

Restaurant Kiosks:

Understanding the Key Benefits, Criteria, and ROI for Your Program



Are Kiosks Right for Your Restaurant Brand?

The global kiosk market is growing at an unprecedented rate and is showing no signs of slowing. By 2024, it is expected to reach \$30.8 billion, with a significant portion of that coming from food & beverage kiosks*. Consumers love them too. In fact, **Tillster's Self-Service Kiosk Index** found that 60% of QSR & Fast Casual customers would visit a restaurant more if self-service kiosks were offered.**

Restaurants may be feeling the pressure to jump on the kiosk bandwagon, but it's important to weigh all factors before deciding if a kiosk program is right for your locations. You need to think about how to optimize or if you are better suited for a different digital solution. To help with this, we've created a list of questions that can help determine whether kiosks are right for your business.

1 HOW MUCH OF MY TRAFFIC IS IN-STORE?

First and foremost, for a kiosk solution to deliver strong ROI, your restaurant should have enough foot traffic. If 70-80% of your traffic is drive-thru, an in-store kiosk may not be the right solution. Instead, it may make more sense to focus on other digital solutions, such as online and mobile ordering or delivery. Kiosks make the most sense for restaurants with high in-store traffic, where lines are likely to get long and consumers are open to additional ordering options.

2 WHAT UPFRONT PROGRAM COSTS SHOULD I EXPECT?

Prior to deploying a kiosk strategy, it's important to know and understand what your upfront program costs will be, since it is a sizable investment. These costs can include the initial build, menu and order flow customizations, hardware and software costs, and any payment and POS integrations that are needed. Don't be dissuaded

because the returns can be significant. Restaurant operators often see a lift in throughput, POS terminal and labor savings, and some restaurant operators have seen as much as a 30% increase in average check size. For this reason, it's important to understand what your total investment is before determining if a kiosk strategy will yield the ROI you are anticipating. Tillster also offers an ROI calculator where you can adjust the variables and determine how long until breakeven.

3 DOES A KIOSK SOLUTION FIT MY RESTAURANT OPERATIONS?

In the restaurant world, operational efficiency is key. It is important to select a kiosk program that works with and enhances all aspects of your operations. This can range from POS and payment integration options, to finding the optimal placement for kiosks so customers know they are available. Prior to implementation, it's important to get your staff on board and make sure they are given enough training and education so your kiosk program is a success.

Kiosks offer consumers convenience and help restaurants drive incremental sales. However, weighing all the factors involved in rolling out this technology is a critical step that all restaurant brands should take.

*2017 Transparency Market Research

**Tillster 2017 QSR & Casual Dining Survey

Criteria for Selecting the Right Restaurant Kiosk Provider

Kiosks increase check size and throughput while saving customers and maximizing efficiency, but it's important to choose the right partner to ensure program success. Selecting the ideal kiosk provider is actually a key component in determining whether your program thrives or fails.

To help with the selection process, take a look at our list of criteria to apply when choosing a kiosk provider:

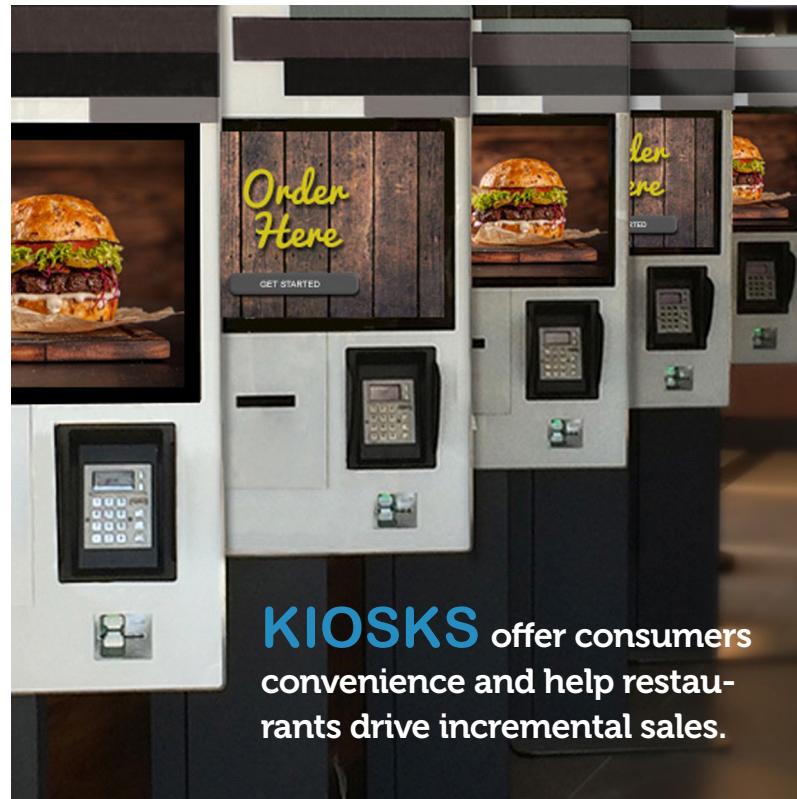
1 MAKE SURE YOUR PROVIDER IS AN EXPERT IN UX/UI FOR RESTAURANT KIOSKS

For your program to deliver optimum results, the user interface and experience needs to be customized and optimized for restaurant kiosks. It's not as simple as lifting an online ordering experience or re-using one from another restaurant. Kiosks require unique ordering flows and menus, and different types of restaurants require their own specialized ordering experience. Be sure to pay close attention to how upsells and cross-sells are handled to ensure you get the most out of every order.

2 CHOOSE A PARTNER THAT HELPS YOU MAKE SENSE OF DATA

Access to customer data and understanding how guests engage and transact is critical to the success of your kiosk program. Having insight into your customers' behavior will drive personalized engagement, ultimately improving customer loyalty. Make sure you are capturing the

appropriate data points, so you can ensure you are tracking against core KPIs. And don't forget to include persistent testing, so your program is continually optimized.



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3 PAY ATTENTION TO THE STRENGTH OF YOUR PROVIDER'S DIGITAL ORDERING INFRASTRUCTURE

Though kiosks are in high demand with today's customers, having a sub-par ordering experience can turn them away for good. It's necessary to choose a provider with a strong digital and kiosk ordering platform, who can help you deliver an engaging ordering experience that is just as good, if not better, than ordering with a cashier. Focus on details such as the visual appeal of your kiosk interface, ensuring up-to-date menu item availability and pricing, providing a variety of secure payment options, and letting customers know when their orders are ready. These elements work together to provide a seamless ordering experience for your guests.

4 FIND A PARTNER THAT PROVIDES FULL OPERATIONAL SUPPORT

Managing every detail of your kiosk program can be cumbersome and is not feasible for most restaurant brands. Once your program launches, you don't want to be left fending for yourself. This is why you need a solution that guarantees high kiosk uptimes (ideally 99%), multiple POS and payment integrations, and handles all aspects of your program, from kiosk installation and training, to ongoing support and maintenance.

How to Determine if Your Kiosk Program Will Be A Success

Self-service kiosks are becoming ubiquitous in QSR & Fast Casual Restaurants, which isn't surprising considering the overwhelmingly high demand for them. According to our **Self-Service Kiosk Index**, 60 percent of customers would visit a restaurant more frequently if it had self-service kiosks.

Tillster CEO Perse Faily says "Restaurants are finally beginning to adopt self-service kiosks, and our research shows it's an important offering in the customer's eyes. And for restaurants, kiosks have proven to be optimized to achieve key objectives, such as increasing check size, line busting or improving speed of service." Despite all the evidence in favor of kiosks, many restaurant operators struggle with an important question: *Is the investment worth it?*

1 FINANCIAL OUTCOMES

First and foremost, a kiosk program has to pay itself back within a reasonable amount of time. Since kiosk programs can involve significant upfront costs, it's important to understand how to measure payback. Some criteria to consider: increase in average check (many operators have seen up to a 30% increase in average check) and whether you can drive guests to more profitable items. Other key financial factors relate to labor, such as driving the ratio of sales per labor hour higher, limiting turnover and decreasing labor costs.

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of customers would visit a restaurant **more frequently** if it had self-service kiosks.

2 OPERATIONAL EFFICIENCIES

For any restaurant technology deployment to be successful, operations must run smoothly. When implementing a kiosk program, it's important to gauge what key operational factors are improved, including: speed-of-service, order accuracy, increased throughput, employee productivity, and number of orders fulfilled – especially during peak hours. Weighing these factors can determine if your kiosk program is working well with your operations, and ideally making them better.

3 CUSTOMER EXPERIENCE

One of the strongest indicators of kiosk success is an improved customer experience, which leads to more satisfied and engaged customers, who are more likely to return. Your kiosk program should free up staff to shift focus from order taking to higher value tasks, such as greeting customers and ensuring their needs are met. Putting customers in control of ordering also typically leads to a better consumer experience. Tillster recommends looking at KPIs such as conversion rates and customer retention, to see if customers are happy with your brand.

Kiosks are popping up all over the major QSR and Fast Casual establishments, but the return has to be worth the investment.



To learn more about how your restaurant can use self-service kiosks to drive sales, **CONTACT** a member of our sales team.