

Restaurants turn to robots and automation as labor shortages continue

Article



The trend: More businesses in the food industry are turning to robots and other forms of automation to cut costs amid high inflation and a competitive labor market.

- **Miso Robotics** is working with fast food chains **Chipotle**, **White Castle**, and **Panera Bread** to bring automation to various parts of their food preparation.
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- **Bear Robotics** raised **\$81 million** in funding last month for its hospitality robots, which are used in restaurants, hotels, and senior living facilities, per TechCrunch.

How we got here: Staffing in the restaurant industry is **down 6.6%** from pre-pandemic levels, per the National Restaurant Association.

- Many restaurants have raised pay and offered sign-on bonuses to lure employees, but struggles remain: Between March 2021 and March 2022, an average of 897,000 people left their jobs in the restaurants and accommodations sector each month, per the Bureau of Labor Statistics.
- Incorporating automation enables restaurants to reduce staff without adversely impacting performance.

How brands are using automation:

- Chipotle is currently testing “Chippy,” a robot that can cook and season tortilla chips.
- White Castle is implementing “Flippy 2,” a burger-flipping robot that can also cook fries and chicken, in 100 more locations this year.
- Panera Bread is using Miso Robotics’ CookRight Coffee system to monitor coffee temperature and volume, and alert staff when a new batch is needed.
- **McDonald’s** has had self-service ordering stations at its stores since 2020, and is testing automated drive-thru ordering.

Analyst insight: For fast-food chains especially, automation can help provide the convenience and consistency that customers expect. “Efficiency and ease are two components that are important to the customer experience, and this type of service offering is spot on,” said **Patty Soltis**, eMarketer principal analyst at Insider Intelligence. “It is a win-win as the restaurant will be adding value to the customer experience and finding savings with labor costs.”

The customer is always right: Despite the benefits of automation for restaurants, customers are mostly unenthused.

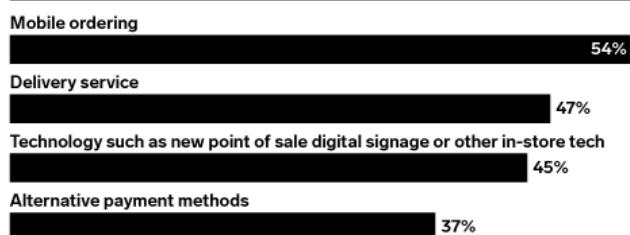
- Almost one-third (32%) of diners say they prefer not to see robots making their food, while nearly 30% would be skeptical if they saw robots preparing meals or delivering food, **per** data from Big Red Rooster.

- But 41% are fine with having robots clean the dining area, bus tables (40%), and deliver orders (38%).

The big takeaway: US restaurateurs can look to Japan, which has struggled with high labor costs and worker shortages for years, for ideas on how to implement automation. Consumers there are accustomed to restaurants without any front-of-house workers, which could be a sign of what's to come for US eateries.

Leading Areas of Investment in 2022 According to US Restaurant Franchise Owners

% of respondents



Source: TD Bank as cited in press release conducted by Engine Insights, Jan 4, 2022

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