

# Consumers may be ready for self-service, but study finds some operators aren't

By Alan J. Liddle

**FRANKLIN, Tenn. (July 2, 2009)** North American consumers are increasingly comfortable with using self-service technology to order food, check themselves out at stores and buy tickets, but some quick-service restaurant owners nonetheless have qualms about deploying such devices, new research indicates.

The 2009 North American Self-Service Kiosk study from IHL Group of Franklin finds that the number of kiosk transactions is growing. Even so, comments by a leading analyst with the research and consultancy firm indicate that some fast feeders remain reluctant to introduce such technology to their operations for reasons relating to cost and service philosophies, among others.

IHL estimates that transactions by North Americans using self-service kiosks or other systems will exceed \$775 billion in 2009. By 2013, more than \$1.6 trillion in North American self-service transactions will be handled by such devices as in-restaurant food ordering stations, grocery and other store checkout systems, ticketing and check-in kiosks, and postal and other retail ordering-and-payment platforms, according to the research and business consultancy company.

"We expect continued double-digit growth in the revenue generated by self-service transactions, particularly as retailers, restaurants and transportation authorities offer more devices in more locations," said IHL lead retail analyst Lee Holman. "Most consumers have adapted to self-service as a way of life."

Holman added that the recession "is actually increasing the acceptance of the technologies" among the owners of many types of businesses, "as they are [viewed as] a hedge against increasing labor expenses in a tough economic climate." Such adopters see self-service technologies as a means to "allow companies to schedule their workforce for high-volume periods without sacrificing service during nonpeak times," he explained.

But when it comes to restaurateurs, Holman said, "the key thing that is still happening, especially in the QSR market, is that there is some reluctance to go to self-service kiosks."

Holman said some of that reluctance stems from the fact that at many quick-service operations the drive-thru lane generates the bulk of sales. Operators at such locations "probably feel they are better served by investing in cutting three seconds off of drive-thru service times than they are by putting in a kiosk in the lobby," he remarked.

The widespread practice of franchising restaurant concepts also is likely contributing to the slow growth of self-service kiosks within quick-service operations, Holman said. His remarks suggested that the variety of service philosophies, comfort levels with technology and financial resources among franchisees could delay the deployment of new technologies.

Holman noted, however, that "encouraging news" about self-service technologies is coming from the table-service arena.

"It's not a huge movement," he said, "but it is something we're starting to get a little pulse on," as some independent and chain restaurants test or deploy in limited quantities table-top devices or portable units that permit guests to swipe their own payment cards and settle their tabs and, in some cases, even order.

The IHL kiosk study is available for a fee at [www.ihlservices.com](http://www.ihlservices.com).

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