Order kiosks making a comeback in the restaurant industry

During its most recent earnings call, McDonald's CEO Don Thompson outlined global strategies to get the company back on track after a 30-percent profit loss. At the forefront of that plan is expanded digital efforts and millennial outreach, including mobile technologies and kiosk ordering.

Thompson said. "On the digital front, we believe digital and mobile technologies and kiosk ordering offer opportunities to allow customers to have a choice in their experience. The ‘Experience of the Future' resonates well with customers around the world."

McDonald's digital goals are aimed at connecting more with millennials specifically, who have grown up interacting with technology.
"The reality is we haven't been changing at the same rate as our customers. So we're changing and we're changing aggressively," he said during the Q3 earnings call. "The key to our success will be our ability to deliver a more relevant experience. We have listened to our customers and we better understand what their future experience should look like – personalized, local, a contemporary and inviting atmosphere and choices on how they order, what they order and how they're served."

NEC Display Solutions Vice President of Product Marketing and Solutions Operations of Americas Richard Ventura said it's important for brands to incorporate technology, specifically kiosks, especially as they try to reach millennials:

"Let's be honest: when you're dealing with millennials, they want quick, easy transactions and communication on their level. Technology is on their level – they aren't going to go back and forth from a counter. Kiosks give them the opportunity to interact on their level of comfort," Ventura said. "For example, an older couple will approach a restaurant counter and take their time when they order. They're going to think about what they want. Millennials already know and they've made their decision by the time they get to the counter – there are no opportunities for upsell, and millennials, being accustomed to technology, like a sensory experience – to touch and feel things. Kiosks give them that opportunity."

**Restaurants hitch their star to the mobile apps bandwagon**

Four years ago, order kiosks popped up in restaurants around the country, and then suddenly slowed, according to Ventura. European restaurants continued to invest in kiosks, while digital signage and mobile apps took over in the US.

"I think one reason for the declined interest in kiosks is that all brands were coming up with their own order apps, which is easier than putting something physical in the store," he said.

At the same time, there was a perception in the US restaurant industry that kiosks didn't serve much purpose. In Europe, kiosks proved to be convenient for the multiple languages spoken on the continent. Faced with a need for only English and Spanish and mobile app trends dominating the market, kiosk growth nearly came to a grinding halt for both QSRs and fast casual domestically.

**Kiosks get a (small) footprint in the door**

Now, however, more and more we see kiosk self-ordering and self-service technologies are coming over from Europe, Ventura said. In other words, there's a shift back toward order kiosks in the restaurant industry. This is evidenced by big-named players, such as McDonald's and Panera, deploying the feature.


"I think they bounced back in the US because brands are realizing they can use them for more than just ordering. Fast casual is a great example. With the complexities of the menu and more of a focus on allergens and catering services, kiosks provide another way to market those services," Ventura said. "For the longest time there was a huge push for digital signage in restaurants, and QSRs jumped on it immediately. Fast casual didn't want to change the look of their brand though; they didn't want to look like QSRs. They've since learned that digital efforts are a good way to advertise and deliver speed of service as well as accuracy."
According to Ventura, we’re also in a less expensive phase for technology, a factor that could be contributing to the renewed interest in order kiosks.

"The price of technology has come down a great deal in the past few years, with kiosks becoming more affordable. In the initial early adopter phase, new technology can be costly, but we're finally past that, and have entered the infancy stage," he said.

**Ask not what kiosks can do for you**

Ventura said self-order kiosks provide the same advantages as the Coca-Cola Freestyle machine, which allows customers to create different beverages from a variety of flavors. In addition to offering more choices and interaction, the Freestyle can also capture data for restaurants, and allow them to analyze market trends geographically.

"Kiosks can do the same thing for restaurants," he said. "They can capture regional data on what people are ordering and allow customization of orders. They can capture a really good idea of trends and where the big upsell opportunity is.

"Right now, the restaurants using kiosks are the ones that want to differentiate themselves from the competition," he added.

From a content perspective kiosks can be less expensive. They can be used with apps – there's no need to design new content, and brands can use an omnichannel approach. Because many kiosks have gone Android-based or HTML 5, restaurants are able to develop webpages without high-end computer upgrades and utilize Wi-Fi networks a lot easier, Ventura said.

But is McDonald's on track with their planned digital and millennial outreach?

"I definitely think it's a great strategy," Ventura said. "Younger generations walk around buried in their cell phones, and they're not always texting – they're looking for restaurant apps and places that meet dietary or Wi-Fi needs. With Apple Pay, we may find soon that millennials don't even use credit cards anymore. We're already seeing that in Asia and Europe. There's such a connection between millennial interaction and technology that you have to have an app at the bare minimum. If you don't, odds are really good that you're not going to be very successful, because they want to order and tweet about it. Kiosks can do that and provide upsell opportunities that increase the likelihood the customer will order more."

*Photo provided by Flickr user McDonald's Switzerland.*

**Topics:** Online / Mobile / Social , Online Ordering , Systems / Technology , Trends / Statistics

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