



# Creating a Self-Service World

How Self-Service Kiosks are Helping Customers and Benefiting Businesses

More and more, we're living in a self-service world. We check out our own books at the library and our own groceries at the supermarket. We count our own coins at a Coinstar® kiosk and rent DVDs ourselves at a Redbox®. Brides and grooms wander stores, scanners in hand, selecting the perfect dish set for their wedding registry. Later, their guests stop at a kiosk and print out the newlywed's wish list. Travelers can even buy iPods® at high-end kiosks in airports.

The trend towards self-service kiosks is growing rapidly, and for good reason. Just two decades ago, most people looked at ATMs with skepticism. Today, it's hard to imagine a world without them.

Companies are being driven to self-service, in part, by customer demand.

"The use of kiosks is expanding rapidly for a number of reasons," says University of Denver associate professor of IT and electronic commerce, Daniel Connolly. "Companies are looking to reduce operating costs, kiosks have come down in price, their ease of use has improved, and society has adapted more to the concept of self-service."

## Self-Service by the Numbers

The rise in self-service technology is being driven by both consumers and companies. Consumers like the speed, convenience, ease of use, and privacy offered by self-service. As consumers become increasingly accustomed to the self-service options available on the internet, they're expecting - and often demanding - these same options in their daily lives. More than 85-percent of U.S. and Canadian consumers say they're more likely to do business with a store that offers self-service, and 55-percent of consumers say they've become more likely to use self-service over the past year.<sup>1</sup>

Companies are being driven to self-service, in part, by customer demand. This is especially important to companies interested in attracting younger consumers: the younger the consumer, the more likely they are to use self-service technologies.<sup>2</sup> Companies are also motivated by the additional benefits of freeing up shelf space, adding operational efficiencies, improving customer service, and realizing cost savings.

## Kiosks Become Hospitable

The hospitality industry is beginning to embrace kiosks as a valuable way

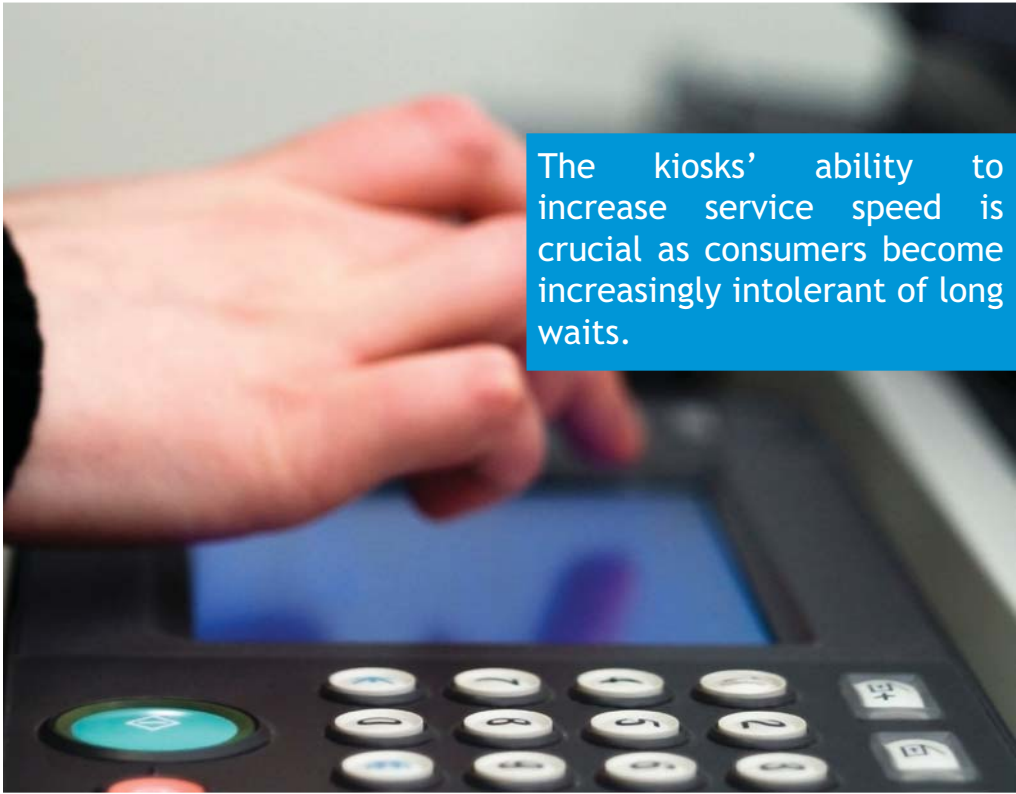
to improve customer service and gain a competitive advantage. Currently, 12-percent of hospitality companies use self-service technology and another 41-percent plan to add or are considering self-service.<sup>3</sup> With the growth and acceptance of kiosks, some of the long-held hospitality industry stigma against them is dissipating.

"In the hospitality world, some people have the perception that kiosks are depersonalizing and take service out of the equation," says Connolly. "This really isn't the case. Self-service actually reinvents the customer experience and makes it better."

The Nashville Airport Marriott is one hotel where travelers will now find self-service kiosks. In 2009, the hotel installed five touch-screen kiosk concierge stations. Travelers can use the kiosks to learn about local restaurants and attractions, print directions, get real-time flight information, print boarding passes, and view the local weather forecast. Hotel manager Shannon Bowles says the kiosks enhance customer service and keep travelers coming back.

"Our customers really love the kiosks," says Bowles. "It allows them to get the information they want when they want it. Plus, we've found that guests want restaurant and flight time information quickly, and don't necessarily want to stand at the front desk to get it."

Quick-service restaurants are also rapidly adding kiosks into the mix, with popular chains like Arby's, Jack-in-Box and Papa John's using ordering kiosks in some of their restaurants. In these restaurants, kiosks present a number of advantages - maximizing sales during high-volume times, providing the ability to consistently up-sell customers, and increasing order size by encouraging credit card payments. The kiosks' ability to increase service speed is crucial as consumers become increasingly intolerant of long waits, and are walking out of quick-service restaurants more often as a result.<sup>4</sup>



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## A Great Fit for Retail

Kiosks provide a great fit with the retail environment as well. Retail kiosks can range from the free-standing stores travelers find in airports to self-checkouts, gift registry kiosks, music

1 "The Self-Service Revolution Is Real." NCR 2008 Self-Service Consumer Survey.

2 "Self Service: the Next Generation." Hospitality Technology 2009 Self-Service Technology Study

3 "Self Service: the Next Generation." Hospitality Technology 2009 Self-Service Technology Study

4 "Self Service: the Next Generation." Hospitality Technology 2009 Self-Service Technology Study

preview kiosks, and automated price checkers.

The creative use of kiosks can serve as a market differentiator in retail stores. One example is Curiosk™, a wine and liquor information kiosk used by a number of independent wine shops and some Whole Foods grocery stores. Customers simply scan a bottle of wine or liquor and they're supplied with product information, tasting notes, and recommended food pairings. They're also offered the opportunity to print a customized gift tag for about \$3.

"We find providing customers with this information increases their average basket size," says Curiosk™ director of communications Josh Rosen. "Plus, an informed customer is a happy customer and returns to the store more often."

## Going Self-Service

One of the most important considerations when designing and installing kiosks is usability - both in terms of the kiosk location and its ease of use. The golden rule is to think about the solution and content first, and then design a kiosk around it.

"Content is key, content is king," says Bill Roberts, President of Network Services at Datatrend, a national technology solutions firm. "Once you make the decision to use self-service kiosks, spending time on developing valuable, usable content is critical."

Consider your brand identity in the kiosk design as well. Most consumers say having self-service technology increases their positive perception of a company's brand<sup>5</sup>, but experts say the branding must be thought through and well-executed.

"What companies really need to understand is that when you add kiosks they become the face of your organization. They need to be consistent with your company's branding," says Connolly.

Finally, it's important to have a clear plan and project management strategy for the large-scale rollout of your kiosk solution if it performs well in limited testing.

"Going into the kiosk project, you need a deployment strategy," says Roberts. "How many locations do you plan on deploying that kiosk to and how are you going to manage the project? How are you going to get it into 500, 800, or even

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1,000 locations. This requires expert project management and an experienced partner. You don't want to realize your test kiosk was a success only to have it take a year or more to reach full deployment."

to reaping the rewards. According to Aberdeen Group research, 88-percent of best-in-class businesses improved customer satisfaction with kiosks, more than half improved customer conversion, and 100-percent reduced their labor costs.<sup>7</sup>

By embracing self-service technology, designing kiosks to meet customer needs, and strategically managing kiosk testing and rollout, companies will be positioning themselves to take full advantage of this rapidly expanding self-service world.



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## A Glimpse Into the Future

The rapid growth of self-service technology is only expected to continue. In 2006, spending on self-service kiosks was \$436 million. By 2011, that number is predicted to grow to a staggering \$1.3 trillion.<sup>6</sup>

The numbers show that as this trend continues companies can look forward



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5 "The Self-Service Revolution Is Real." NCR 2008 Self-Service Consumer Survey.  
6 "10 Ideas that are Changing the World." Time Magazine. March 28, 2008.  
7 "Killer Kiosks: Reinventing the Customer" Aberdeen Group, July 2007.

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