't ignore for the upcoming year. The article states, "The next wave of disrupters to an industry and/or competitor down the street is going to include the concept of convenience. We've already seen how the convenience of using Uber disrupted the entire taxicab industry. And, Amazon became a great retailer, at least in part, by being one of the most convenient companies on the planet to do business with."

Placing high value on expediency, the digitally-native Gen Z and millennial generations have arguably been the catalyst behind the demand for more automatic and customized experiences. With these two generations representing more

than 50 percent of the population, companies must dial in on the age groups' specific desires to guarantee they meet the changing demands of this significant number of consumers.

Predictably, implementing self-service technology addresses these growing requirements for convenience. And in the QSR and fast casual industries, where distinction is already placed on ease and speed, self-service kiosks are a natural fit for the service customers anticipate.

Lessened wait times and order accuracy are two positive aspects that heighten the customer experience.

The Kiosk & Retail Report by PYMNTS.com, in collaboration with USA Technologies states, "Kiosks allow [customers] to place their orders

without the hassle of waiting in a long line or, for that matter, having one's aversion to pickles ignored by the absentminded kid behind the counter." The ability to participate in the order process by choosing customization options allows customers to verify their selections and lessens the chances of incorrect orders.

According to the same report, these kiosks can also help the business owners keep tabs on customer satisfaction through surveys as well as by providing data on purchase histories, loyalty program enlistment and more. Having access to this information allows the restaurants to continually improve based on important patron feedback.

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Improved Productivity

With customers adopting a larger role in their own ordering experience, a concern raised by some critics has been that the efficiency of kiosk technology could replace human workers. However, many restaurants adopting the self-service kiosks are refuting this claim.

In fact, as an early implementer of the self-order kiosk program in 2017, McDonald's serves as a good case study. According to an article by Business Insider called "McDonald's shoots down fears it is planning to replace cashiers with kiosks," a McDonald's spokesperson addressed this very issue, asserting, "[Self-order kiosks] provide an opportunity to transition back-of-the-house positions to more customer service roles such as concierges and table service where they are able to truly engage with guests and enhance the dining experience."

As substantiated by McDonald's claim, many QSRs and fast casuals are looking to improve their productivity by allowing kiosks to take on some of the transactional load. With patrons able to self-order, cashiers can be repositioned to more task-related or customer service duties, essentially being a better brand ambassador to improve the patron's overall experience.

In kioskmarketplace.com's 2017 white paper entitled "The State of Kiosks in QSRs," the site lists a focus on expediting as one of the benefits of QSR kiosks. The paper states, "Employees can spend their focus on creating and expediting the food. This can also increase the output of food delivered, resulting in higher sales and lower labor costs."



Increased Profits

While customer service and increased productivity are both important factors for restaurants deciding to adopt self-service kiosks, investment in this technology has proven to have a positive impact on a company's bottom line.

Earlier studies by McDonald's found that at one store the average ticket from a self-order kiosk was 30 percent higher than an order placed at the counter.

Numerous studies have shown increased ticket sizes due to self-service kiosks.

First, customers are inclined to order more food, especially higher-calorie items, when checking out independently versus placing an order with a cashier.

This is attributed to people's human

nature to avoid perceived negative judgments by others, which can be avoided with self-checkout.

Second, software programs encoded to upsell specialty items are also known to increase revenue. In fact, kioskmarketplace.com notes in its white paper, "Earlier studies by McDonald's found that at one store the average ticket from a self-order kiosk was 30 percent higher than an order placed at the counter, and that 20 percent of customers who didn't initially order a drink would buy one when it was offered, thanks to the automatic upsell feature of self-order kiosks."

With more QSRs and fast casuals reporting increased profit margins, it's no surprise that the self-checkout kiosk market continues to grow.



Conclusion

Currently, 2018 has seen QSRs and fast casual restaurants like Taco Bell, Wendy's, Subway and many more indicating they'll be launching or continuing to unroll self-order kiosk programs in their stores this year. Consequently, as more big-name restaurants look to digital tools to better serve their clients, the entire industry will undoubtedly follow with the effortless adoption of self-service kiosks to complement their own technology initiatives.

Resources

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