

White Paper

Strategies for Optimizing Self-Serve Kiosk Performance and Revenues



Introduction

Self-serve kiosks have been established in the marketplace for decades. And while the industry is still trying to settle on a single term for the category, consumers have long since adopted the easy, grab-and-go solution kiosks provide.

Small Wonder

Kiosks deliver quality results at the touch of a few buttons: fast self-service without lining up at a counter; no-wait, instant payment and no cash required!

As a result, savvy businesses know that kiosks are no longer a “nice-to-have” feature—they’re a must. They fill a variety of needs: a solution that enhances the consumer experience, a supplement to an operation’s workforce or a way to offer new services and add new streams of revenue. In short, kiosks are now a critical part of doing business. Still, as with any piece of electronic equipment, they require service to remain in top working order. And it’s no secret that such service can be costly if not managed properly which can result in loss of revenue and damage to your brand.

In the past, service meant either support during an equipment warranty period or break-fix services at a high price and these same solutions were offered to everyone. But that traditional service approach is antiquated, according to Rick Welch, Sr. Client Services Manager at **Kodak Moments**, who said, “You’re simply not addressing specific consumer needs.”

“You’re basically saying them ‘This is what we have. If you want service protection, this is the only plan.’” Welch said. “It’s a way of doing business that’s outdated and doesn’t work anymore.”

“For a kiosk developer, offering a customizable service program becomes a differentiator in the purchase decision,” Welch said. “A company can make one-time sales of its hardware, but a tailored service program illustrates a longer-term commitment to the customer’s business and its satisfaction. That kind of flexibility and customer focus cultivates a relationship that ultimately keeps customers coming back.”

Self-Serve Kiosks are Now the Channel of Choice for Consumers

Gone are the days where people avoided self-checkout. In 2022, food store self-checkout sales nearly doubled over 2021 and now represents a full 30% of all grocery store transactions¹.

The interaction a consumer has with your kiosk should be quick, easy and offer immediate results. Whether you’re a regional or global operation, the kiosk is basically a scaled-down version of your company. That’s why it’s imperative that your kiosks perform to customer expectations.

So whether you’re in retail, food, finance or the hospitality industry, self-service kiosks are part of the landscape. They are a necessary element of any B2C growth plan.

Performance of Kiosks is Vital—All Transactions Should Be Scan and Go

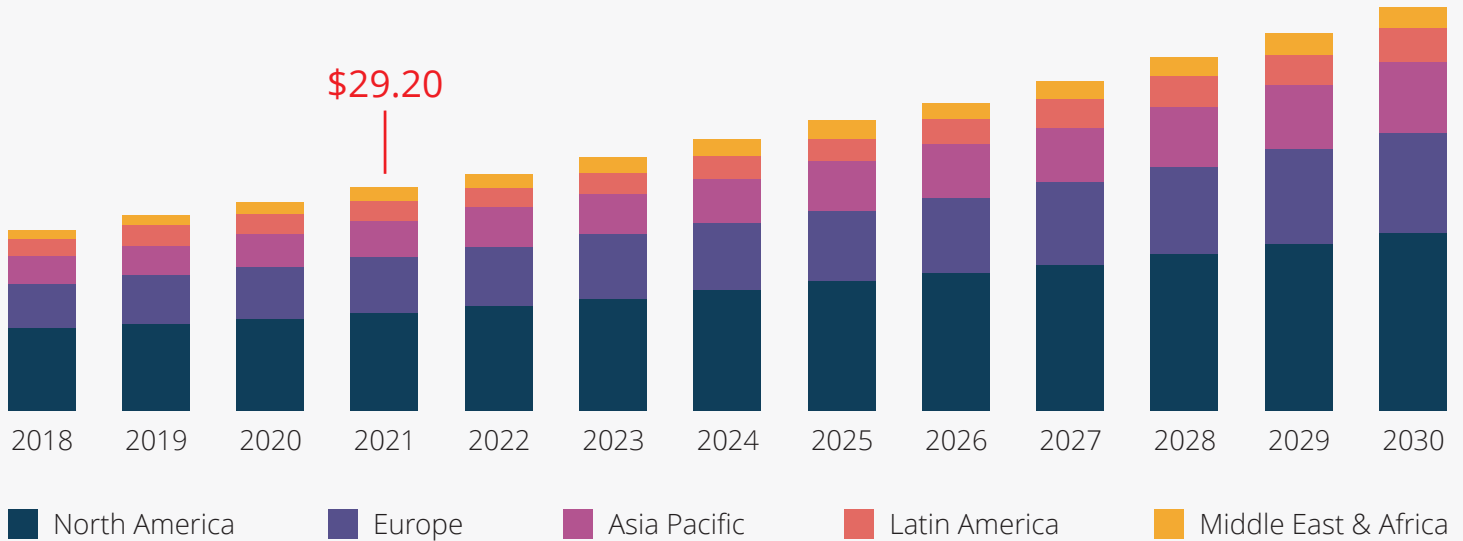
Kodak Moments is a pioneer in the kiosk arena. Every day, 500,000 people use one of our 50,000 kiosks².

Because kiosks are our main source of revenue, we take a serious approach maintaining our fleet and with ongoing analysis of customer behavior, we continue to enhance the customer experience.

For decades, **Kodak Moments** has been the trusted partner to major retailers and entertainment leaders. In this white paper, we will share some of our lessons learned.

Kiosks are Part of the Landscape

Interactive Kiosk Market Size, By Region, 2018-2030 (USD Billion)



Source: Polaris Market Research Analysis⁴

For Individuals

Customer acceptance of self-service technology continues to grow and automated purchasing options are increasingly being sought out.

Consumers are returning to brick-and-mortar stores in full force: they have evolved shopping habits and expectations and are seeing both online and offline purchases as part of the same purchase journey. Endcap displays are an extension of the aisles.

In the age of smartphones, people naturally gravitate toward objects they can operate with at tap of the finger. They see kiosks as a larger version of intelligent hand-held devices.

For Businesses

Businesses look to automation as assistance with labor shortages, which are expected to continue.

Self-checkout machines cost between \$14K to \$40K and pay for themselves quickly.

In 2022, self-checkout grew nearly 2X over 2021, and represented 30% of all grocery store transactions³. Where there used to be express checkouts are now self-serve kiosks.

For Food and Hospitality

Self-checkouts in fast casual restaurants have grown and expanded to convenience stores.

In hotel lobbies and tourism centers, paper brochures are being replaced with kiosks.

Market studies show that kiosks are delivering higher sales and shorter customer wait times.

Key Takeaway 1:

Kiosks are Powerful Brand-Boosters

Vending kiosks represent a scaled-down version of your business brought directly to the consumer. Consider it as a micro-version of your brick-and-mortar presence or as a concrete version of your virtual business.

An increasing number of retailers have their presence in multiple channels instead of limiting themselves to online or store formats only.

The proliferation of branded kiosks reinforces your logo and branding with current customers. Moreover, it can help reposition your brand and create awareness with consumers who are looking for an enhanced experience from a known name.

This marketing agility provides a cost-controlled growth path through eliminating large capital investment and labor issues. Because an installed kiosk costs between \$14K to \$40K, it can pay for itself quickly.

Visually, a kiosk operates much like a smartphone to give consumers what they want at the touch of a button.

Kiosks serve all types of people and every demographic is very comfortable with using them, from Gen Z to Millennials and Baby Boomers.



Key Takeaway 2:

Kiosks Offer Live Data on Consumer Purchase Behavior

From smart shelf technologies and self-service tablets to interactive kiosks, new technologies offer live observation and reporting on consumer purchase behaviors. This capability is a powerful marketing tool and an impactful differentiator. For you, this means:

- Continuous live data and purchasing habits of the customers buying your products.
- Ongoing tracking of inventory movement so you'll never be out of stock.
- Attunement to users' ever-evolving preferences so you can and adjust your offerings.
- Ability to customize your promotions for holidays and special events.
- Possibilities to upsell related products.
- Data that allows you to forecast future demand and plan for effective negotiations with your vendors.

Example:

Banks, ATMs and Remote Data

The first ATM was installed in 1967 at London. But from 2021 to 2022, the number of units in service decreased from 470,000 to 451,000.

Why? Because by studying the data remotely collected from these kiosks, banks were able to observe a decline in ATM usage in specific geographies. In response, they removed ATMs at strategic locations. Remote intelligence allowed the banks to save major dollars on the operation and maintenance of under-utilized ATMs while retaining a high level of customer convenience and satisfaction.

Key Takeaway 3:

Artificial Intelligence

AI-powered technology is rapidly becoming a game-changing business tool. Software controls all aspects of a kiosk: hardware, content and payments. Making the leap to AI-operated self-service will enhance the experience for businesses and their customers. In addition to data collection, AI will capture voice characteristics and eye signals to optimize the facilitation of more complex transactions and increase the velocity of responses. The user will now interact with kiosks in real time.

Through its observations and collected data, AI will predict trends so the owner can adjust offerings rapidly and effectively. At the kiosk, AI can provide personalized coupons and loyalty rewards immediately. From a corporation-wide perspective, the data collected will deliver key qualifiers for national advertising campaigns.

Invest in the right software and consider your IT team as a source of revenue. Without connectivity and data, your business can stray off-track.



Key Takeaway 4:

Get a Trusted Partner to Maintain Your Fleet

To optimize your kiosk-based success, you need to ask: who best to service my fleet?

The answer is a true partner who will take care of all levels of service, holistically. Now more than ever, many companies are partnering closely with their suppliers to achieve growth, greater profitability and a competitive edge. Your partner should be ready to learn your business and be able to propose innovative service solutions that are right for you. Your provider should truly care about your business and its long-term success—not someone looking for a transactional relationship. The latter may leave you hanging at the first occasion or charge you excessive amounts for anything outside of the norm.

Conversely, a close and mutually beneficial working relationship with your service provider is characterized by a high level of trust, mutual respect, open and efficient communication, shared risks and rewards, commitment to each other's success and the ability to constructively deal with differences. To recognize a true partner versus a transactional provider, consider the following:

Quality:

Can your service candidates demonstrate their ability to provide all aspects of the services your fleet requires, with proven expertise and skilled, certified technicians? What added value do they bring to the table? What pricing advantages are offered if you combine services through a single supplier?

Responsiveness:

In case of a problem, how quickly can the service provider get you back up and running? What is their process for doing so? Do they handle your issues directly or work through layers of sub-contractors? If off-site repair is required, how close and well-suited are their facilities to ensure timely repair? Do they offer services to expedite the process (remote online support)?

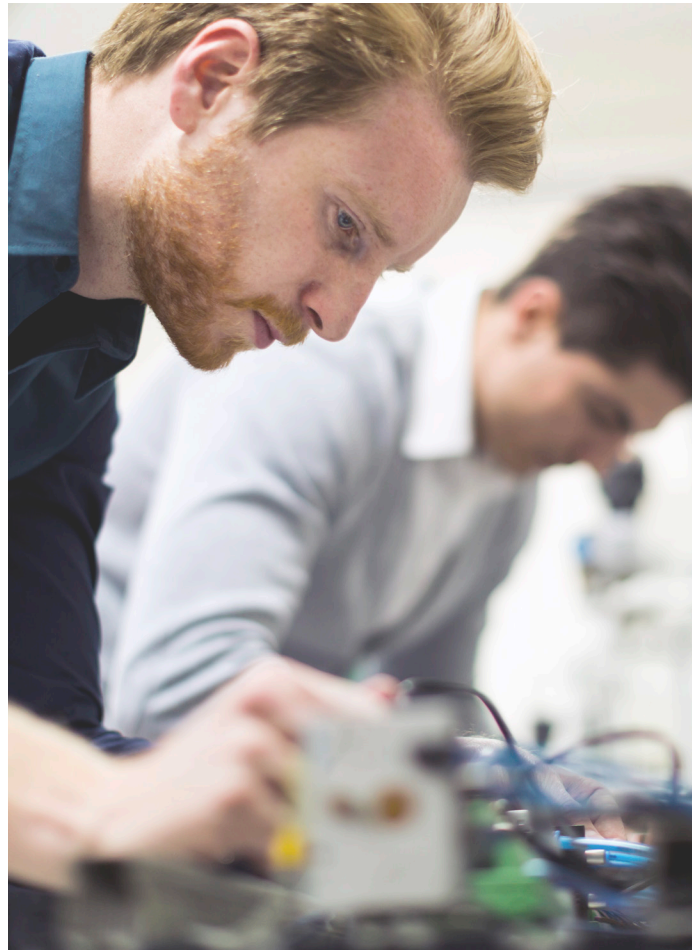
Innovation:

How are they maintaining their relevance in the industry? Will they be able to support your business at its projected growth rate? If you plan to expand beyond your current geographic borders, are they present or have established partnerships in the new regions?

Value-added services and service plans:

Service programs can span the life of a kiosk, and can begin even before installation. Value-added services may include site inspection/readiness, equipment and promotional material staging and onsite training in operating the kiosk and optimizing efficiency.

These services may also involve preventive maintenance plans, where the service provider regularly updates software, performs timely hardware upgrades and cleans interior components as needed. Depending on the types of upgrades required, changes can be made either in person or remotely if the kiosk platform contains those capabilities. A service plan can be designed to keep the kiosk operating smoothly with minimal or no employee support required.



“If a customer approaches a kiosk and it’s not operating properly, they have a bad experience. They’ll tell five or six people that it’s not working well, and it becomes a domino effect.”

— Rick Welch, Sr. Client Services Manager, **Kodak Moments**

Service plans and cost control:

Without proper management and oversight, kiosks can fall short of meeting their potential. Kiosk owners pay only for the services they need to drive their operational goals with a customized service plan. It can include measures to proactively maintain the equipment and minimize costly reactive repairs in the process. Service designed for kiosk-specific needs can extend the life of the equipment by addressing issues early and avoiding costly downtime. Plus, knowing the cost of most maintenance in advance can make budgeting easier.

Differentiation:

When a kiosk provider offers service and support that is specific to a customer’s needs, it differentiates their ability to market a unique solution and helps the company implementing the kiosk enjoy seamless operations.

Some examples of customization include response time, proactive support and types of services received. Customization also gives businesses different levels

of service across all their locations. For example, some devices may need more or less service based on location, volume or capabilities. A solution can be customized to an individual location or by regions to ensure each kiosk receives the service it needs to maintain operations.

To create the ideal service program a dialog between the service provider and the company it will serve is required to understand the company’s strategy and business model and determine what options will work best.

One of the most competitive battlegrounds in the market today relates to the customer experience. Experts who know how crucial this experience is and how a kiosk should operate to optimize it, can also identify opportunities to enhance that customer experience such as adding new kiosk features or improving the user interface to optimize smooth operation and customer satisfaction.

User Experience Determines the Level of Success

A kiosk creates an entirely new approach to purchasing. The consumer is no longer passive or closely guided into buying by an employee. The entire process happens between the consumer and the kiosk so the success of that interaction is critical. Be sure to attend to these positive and negative consumer influences:



Positives:

The kiosk must be located in a bright and clean environment, both clearly visible and easily accessible.

100% success on first usage is crucial. The interface should be intuitive and the selection of products should be easy. There should be a no-wait response time. Consider the use of AI to activate your kiosk and greet the user as they move within arm's length of the kiosk.

Provide a Help button or customer service phone number that immediately connects the customer to a team of agents on standby to guide them through an issue.

Have a qualified local field technician on call for prompt on-site repairs and continuous replenishment.

Kiosks are only as functional as their software; it needs regular updates and upkeep. Have IT experts ready with the ability to perform remote uploads.



Negatives:

Unkempt kiosks project a lasting negative image of your entire business and your fleet of kiosks.

Consumers will not trust a shabby-looking kiosk, nor its ability to deliver correctly. They will certainly doubt the quality of the merchandise it dispenses.

If the kiosk is not user-friendly and requires too many steps to complete the transaction, users may get screen fatigue and walk away without finishing their purchase. We have seen this frequently where the selection process is too complex with too many options that forces consumers to go through an exhausting series of sub-menus.

Missing merchandise: When your self-serve kiosk is not fully stocked, customer frustration is inevitable.

Conclusion

A New Service Model

While recessions may be looming, kiosk usage continues to increase. Kiosks reach the consumer on the way home from work, on vacation, coming back from an event, or while out shopping. It is a proven fact that kiosks bring higher sales and shorter customer wait time. It's a win-win situation for everyone.



The trend is crystal clear: from grocery self-checkout to convenience stores, from large retail self-checkout to Amazon's Go Concept, the majority of consumers expect stores to continue to invest in digital payment over the next couple of years.

For a rare moment, the consumer is driving new innovations, as they want to make their purchase and just walk out.

Kiosk service has evolved from basic cookie-cutter service agreements to targeted service solutions. Wherein the past service was an afterthought, today's service adds value to a kiosk deployment. The key to developing and executing an effective, tailored service program is to create a delightful experience for the customer that gets them to return time and time again.

And for companies that have or are considering deploying kiosks in their operation, it is critical to partner with a service provider who offers customized service solutions to meet your most specific business and customer needs. Partnering with the right service provider will help maintain uptime, add value and become a seamless part of the deployer's operation.

In short, a customizable service solution should be a key component of every kiosk implementation. And finding a service provider that truly wants to be your long-term partner in making you successful is a must.

Contact **Kodak Moments** Services to discuss your kiosk fleet management challenges at servicesandsupportsolutions@kodakalaris.com or 1-800-248-6485.

References:

1. Wall Street Journal.
2. Kodak Alaris 2022 Annual Report.
3. Food Industry Association.
4. Polaris Market Research Analysis