Online channels and self-ordering kiosks becoming popular

By Narendra Aggarwal

AN interesting finding of the annual CSISG study is that consumers here are increasingly taking to online channels as well as self-ordering kiosks, and those who are doing so are enjoying greater satisfaction compared to those who are still going the traditional way.

At supermarkets, customers who used self-checkout have a significantly higher CSISG score of 76.4, compared to 73 for those who went to counter staff or cashiers. Similarly, at fast-food restaurants those doing self-ordering had a customer satisfaction score of 75.1, which is higher than the 74.4 score for those who went to service staff. At Changi airport, automated check-in/online had a higher score of 79.2 against 78.7 for those who did counter check-in.

"As self-serve technologies, such as supermarket self-checkout machines and fast-food ordering kiosks, become more prevalent and more pervasive across multiple industry sectors, it appears that consumers are willing to accept these technologies with no observable impact to customer satisfaction levels," says ISE executive director Neeta Lachmandas. "This finding should alleviate concerns that productivity solutions that free up manpower will negatively affect the customer experience. Rather, companies should use the opportunity to upskill staff so that they can provide higher value-added services."

ISE head of research and consulting Chen Yongchang adds: "While progress has not been uniform across the different sectors, it has been evident over the years, whether it be in the areas of supermarket checkout, self-ordering kiosks, internet banking apps, or servicing telco subscriptions. The Covid-19 situation will almost certainly accelerate consumer acceptance and familiarity with such channels."

The CSISG study also analyses drivers of service quality, satisfaction and customer loyalty. "Despite the increasing traction self-service options have on consumers, service staff with their helpfulness and ability to empathise feature often as a key driver. While this finding is not new per se – customers had always appreciated good service from staff – it remains enduring as an important differentiator to customer experiences and presents an opportunity for businesses to tap into," says Mr Chen.
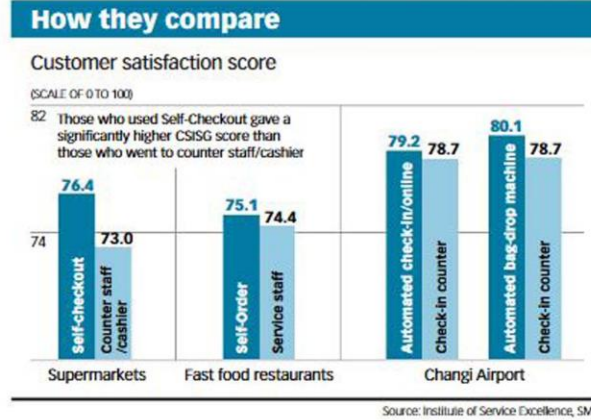
In the F&B business, a home-grown company helping restaurants take their ordering online to enhance the customer experience and, at the same time, boost business profitability is TabSquare.AI, which provides artificial intelligence (AI) powered smart restaurant solutions for pickup, delivery and table order for quick service. Its AI engine, Aiden, is able to understand customers' food preferences based on their past ordering behaviour and provides them a personalised ordering experience by remembering their preferred dishes, and providing them with a personalised menu and pairing suggestions. The user interface is continuously optimised based on guest's usage data to enable ease and speed in ordering.

"Aiden's algorithms are also designed to help improve restaurants' profitability by constantly optimising the menu using menu engineering principles, recommending more profitable dishes, promoting relevant upselling and cross-selling suggestions at the right customer touchpoints and can help restaurants drive up to 25 per cent higher average spending by customers," says the company's co-founder, Anshul Gupta. The customer data analysis is also made available to the restaurants in easy-to-use dashboards to further help them optimise their menus, capacity use, customer promotions and have, overall, more efficient restaurant operations.

TabSquare uses nifty technologies, including facial recognition and artificial intelligence, to help promote customer satisfaction and improve F&B business' profitability at the same time. Mr Gupta says that for TabSquare, facial recognition helps to identify the customer and increases the ease of use of its solutions, while its proprietary AI engine helps to understand each customer's taste preferences and customises the experience based on the customer's preferences.

"To take a simple example, we as customers prefer to go to our next door coffee shop because probably the staff knows how we like our coffee and what we like to eat. Facial recognition and AI engine help to offer similar level of personalised experience to every customer in every restaurant. When diners have shorter ordering time, it allows the restaurant to service more customers while the AI based cross-selling and up-selling helps improve revenues," he adds.

Mr Gupta cites the example of Hokkaido-ya by the Sushi Tei group, which was among the first customers of TabSquare to start adopting these technologies. "The results were almost immediate – they were able to operate with almost no cashier staff, with 90 per cent of the orders going through the kiosks, almost 25 per cent increase in average spending and almost two thirds of the sales coming from AI recommended personalised dishes.

"The F&B industry is now quickly adapting to these new technologies and today we work with many large brands like Jollibee and Texas Chicken locally and even in other regional markets like Malaysia and Indonesia, brands such as Pizza Hut, Burger King and KFC are starting to leverage on TabSquare's AI capabilities," he adds.

Mr Gupta feels that self-service ordering kiosks are a perfect fit for the tech savvy Singaporean diners. This technology enables F&B businesses to not only reduce the ordering process thereby being more efficient, it also allows the perfect order where customers can be assured that their order is exact and customisable further to their liking.

F&B business will have the added benefit to re-deploy manpower to other areas of operations with the knowledge that the kiosk will make the best recommendation of food pairing unique to each customer, never tire and never make a mistake and be working at peak efficiency during the hours of operations.

Turning to Covid-19, Mr Gupta says the F&B industry has been hit hard and hence his company's business is also severely impacted. "Today, the restaurants desperately need to enable takeaway and delivery, and the only option they have is aggregator apps which charge a huge commission. To cater to this growing need of the F&B businesses and help them enable online ordering for their restaurants at affordable cost, we have added takeaway and delivery ordering capability to our online ordering solution SMARTWEB.

"With this solution, restaurants can enable takeaways and deliveries through any consumer touch points without the customer having to download an app and without the heavy price tag of commissions that are normally paid to aggregators. This way we can help them survive and survive ourselves as well."

Mr Gupta: Self-service ordering kiosks are a perfect fit for the tech savvy Singaporean diners.
PHOTO: TABSQUARE.AI

How they compare

Customer satisfaction score

(SCALE OF 0 TO 100)

Those who used Self-Checkout gave a significantly higher CSISG score than those who went to counter staff/cashier

	Self-checkout	Counter staff / cashier	Self-Order	Service staff	Automated check-in/online	Check-in counter	Automated bag-drop machine	Check-in counter
Score	76.4	73.0	75.1	74.4	79.2	78.7	80.1	78.7
	Supermarkets		Fast food restaurants		Changi Airport			

Source: Institute of Service Excellence, SMU