

# *The Present-Day Kiosk and Its Benefit to Today's Consumer*





Dave & Buster's Loyalty Program Kiosk

# Contents

Page 3 ..... Forward

Page 4 ..... The Evolution of Kiosks

Page 7 ..... The Role of Kiosks in Branding Efforts and Delivering Return on Investment

Page 11 ..... The Future of Kiosks

Page 14 ..... Conclusion

Page 15 ..... Resources

## About Frank Mayer and Associates, Inc.

Frank Mayer and Associates, Inc. is a leader in the development of in-store merchandising displays, interactive kiosks, and store fixtures for brands and retailers nationwide. The company helps retailers and brands utilize the latest display solutions and technologies to create engaging customer experiences. Visit [www.frankmayer.com](http://www.frankmayer.com) for more information.



## Forward

In 1977, the first interactive kiosk debuted at the University of Illinois at Urbana-Champaign, offering users a novel means to explore campus maps and directories, bus schedules, extracurricular activities, course information and more. More than 40 years later, kiosks have evolved from that simple computer system to powerful machines contained in economical packages.

The passage of recent decades has seen kiosks develop to remain pertinent in a society comprised of expanding e-commerce, connected consumers, and marketing message saturation. In fact, according to Kiosk Marketplace's 2018 Census Report, "The global self-serve kiosk industry, not counting ATMs and vending machines, posted a 17.4 percent 1-year gain in 2017, representing \$7.83 billion in annual sales, based on research by BCC Research."<sup>1</sup>

With more generations rewarding frictionless shopping experiences with their business, retailers and brands will need to remain savvy in how they use kiosks to enhance the customer's path-to-purchase while also capitalizing on the self-service market's ability to generate revenue.

While many things have changed since 30,000 eager participants stood in line over the course of weeks to test drive the first kiosk marvel at the student union, an important detail remains the same. Interactive kiosks remain as relevant in offering convenience to people in 2018 as they did four decades ago.

And the future looks even brighter still.



## PPG Color Work Station

Designer tools to help you find your colors with ease.



PPG Color Work Station



# The Evolution of Kiosks

To appreciate how far kiosks have come, it's important to recognize the journey they've taken over the decades. What once were bulky machines used to simplify searches and tasks have now become aesthetically-appealing tools with the ability to provide an entire store experience from start to check-out.

"The beginning of the retail kiosk era in the early 1980s was all about a focus on the technology of screens, keyboards and allowing the consumer to crunch a mass amount of information," Ron Bowers, Senior Vice President of Business Development at Frank Mayer and Associates, Inc., states. "Today, the kiosk is part of the overall strategic marketing strategy, and retailers aim to create a specific look and feel to provide the consumer with an experience like no other."

## The Look

Over the years, the look and overall size of kiosks has had a clear progression toward smaller and sleeker. Decades ago, units often "resembled refrigerators and weighed as much," according to Bowers. Once positioned in the store, kiosks frequently stayed for a lengthy period due to the large-scale dimensions and investment.

David Anzia, Senior Vice President of Sales at Frank Mayer and Associates, Inc., addresses the more recent evolution to the average kiosk's appearance. "The touchscreen has changed the ergonomics to create a more slim-lined look and feel," he says. "Small form-factor computers have also allowed a kiosk design with a smaller footprint, which means retailers are more apt to accept a kiosk where space is at a premium."

## Hardware and Software

Hardware, software and other components within the kiosks have become more efficient and reasonably priced over the last decade.

Touchscreens have become larger because costs have come down and multi-touch (PCAP) touchscreens are now the dominant choice because the technology has advanced to the point where PCAP is affordable.

Without a price barrier, more user interfaces are incorporating the multi-touch because consumers are familiar with this same technology used on their smart phones and tablets.

The global self-serve kiosk industry, not counting ATMs and vending machines, posted a **17.4 percent 1-year gain** in 2017, representing **\$7.83 billion in annual sales.**<sup>1</sup>

## Nontraditional Kiosks

Along with size and affordability, kiosks have also seen a progression in the variety of choices available to brands and retailers in terms of style, look and function. The former standard kiosk – a free-standing floor unit – has now broadened into a catalog of possibilities, including everything from wall-mounted, counter, endcap and inline units to more diverse options like robotic kiosks and pickup lockers.

In fact, Savioke's Relay robots, utilized at the Renaissance Hotel in Las Vegas, are an example of an interactive kiosk serving convenience to a hotel in a more distinctive, and mobile, way. The robots, dubbed "Elvis" and "Priscilla," escalate the consumer experience by delivering items to guests during busy hours, even riding the elevators autonomously and calling guests' rooms when they've arrived.<sup>2</sup>

Another example of a nontraditional kiosk is the Amazon Locker program. These pick-up and return lockers, found at thousands of locations nationwide, allow customers to collect or send back their Amazon packages using a special code entered on a touchscreen that grants access to the bins. The lockers offer a solution to homeowners and apartment dwellers who have concerns regarding delivery theft.

## Incorporating Kiosks into an Entire Marketing Campaign

Many brands and retailers are also looking past a singular kiosk system and instead embracing marketing strategies that incorporate kiosks into a total environment.

Pittsburgh Paints' PPG Color Work Station represents this innovative idea. Built into the company's traditional paint display station, a 42-inch touch screen serves as a comprehensive color station to simplify selection and coordination. Customers not only browse the design station for colors, style and coordinating palette inspiration, but they can view color-tip videos, read product information, and paint a virtual room using the interactive kiosk.

## The Effect of the Internet of Things

With the Internet of Things connecting customers to everything from their vehicles to their home appliances, it's not a surprise that today's kiosks are also capitalizing on similar systems that offer convenience for consumers.

From frictionless loyalty programs to endless inventory, store patrons are expecting the same opportunities in brick and mortar stores as they find online or through their mobile devices. Kiosks help bridge the gap, providing access to loyalty card information or an easy way to search for products not stocked in-store.

Bowers also sees wireless payment technology foreshadowing what's to come. "One of the first signs of the Internet of Things being incorporated in kiosks is the integration of near field communication (NFC) technology that enables wireless payment between a phone and a terminal," he states. He predicts components like this will increase as wireless components become more standard.

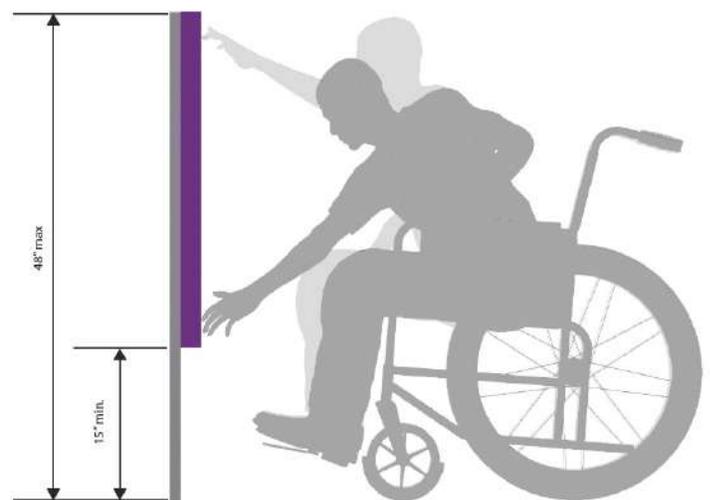
## Changes to ADA Requirements

Over the years, the kiosk experience has broadened to include better access to individuals with disabilities. With the passing of the Americans with Disabilities Act (ADA) in 1990, the law required that people with disabilities were given the same rights, access and opportunities as those without.

"ADA has provided designers and manufacturers of kiosks with a template to meet the needs of consumers with disabilities," Anzia says. "The height and reach of touchscreens and monitors is now set and more consistent while navigation bars for the sight-impaired and headphone jacks for the hearing-impaired are more prevalent."

Further, Randy Amundson, Technology Manager at Frank Mayer and Associates, Inc. states, with new policies regarding ADA compliance, the kiosk industry is more attuned to being fully compliant for all disabilities, not just focused on being wheelchair accessible.

Over 40 years, kiosks have evolved from massive and often expensive floor unit models to original designs featuring the latest technology and offering convenience to all customers through personalization and updated ADA capabilities.





# The Role of Kiosks in Branding Efforts and Delivering Return on Investment

Kiosks are an effective tool in branding efforts targeting the modern connected consumer. Offering customers everything from convenience to personalization, kiosks maximize the patron's experience while delivering steady opportunities for a brand or retailer's return on investment.

Today, shoppers are subject to thousands of daily marketing messages. In this world of over-saturation, kiosks can stand out as an interactive way to deliver information that feels customized to the recipient.

As customers manage their own shopping experience, they hone in on messaging that resonates with their specific desires. Pamphlets and signage concerning various car models seem cumbersome when a simple kiosk can

direct a potential buyer to the exact make and details he or she is interested in.

“The kiosk can act as another salesperson to offer the customer additional product detail,” says Anzia. “And while kiosks will not replace the human element and interaction at retail, they will enhance the environment so that retailers can reposition the sales associate as a brand ambassador.”

More so, many brands are finding kiosks to be a positive component when worked into a bigger campaign such as a shop within a shop. Surrounded by brand messaging and merchandise, the kiosks are a complementary tool to help customers learn more information or discover added features about the products they're surrounded by.

Not only do kiosks combat typical marketing message fatigue and add extra depth to shops within a shop, they also contend against e-commerce's ability to customize shopping experiences, giving brick and mortar stores a competitive capability as well.

From simple tasks like accessing loyalty programs to more involved capacities like utilizing artificial intelligence (AI) to recognize a customer's face and favorite order items, kiosks provide the personalization edge stores need to appeal to shoppers.

“Interactive kiosks have proven their ability to consistently provide efficiencies and ROI across a wide range of verticals from airline check-in to QSR self-order,” says Luke Wilwerding, Director of North America sales at Elo. “And more importantly, if done well, interactive technology enhances the physical store experience for both customer and employee.”

In fact, with digitally-native Gen Z and millennial generations becoming the new targeted buyer to marketing departments across the nation, kiosks will not only be welcomed as part of the new shopping experience, but expected. According to a recent article by Forbes, the magazine commissioned a poll of consumers in both demographics to answer questions regarding shopping in new, digital ways.

One finding was that more than a quarter of participants answered they'd find interactive kiosks at physical store locations to be a good avenue for product discovery and purchase.<sup>3</sup>

When physical retail locations can extend the same personalized conveniences through a kiosk as e-commerce sites are designed to

offer – like viewing rewards points, access to a larger assortment of product and sizes, and recognition of particular menu favorites – the customer benefits from the same seamless shopping experiences and transactions.

The 2018 Kiosk Marketplace Census Report describes the varied role of kiosks in retail environments best, stating, “Rather than serving a niche purpose in a retail environment, kiosks will be part of a multi-touch point digital platform that connects selling and servicing functions, such as point of sale, customer relationship management and order/inventory management. This integrated platform will enable both customers and store associates to better leverage all types of data: customer, product and managerial.”<sup>1</sup>

“Interactive kiosks have proven their ability to consistently provide **efficiencies** and **ROI** across a wide range of verticals from airline check-in to QSR self-order” - **Luke Wilwerding, Elo**

While customers gain from store kiosks in terms of consumer happiness and convenience, brands and retailers see the patron's satisfaction ultimately pay off in more concrete ways as well. In fact, in the same census report by Kiosk Marketplace, a survey conducted of 100 Kiosk Marketplace readers revealed that 90 percent of kiosk operators use kiosks to generate revenue, and of those 90 percent, increasing sales and attracting new customers were the top two functions.

Frank Mayer and Associates, Inc.'s  
self-service kiosk Approach



Restaurants employing self-order kiosks serve as a good example of businesses seeing a measurable return on their kiosk investment.

The year 2017 saw a dramatic increase in self-service kiosk interest from quick service restaurants and fast casual establishments, with no signs of slowing down in 2018. With a handful of big-name companies having already adopted the technology in some of their stores, many have reported an increase in revenue attributed to the kiosks.

Because of predictive technology in the kiosk software that can upsell customers with recommendations based on current order selections, an early study of a McDonald's store employing the kiosk program showed a 30 percent higher ticket order from a self-order kiosk versus one placed at a traditional counter.<sup>4</sup>

And because self-order kiosks reduce wait times and speed up order fulfillment, these same restaurants benefit from redeploying employees from counter duty to more task-related responsibilities like expediting and food delivery.

Theme parks could also benefit from self-serve kiosks to cut down on lines for food, drink and merchandise. In a recent article by

Digital Signage Today called “How Successful Businesses Use Kiosks,” the editorial details how long lines at theme parks are causing visitors to spend less. The story states, “Studies showed if theme parks deployed self-serve kiosks and mobile apps, they would see visitor spending on food, beverages and merchandise increase significantly. Visitors said they would spend more money if kiosk technologies and mobile apps were in place [and] would increase their spending from \$45 to \$250 per head on food and merchandise.”<sup>5</sup>

Outside of the restaurant and theme park industry, kiosks also serve as another point of sale when used as an endless aisle in retail.

Because brick and mortar stores have physical limits, housing a large assortment of inventory isn’t feasible for most. Instead of losing the sale, however, endless aisle kiosks allow customers to browse different sizes or colors that aren’t stocked on the floor. Often, customers have the option to ship items directly home or they can choose to pick up their order at the store location when it arrives.

Data is another tangible advantage to using kiosks. AI in software programs enables brands and retailers to remember users’ order histories, and in turn, customize product recommendations to browsers who are logging into rewards programs or shopping via endless aisle.

Businesses can also use kiosks to employ surveys to keep track of customer satisfaction or study trends in what consumers are clicking. In the world of retail personalization, kiosks can provide the statistics companies seek to capitalize on.

It’s no secret that kiosks complement marketing programs by providing an interactive tool for consumers in-store, but the even greater return is the additional revenue and information these same kiosks can provide for brands and retailers who invest in them.



Shell Fuel Rewards® Kiosk



Cabela's In-Store  
Product Demonstrator

## The Future of Kiosks

As brick and mortar retail constantly evolves to keep pace with e-commerce, kiosks will continue to develop as a major component of the in-store experience. Furthermore, with the pace of technology and its impact on omnichannel retail, we'll see the same technology influencing the function of kiosks.

In recent years, the Internet of Things has created a demand for more personalization, influencing customer expectations in all aspects of life. The kiosk is no exception.

When an e-commerce site can remember a past order or help a customer visualize a couch in his or her living room, consumers come to expect the same level of custom service in all their shopping experiences. Specific retailers are currently utilizing facial recognition and AI in kiosks to deliver just that.

Cosmetic retailer Sephora recently disrupted the industry when they unveiled their interactive technology both online and through in-store kiosks that allows customers to try before they buy. With augmented reality (AR) software that can recognize facial features, a prospective buyer can use the kiosk as a mirror to try on different shades of lipstick or other makeup. As AR becomes more universally recognized as a marketing tool, more retailers will be adopting strategies like Sephora to provide customized occasions for their customers.

In fact, AR entrepreneurs Cortney Harding of Friends with Holograms and Jameson Detweiler of Fantasma recently spoke at Infocomm to offer their insights on augmented reality technology. In an article from Kiosk Marketplace detailing the session, author Elliot Maras writes that both presenters agreed that because of Apple's newest installment of its AR

developer platform ARKit 2.0, there will be more experimentation and deployment of AR because of the major software support.<sup>6</sup>

And while they conceded that AR is still in its infancy, Maras quotes Harding as stating “within the next five to 10 years, consumers will expect faster access to information and AR will play a role in enabling this.”<sup>6</sup>

AI will also continue to influence the customer experience at the kiosk. With special features that can remind consumers of their favorite items as well as suggest new products to try, the kiosk can provide a totally customized experience for a patron that will look completely different from the next person.

It’s no wonder QSRs and fast casual restaurants find the self-service kiosks to be so lucrative because, as stated earlier, these customized features often result in increased revenue, with customers spending 15 to 20 percent more on orders using self-order kiosks versus traditional checkouts.<sup>7</sup>

With McDonald’s leading the charge by recently announcing plans to launch more than 1,000 kiosks to locations per quarter over the next 2 years, fast food patrons can expect to see more ordering kiosks pop up at their favorite restaurants in the future.

Juan Perez, President & CEO of ADUSA, Inc., a leading provider of digital engagement technologies to the restaurant industry that includes self-ordering kiosk software, says, “With regard to self-ordering kiosks in quick-service and fast casual restaurants, I think we’re seeing a transformation to this being the

primary form of guest engagement. Counter order-taker jobs are being repurposed to order prep, table delivery and dining space maintenance and upkeep, which bolster overall customer service.”

Belk Bridal Registry Station



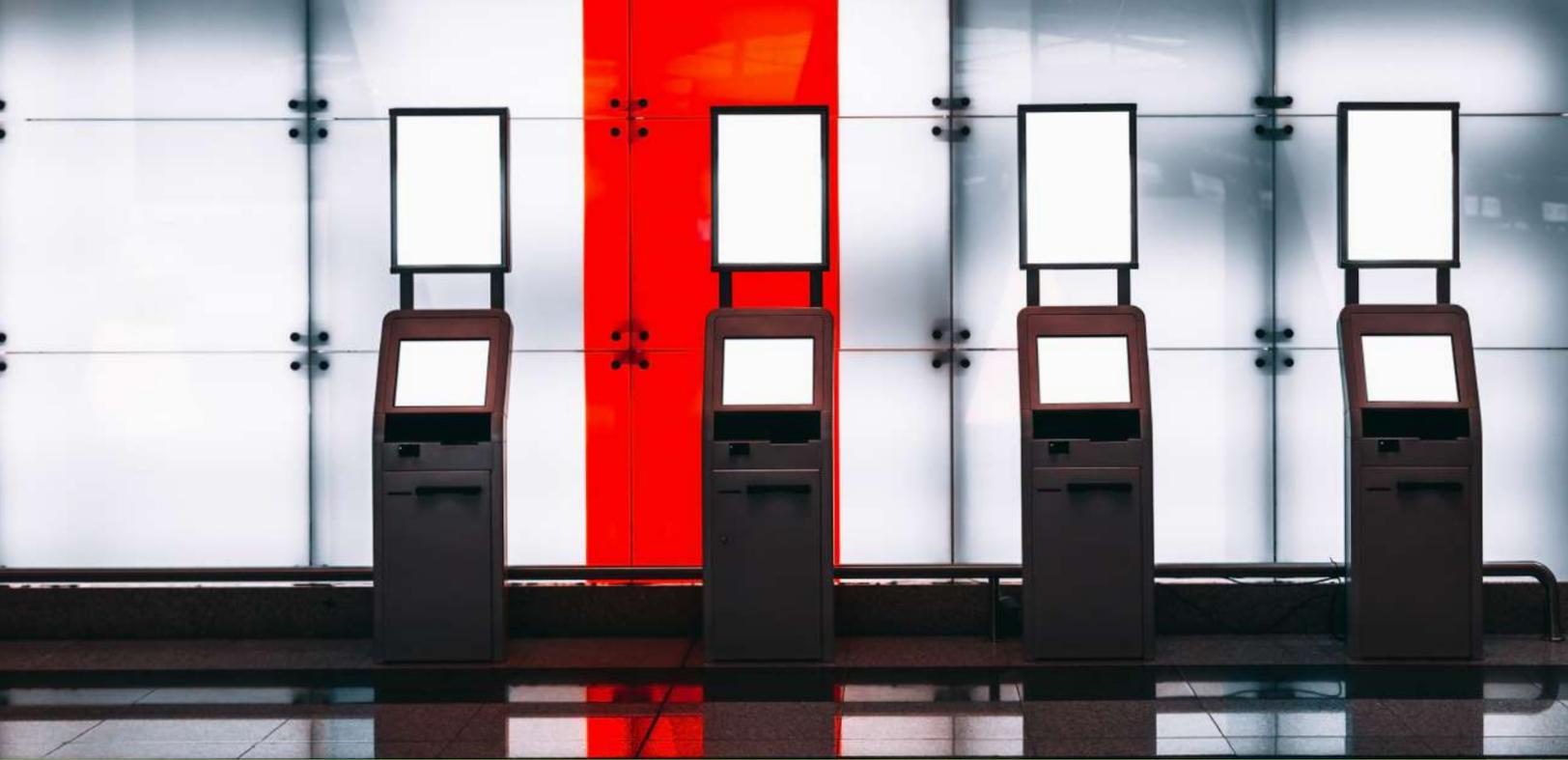
Perez goes on to speak of what this means for the future of AI at fast food locations. “As this transformation progresses, I think we’ll see AI creep into and eventually overtake the kiosk UI/UX. Before AI becomes the primary interface, there are likely to be hybrid interfaces incorporating touch technology with AI.”

Additionally, readers will see more kiosks serving as an instrument for mutually beneficial relationship opportunities in the future. The Amazon Locker kiosk program is an example of how retail stores will continue to develop these partnerships. Available at 7-Eleven convenience stores, Whole Foods and more, retailers are harnessing the power of these pick-up and drop-off kiosks to encourage foot traffic through their doors. The partnership serves as a prime model of how omnichannel retailers will continue to work together using tools like kiosks to yield mutual benefits.

As more retailers experiment with utilizing augmented reality, developing increasingly sophisticated artificial intelligence to improve the customer experience, and joining forces with other retailers to offer omnichannel advantages, consumers will see kiosks and their software advance to offer even more engaging shopping experiences in the future.

Dave & Buster’s  
Loyalty Program Kiosks





## Conclusion

Imagine what those first kiosk users in 1977 would think of the evolution journey kiosks have taken over more than 40 years. What once were bulky machines offering bus schedules can now communicate food orders to a kitchen or help a customer find the right shade of blush for her skin tone – all while seamlessly blending into a retail or food environment.

As with all technology, marketers have found ways to leverage kiosks to complement strategies to offer customer convenience and expand profit margins. With the popularity of using kiosks in all types of store environments continuing to increase, there's no question the initiatives have proved successful for brands and retailers alike.

So, what does the future look like for further changes to kiosk aesthetics, branding, uses, and software? Even the experts can only assume what's to come. But based on the advantageous transformations kiosks have already gone through over four decades, consumers should be eager to experience what's on the horizon for their in-store shopping experiences.

# Resources

1 Maras, E. (2018). 2018 Kiosk Marketplace Census Report [White paper]. Retrieved January 31, 2018, from Kioskmarketplace.com: <https://networldmediagroup.com/product/2018-kiosk-market-census/>

2 Miller, Paul. (2018, January 11). The Relay hotel delivery robot will soon spot Wi-Fi dead zones and mingle with guests. Retrieved from [www.theverge.com](http://www.theverge.com)

3 Bernard, Julie. (2018, May 25). Emerging Interfaces: Millennials and Gen Z On The New Tech That Will Capture Their Spend. Retrieved from [www.forbes.com](http://www.forbes.com)

4 Slawsky, R. (2017). The State of Kiosks in QSRs [White paper]. Retrieved April 27, 2018, from Kioskmarketplace.com: <https://www.kioskmarketplace.com/whitepapers/the-state-of-kiosks-in-qsr/>

5 Unknown Author. (2018, April 6). How Successful Businesses Use Kiosks. Retrieved from [www.digitalsignagetoday.com](http://www.digitalsignagetoday.com)

6 Maras, Elliot. (2018, June 7). Augmented reality is becoming more accessible to retailers and brands. Retrieved from [www.kioskmarketplace.com](http://www.kioskmarketplace.com)

7 Henderson, Devora. (2018, June). Why Quick-Service Restaurants Should Embrace the Kiosk. Retrieved from [www.qsrmagazine.com](http://www.qsrmagazine.com)

