Self-Serve Kiosks
RESTAURANT OPERATORS
A Proven Strategic Approach

Where Ideas Are Reality

2019

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Where Ideas Are Reality
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This guide is aimed at CEOs, Commercial, Operations and IT Directors of large operators who are tasked with the strategic planning, piloting and deployment of self-serve technology through kiosk, online and mobile.

It looks at proven approaches to self-serve and kiosks in the restaurant environment, the critical pitfalls to avoid and road maps the future of the new digital customer journey.

It includes:

- Are Kiosks Your Biggest Opportunity Yet?
- Self-Serve Roadmap
- The 6 Proven Commercial Benefits of the Self-Serve Kiosk
- Who Has Succeeded and Why?
- It’s All About the Customer: Nothing More, Nothing Less
- Technical Strategy & Integration
- Six Steps for Success
- About Kurve
Rise of the Kiosk
“The restaurant industry is transforming and competition is more intense than ever before. “Winning” restaurant brands will be those that best understand their customers, capitalize on digital technology options and analytics, and seize upon the opportunity to engage customers in a highly personalized way.”

Deloitte
Today, kiosks and self-serve are on the UK hospitality agenda, firmly imprinted by the market leader and shaper, McDonalds. Since the launch of its global strategy “Experience of the Future”, the commercial results and customer love of self-serve and kiosk in the UK and globally is defining the new digital customer journey.

The UK QSR and casual dining restaurant sector is at a tipping point of widespread adoption of self-serve and kiosk technology, fervently trying to combat tech enabled market disruption and the rise of third party order and delivery Apps, a fast changing digital native customer and tough economic and political times.

For too long British operators have been watching the prolific and successful digital transformation of self-serve and instore kiosks in the United States, asking themselves three pertinent questions:

1) Are self-serve kiosks right for us?

2) How will restaurant self-serve kiosks be received by our British diners?

3) What is the best approach to integrating self-serve and kiosks into our existing physical environment, customer journey and BoH infrastructure?
The big question is how do we best approach self-serve and kiosk strategy for our own individual customer journeys?

Restaurant self-serve technology is here to stay and will become mainstream, particularly in the quick serve sector, whether individual operators chose to migrate totally to a cashless self-serve environment or integrate it into a blended environment of self-serve and cashier transaction.

Self-serve technology is in our daily lives at kiosks, online and mobile. It is the new norm in ticketing, health, transport and more. And it is penetrating restaurants and the wider hospitality sector faster than many of us like to acknowledge. There is no longer time to watch and discuss what others such as Tossed and McDonalds have achieved, it is a time of action and deliverable results.

This guide shares personal experiences and proven approaches to this question.
Most will agree that self-serve and kiosk technology is probably the biggest opportunity ever for the QSR and casual dining sector. Whilst technology has been the driver of unprecedented disruption faced by operators large and small, it is also opening enormous opportunities for those who are prepared to change what they do and how they do it.

British diners are loving restaurant tech that serves them quicker; gives them more choice and flexibility; brings convenience and control; and gives them the extra value they crave.

Welcome to the new digital customer journey across kiosk, online and mobile where the physical and digital experience becomes entwined to create one unified and empowering customer experience.
As creators of the self-serve software that drives Europe's first cashless kiosk QSR chain, our customers have discovered 7 benefits beyond the initial scope of queue busting including:

01. Up and cross selling
02. Order customisation
03. Brand loyalty
04. Customer retention strategies
05. Service improvements
06. Speed and convenience
07. Profit margin growth
Self-Serve Roadmap

2019

Whilst claims of 30% increase in transaction value at McDonalds’ kiosks are impressive, measured success lies in the end objective for an individual operator’s self-serve and kiosk deployment and its part in a holistic customer centric strategy.

Deciding the value and role-out of the self-serve and kiosk opportunity means going beyond just queue busting and consideration of the bigger picture and ultimately, where you want to end up:

- End goal of re-defining your customer journey
- Enhancement of your Brand promise and proposition
- Consumer trends of your core market
- GAP analysis of your existing operation and customer base
- Experience scoring
- Provisioning scoping
- Investment and ROI ratio
- Opportunities Vs Threats of not embarking on a self-serve and kiosk strategy

Know your areas of demonstrable ROI:

- Queue busting
- Average sales value tracking
- Transaction to delivery time
- Loyalty
- Customer satisfaction
Review of existing operational setup

Review of existing back of house tech

Project delivery needs

UI/UX and Hardware options

Pilot go live

Estate Wide Roll Out

START

FINISH
While benefits to tech-savvy millennials are obvious, benefits to the restaurant vary and are largely dependent on size concept, and customer demographics. In a time of fierce competition, any effort to improve the customer experience to increase market share may be worth investing in. Couple traffic growth with improvements in average transaction value and operational efficiency, and the investment can surely have a positive return on investment.
1 Reduce ordering time:
With a larger menu, the traditional ordering process can often lead to delays in total service time. Self-serve kiosks or mobile ordering systems help customers navigate the menu with messaging that is manageable and bite-size.

2 Increase order accuracy:
While staff may be trained to repeat back to a customer his or her order prior to processing, order errors are still inevitable, especially with more customisation options. A visual recap of a customer’s order puts the responsibility on the customer thereby increasing accuracy.

3 Reduce labor costs:
In certain instances, kiosks may provide labor savings if the concept allows changes to the front-of-house structure. However, be careful in how you do this: the addition of kiosks can result in the need of more front-of-house employees to aid in technical support if the user experience is not totally intuitive but to enable your customers to serve themselves with ease, confidence and speed.

4 Alter menu prices in real-time:
Promote or discount items to move inventory or leverage favorable food costs to the restaurant’s bottom-line advantage. As printed menus are static and offer less flexibility, kiosk systems, depending on the vendor, offer real-time adjustments to content.

5 Grow order value through effective upselling:
Training staff to effectively up-sell multiple messages is often challenging. These digital platforms enable the restaurateur to program multiple messages based on customers’ purchase behavior. For example, upsell extra bacon for a burger or a garlic dough balls for the pizza.

6 Push customers to more profitable items:
The ability to sufficiently market high priced items may be limited given the space on a print-ed menu. Ordering systems have no space limitations and have more room to entice customers into more profitable items through imagery and compelling item descriptions.
The British QSR and casual dining market has spent the last five years watching colleagues across the Pond with anticipation, excitement - and fear.

With the well noted success of Tossed and its cashless kiosk outlets across London and the clear national consumer approval of McDonalds' kiosks, operators are now on a fast paced plan of “catch-up”.

It is no longer a time for discussion only action.

Who Has Succeeded and Why?

The average order value placed by customers

How long customers wait for their meal

How accurately each meal is delivered

What the staff costs are
McDonalds shaped their new strategy totally about today and tomorrow’s tech savvy consumers. Their Experience of the Future strategy looked at how their customers behave and the key experience factors that influence satisfaction in the McDonalds’ brand promise.

The smartphone is the hands of almost every quick service restaurant customer. So, aligning the McDonalds’ brand promise to that device and bringing in other convenience technologies was deployed.

The effectiveness of this strategy has been analysed by many, including Cowen’s Andrew Charles, and when measured it shows what technologies have had most impact in four key areas.

~ Average order value: 30% increase
~ Lower waiting time
~ Increased order accuracy
~ Lower staff costs

“McDonalds is cultivating a digital platform through mobile ordering and Experience of the Future (EOTF), an in-store technological overhaul most conspicuous through kiosk ordering and table delivery. Our analysis suggests efforts should bear fruit in 2018 with a combined 130 bps contribution to U.S. comps. We believe mobile ordering better supplements the drive-thru business where 70%+ of U.S. sales are transacted. In our view, MCD’s differentiation lies in the operational enhancements of mobile ordering that includes curbside pick-up of orders in order to not disrupt the drive-thru.”

Andrew Charles
Put simply, McDonalds are making life easier for customers through providing technologies they use in ever increasing frequency and have become native too: the mobile interface.

As most of us will have seen already these technologies, most notably self-ordering kiosks, are now in many McDonalds restaurants in the UK. The trials have been done and the increased revenues and bottom line results tested. They work.

Technology continues to drive consumer change and is rapidly changing the way our guests want to engage with restaurant operators. McDonalds, its Brand pull and power to shape the QSR consumer, means the self-serve kiosk is not only here to stay but an essential ingredient in the customer journey.

And the good news is, McDonalds has done the trials, proved to the market it works and that this is the future for many operators.
Tossed

Tossed started to roll out a kiosk solution in 2016 in response to limited capacity and surging demand during the peak lunch window. Rather than implementing just a few kiosks per store, Tossed opted to get rid of manned tills entirely, opting to run stores 100% with self-order kiosks.

One major benefit of this switch to kiosk run stores, is that 90% of staff are now able to help directly with order preparation rather than manning tills, helping to alleviate a huge bottleneck at peak times. This reliance on preparation is a consequence of Tossed’s highly customisable product where customers can build their product to their own specification.

With the success of the first few stores, Tossed has now rolled their 100% kiosk & cashless concept to all but two stores. This is perhaps one reason why they’ve triumphed over competitors in what’s a highly competitive space.
It’s widely known and accepted that Millennials and Gen X are a lucrative and essential market for the QSR and casual dining sector and pivotal to our survival. We know they crave instant gratification, have a natural appetite for everything digital, demand freedom to choose and control how, when and where they engage and transact with us.

These highly valuable consumers eat out more frequently at the QSR and casual dining outlets and have weightier expectations of the brand experience than older generations. They have been considered “less loyal” than older consumers and are driven by value, speed and convenience – everything the tech enabled disrupters have given them.

So what has been holding the UK restaurant sector back in adapting to change and introducing a digital customer journey of self-serve through instore kiosks and mobile?

1) Fear of change
2) Fear of upsetting and losing customers
3) Fear of complex and expensive infrastructure and integration
4) Fear of disrupting the existing physical outlet
5) Fear of not getting it right
6) Fear of the unknown
It’s Time to Focus on the Reality

1) The consumer change has already happened
2) Customers of all ages want more self-serve
3) Road mapping, migration and integration specialists exist
4) Proven strategies and models to follow and adapt
5) Rise in hardware and cloud technologies has lowered the entrance cost to software driven kiosks
6) Not doing anything is enabling others to get ahead of you
What Customers Love About Self-Serve

In the world of hospitality, there can be a perception that kiosks depersonalise customer service. But in reality many cases, self-service is reinventing customer experience for the better. Customers appreciate having more control over their experience, with the reassurance of intuitive and immersive self-service technology and the added benefit that staff are focusing on serving not processing.

Both rational and emotional motivators are drawing UK consumers to instore restaurant kiosks:

- The feeling that things are moving faster (even if they’re not)
- The sense of control
- The comfort of perceived order privacy
- The interactive nature of kiosk
- The eye-catching digital displays
- Desire for personalisation of loyalty offers minimal, if any queueing
- Fast and easy ordering
- The availability of nutritional and ethical information
- The freedom to customise their order
Keep Your Customers Loving You MORE
What Are Your Customers Thinking?

If you want to transform your customer journey then you need to transform your understanding of your customer’s mind-set. Our next-generation customers are values-driven, hyper-connected, health conscious, tech-savvy, social, collaborative—and time starved.

According to a Deloitte survey, they don’t like waiting, and they’re likely to value and come back to places that don’t make them wait.

They’re hyper-connected and if a location lets them use technology to place an order, they’ll come back 6 percent more often and spend 20 percent more each time.
Always Connected.

They value connections and 70 percent look for apps that deliver personalised offers and convey the sense that a restaurant “knows them.” But looking at macro trends is only one part of knowing a customer base. Delving into your own customer data and applying sophisticated analytics techniques can give you the essential and powerful insights you need to create a new customer-centric and digital customer journey.

Just because your competitors are introducing digital self-serve instore or not introducing it, doesn’t mean their chosen path is right for you and your customers.

Any decision to invest in self-serve and kiosk technology must not be made on the basis of FOMO (fear of missing out) but on strategic decision making and customer journey mapping.
Creating the New Customer Journey

Online. Kiosks. Mobile.

Kiosks are often the entry point for embarking on self-serve digital transformation. But the kiosk is only the start and opens the door to the restaurant of the future and a universal brand experience at the kiosk, online and mobile. In the not too far future, we’ll see a level of personalisation and customisation like never before, all enabled by tech and big data.

However you first envisage your new self-serve customer journey, knowing where you want to end up is the starting point to protect your investment, ensure agility in a very fast changing tech world and secure a seamless customer experience of captivating, compelling and all empowering design.

What Will Your Future Restaurant Look Like?
Kiosks might look like a tempting solution for many QSRs and casual dining operators to queue bust and lower payroll. But kiosks go way beyond transaction to represent other more important values to both the customer and business. And there is also many aspects to carefully consider in the role, functionality, design and integration of the kiosk.

Many customers see kiosks as a possible source of frustration or embarrassment and they are unlikely to change behaviours unless guided to the new kiosk-oriented behaviour, either by incentives to use it or discouraged from using the old order process.

In fact, when McDonalds introduced self-service ordering touch screens recently, there was resistance from many of their visitors. Even when these kiosks were being used, it was inefficient because the users had not learned how to navigate the UI. Over time regular customers became adept and able to modify their meals to suit their preferences in a way that they may have been embarrassed to do when faced with another human being on the other side of the counter. Now their customers prefer kiosk self-serve and their transaction spend has increased by 35% with McDonalds seeing a substantial increase in revenue when the rest of the sector is witnessing a slow down.

Another consideration is scalability. Too many kiosk designers do not consider work rates. If the action being undertaken at the kiosk takes a minute, then the kiosk is capable of serving at most 60 users an hour. Often customers are less efficient at conducting tasks than employees are and backlogs can result.

Making the self-serve interface attractive, efficient and easy is critical to reduce error rates and customer abandonment.
Top UX Considerations

01. The self-serve technology must provide outcomes that your customers value and consider worthwhile with the role in processing their own order.

02. The UX interface must be immersive and intuitive to avoid customer frustration and staff intervention.

03. The platform must enable quick and easy editing for new products and promotions.

04. The UX must be perceived by the customer as being ultra-convenient, providing more choice and giving the user control of the experience.

05. Scalability for future extensions of the customer experience in biometrics, AI, AR and hyper-personalisation.
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As one of the creators of this self-serve technology revolution, Kurve has identified six key areas for a successful strategic approach to self-serve and kiosk adoption:

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01 The Customer User Experience:
Ensure both the interface and experience is one of a carefully mapped journey of intuitive ease, immersive engagement and seamless journey whatever the self-service PoS. From architectural design to visual appeal and engagement through to post transaction value, the customer user experience is the crux to your Brand value and self-service deliverable value to the customer.

02 Software Integration:
Know how your BoH, EPoS and Self-serve software will weave together to form one powerful data management hub to drive both customer experience and operational management. Know before you start, how both your staff, Head Office and customers will use and experience all elements of the software systems and know how all applications will be integrated into one unified experience.

03 Network Infrastructure:
Consider the capability of your existing network capacity, priority routing and security. Review and plan your network infrastructure as part of the strategic self-serve plan.

04 In-store Mapping:
Understand how customers will travel through your outlet. Map out what changes need to be made to accommodate for the new customer footmark flow for the self-serve and kiosk instore journey and how best to maximise the high impact digital technology.

05 Product Editing and Promotion:
A key goal for self-serve is increased transaction value. In order to achieve this, a process to enable fast product and promotion update both locally and from the Head Office across all your EPoS and self-serve touch points.

06 Identify ROI Trackers:
Set goals to collate return on investment for different aspects of self-serve including: Average basket value, average order to delivery time, customer transaction wait time, customer satisfaction scores and customer loyalty/frequency.
Technical Strategy & Integration

Kiosk & self-serve technology can either be integrated into the existing infrastructure along with the EPoS system, or can be run stand-alone with no tills. Either way a review of the technical strategy is required to understand the challenges of the technical set-up and the link to your products database & PoS.

01 PoS Integration & Data Management

The first consideration is the incumbent PoS solution. If a hybrid solution of both tills and kiosks are the strategy then a two-way integration is essential. Firstly, to minimise product and data maintenance requirements the kiosk solution will extract the key PLU data from the PoS database.

This data will then get pushed into an ‘editor’ that will enable the PLU data to be enhanced to make it relevant for displaying to a customer for example high res images & supporting customer facing text.

This ‘editor’ can also include other data from the PoS database to enable promotions, meal deals and whatever else you chose. Once the kiosk transaction is complete the kiosk must send the finalised and balanced transaction back to the PoS database for reporting and reconciliation.
02 System Reporting Requirements

Another key element to be scoped, is the flow of data for reports to enable a ubiquitous and real time flow of data between the systems. Data from the kiosks and online ordering solution can then feed into the central data and reporting hub to provide segmented data on the self-ordering transactions. Payments can then be handled by the kiosk and the basket data and the authorised payment details can be returned to the database so that the site can carry out a standard end of day process.

Ensuring there is reporting from within the kiosk to consider elements, such as abandon paths and UX flow is also important to allow for understanding how customers are using the kiosk and where the potential user flow issues are. It is all about management efficiency and improving the customer experience for maximum revenue and ease.

03 IT & Network Provision

As with all new systems, there will be IT needs, some of these will piggy back the existing infrastructure or for a new build site will form part of the overall IT strategy. Kiosks require outside comms for payment processing and completing transactions, and dependent on the architecture of the data/PoS system, data will need to be fed into the cloud or into a local onsite server using the local network.

Whether the kiosk set-up is using small form tablets or larger 27” floor standing models the housing (known as the kiosk enclosure), must be secure and also provide scope to add in the various peripherals such as printers, scanners and payment devices.
About Kurve

We are the UK’s leading experts in self-serve solutions, serving over 200 kiosks & expanding.

Kurve’s consultative approach, means we listen to what your self-serve and kiosk idea is and work with you to create your vision from start to finish. With a flexible attitude, we can work with kiosk hardware across all size formats from 10” tablets to 32” floor standing, your payment partner of choice and a range of peripherals options.

Kurve’s all-in-one cloud self-serve hub works across kiosk, web & mobile and neatly slots in to any management system. We know how important customer experiences are & we are passionate about creating new & immersive digital experiences designed to bring value to your customers, increase transaction value & ease operational strain.

Our detailed knowledge of hospitality software systems is our strength. With a suite of integrated applications including marketing & loyalty, kitchen management, mobile & web ordering, payments & much more, we make digital multi-channel ordering easy & create all together great customer experiences.

Offering expert consultancy & professional services to our customers, our specialist team provides unparalleled experience to excel the digital customer journey, customise solutions & smoothly roll-out kiosk & self-serve projects.

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Learning from the success and mistakes of others is key. As is finding a partner and vendors who can become part of your internal team, to act in your best interest, focus on your ideas and commercial needs, whilst delivering your the scalability, agility and can-do-attitude to protect your investments today and tomorrow.

The opportunities are enormous and we look forward to seeing the UK hospitality market take advantage of the self-serve and kiosk revolution and bring to life, an altogether better customer experiences to stay ahead of the face paced game of change.

Across our industry, there is no doubt that self-serve technology will become a dominant and critical part of our operational processes and our customer experience. And by the very nature of technology, will continue to transform itself as AI, AR and VR reach maturity and part of our everyday lives.

At this moment in time, an agile and proven strategic approach compiled of essential stepping stones, key milestones and measurable goal posts is needed to map out all the physical and digital components.

Creating a seamless, unified customer experience across kiosk, online, mobile and the traditional point of sale, takes skill, knowledge, multi-discipline flair and know-how of system integration across an operations IT infrastructure - often complex and always unique.

Knowledge Is Power

Round-Up

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The writing of this report was compiled from a variety of sources and market observations, along with first-hand experience from the directors of Kurve in their work with self-serve kiosk strategy and software design with operator Brands.

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