

McDonald's Is Betting on a Self-Service Future, Again

Mobile ordering apps are more popular, but kiosks add more options for customers

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Mobile checkout is shaping up to be a big theme in 2018, but some restaurants are implementing digital kiosks in addition to offering mobile ordering apps. It's just one more option for customers to choose from in an increasingly consumer-focused world.

In 2015, **McDonald's** started testing "Create Your Taste" kiosks in US locations, allowing users to create custom burgers featuring high-end ingredients like guacamole and caramelized onions. The burgers arrived open-faced with fries served in metal baskets, in an attempt to make the presentation feel more upscale. McDonald's shut the costly experiment down a year later, after customers complained the burgers were too expensive and took too long for fast food.

But the fast-food giant didn't give up on that touchscreen ordering format. This week, McDonald's CEO Steve Easterbrook told CNBC that the restaurant will be adding 1,000 self-service kiosks each quarter for the next two years. But instead of limiting the items consumers can order to custom burgers, McDonald's is letting people order from its entire menu, pay by debit or credit card, and then get the food brought to their table. The difference between this new iteration the 2015 effort appears to be an emphasis on convenience rather than personalization.

"What we're finding is when people dwell more, they select more," Easterbrook said. This extra time spent is translating to a larger average spend compared with the traditional checkout method.

According to an April 2018 [Market Force Information](#) survey, US internet users have been steadily increasing their usage of technology for ordering at quick-service restaurants (QSRs), from 30% who said they'd used tech-enabled ordering in the past 90 days in 2015 to 62% in 2018. This year, kiosk usage jumped 47% year over year, though smartphone apps were still the most popular, used by 39%. Kiosks (28%) and tabletop tablets (27%) had similar levels of usage, though.

One-third of US internet users said they preferred using kiosks, apps or tablets to place their own orders, rather than ordering at the counter. A preference for traditional ordering was held by a majority of all age groups and—no surprise—this preference was strongest for older consumers. Some 45% of 18- to 24-year-olds preferred self-serve tech, while only 12% of those 65 and older did. It is notable that nearly one-quarter (24%) of the 55-to-64 age group liked self-service tech more, a significant figure.

That said, kiosks are a utilitarian convenience and don't necessarily draw customers to a restaurant. The ability to order online (32%) was the most influential tech offering when deciding where to dine or order delivery from, according to US internet users surveyed by [AlixPartners](#) in Q1 2018. Mobile ordering and mobile apps were also influential (24%), while kiosks or tabletop tablets ranked last (17%).

Technology Offerings that Are Influential to US Internet Users When Deciding to Dine at/Order Delivery from a Restaurant, Q1 2017 & Q1 2018

% of respondents

	Q1 2017	Q1 2018
Online ordering	40%	32%
Free Wi-Fi	35%	32%
Digital menus	33%	24%
Digital loyalty program	32%	24%
Mobile ordering	30%	24%
Mobile apps for phone	27%	24%
Mobile payment	25%	22%
Text message table waiting system	27%	18%
Tabletop tablets/kiosks	23%	17%

Note: ages 18+; top 2 box on a scale of 1-5 where 1="not influential" and 5="highly influential"

Source: AlixPartners, "U.S. Restaurant Outlook," May 21, 2018

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Implementing ordering kiosks for QSRs and fast casuals isn't exactly new—Panera Bread made a big push in 2015 as part of its "Panera 2.0" initiative—but when McDonald's does something, the industry pays attention. At last month's National Restaurant Association Show, there were over 30 kiosk manufacturers on the trade show floor, up from 12 in 2017.