
Conquering the Labor Shortage with Kiosks

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Case Study Summary

This case study is centered around a family-owned, quick service restaurant called “Golden Eagle Fish Shack” located in Atlanta, Georgia. The time setting of this scenario ranges from the start of Covid-19 in 2020 to the start of the restaurant reopening period in 2021. Within this time period, in-house consumer traffic is greatly declining for restaurants, restaurant workers are leaving the restaurant industry in search of safer, home-based jobs, and restaurants are struggling to break even. The owner of Golden Eagle Fish Shack, Issac, has proudly operated the restaurant for four years with prominent levels of profit, consumer satisfaction, and availability of labor. Since reopening from the mandated restaurant shutdown period, the owner has lost many members of his original crew. Despite drive-thru traffic growing for the operation, Isaac has been receiving more complaints about the inconvenience of the long drive-thru line and the lack of offering alternative takeout options. With Issac unable to open up the dining room and the needed level of front-of-the-house staff, he has been thinking about implementing self-order kiosks within the operation. Issac would also need to ensure that he, his assistant manager, and front employees are trained on how to use the kiosk in order for them to be able to assist guests in its use. In addition, Issac will need to create an emergency service plan, for temporarily reverting to manual service, in the situation that the kiosks malfunction or break down. He proposes three solutions that could be used to properly adopt the kiosks into the operation.

Teaching Objectives

The case study has four objectives. Students will analyze the effects of utilizing kiosks on sales and labor costs. Students will also identify the challenges of implementing kiosks within family-owned, quick-service restaurants. Students will assess potential solutions for increasing sales during the introduction phase of adopting self-service kiosks within a foodservice operation. Upon completion of the case study, students will be able to perform further research to expand on the impact of self-service kiosks on the restaurant's operation, its employees, and consumers.

Target Audience

The target audiences of this case study are hospitality management and business management graduate students. Each of the case study objectives has concepts that this audience of students will have a knowledge and understanding of. The first objective reflects the concepts of generalizing revenue and expenses. The second objective resonates with the concept of addressing operational risks that could occur from business decisions. The third objective emulates the skill of problem-solving to determine how this new idea/addition could increase customer satisfaction levels. The final objective brings forth the idea of generating new findings on how the addition of the new foodservice technology could further benefit other restaurant operation types within the industry, based on what they found from the case study. All of these concepts are highly beneficial and necessary for both audiences to have as they enter their careers within the industry.

Recommended Teaching Approach Strategy

It is recommended that this case study be used as a classroom group activity. In the activity, the students should be split up into groups of three and given the homework task to review the case study in advance and come to one conclusive solution that their group supports. Utilizing the proceeding class session, each group will present and justify their solution. This setup for distributing the case study is beneficial because the activity encourages teamwork and collaboration. In a real-world setting, many management decisions will require discussion and agreement before they can be fully implemented into the operations' service infrastructure. The activity prepares students for this experience.

The activity also introduces the students to the justification of potential operational adoptions based on forecasted sales, consumer-use perception, and labor workload. As graduate business management or hospitality management students, they will have learned how to calculate sales and expenses. This activity will give them more practice in justifying the impacts that a new adoption would cause on sales and expenses. Finally, the activity will broaden the student's knowledge of foodservice automation. Research has shown that restaurant consumers are yearning for technology that provides more convenience and faster service to customers (Hudson, 2021). With Covid-19 continuing its pursuit, the demand for faster and more convenient service is important for students to understand before entering their careers.

Theoretical Concept Analysis

Past research has supported the claim that, since the start of Covid-19, the availability of manual labor within the restaurant industry has dropped (Dean, 2021; Hudson, 2021; Na et al., 2021). Many have even termed this event "The Great Resignation" (Romeo, 2022). Despite the occurrence of this event, restaurant traffic has not ceased. Even more, consumers are flocking to drive-thrus and takeout, as Covid-19 continues to spread. As a result, many restaurants are struggling to keep up with the demand, while maintaining satisfaction. Due to the worry of safety, qualified labor is becoming more difficult to find (Littman, 2021). The National Restaurant Association (NRA) has even provided support to the theory that more restaurant consumers are yearning for restaurants to adopt more service technology that will provide a more convenient and unique service experience (Hudson, 2021). Restaurant owners have been looking into ways to generate more profit and less labor, while offering this automated convenience (Park et al., 2021). If the impacts are not thoroughly analyzed and researched, investment and adoption of this automation have the potential to cause more loss to the operation. Gursoy et al., (2020) supported the theory that self-service kiosk usage is highly likely to be an ongoing trend within the restaurant industry, post-Covid.

Rosenbaum & Wong (2015) theorized that self-service kiosks have a high potential of increasing service quality and consumer satisfaction. The model used provided valid evidence that most restaurant customers will showcase a higher level of acceptance towards self-service kiosks when the opportunity for face-face interaction with a crew member of the operation is present within the innovative service system (Rosenbaum & Wong, 2015). Jeon et al (2020)'s Unified Theory of Acceptance and Use of Technology model findings support the notion that self-service technology that does not involve face-face contact with employees provides a higher risk for lack of consumer acceptance of the innovation. In spite of both theories being supported, a forewarning was emphasized. Adopters of self-service kiosks should not anticipate immediate high enthusiasm from their guests upon the innovation, as self-service technology systems may be under-utilized if the adopters do not take into account the output of their customers' needs and demands from the technology (Rosenbaum & Wong, 2015). As the level of user innovativeness increases and consumer values are represented within the innovated adoption, the lower the perceived risk of consumer unacceptance of the self-service technology becomes (Jeon et al., 2020).

Technological innovations, such as self-service kiosks, were speculated to simultaneously lower operational expenses while increasing profits (Rosenbaum & Wong, 2015). Noone & Coulter (2012) supported this theory by analyzing the Zaxbys financial investment expenses and revenue. The variable costs of maintenance fees and technology procurement were averaged to be around \$3,500 per self-service kiosk unit, while the return of investment for the technology was estimated to occur within a three-to-five-year time period for a common quick service restaurant (Noone & Coulter, 2012). It was found that \$8,000 of revenue was saved within a year per single food operation of Zaxbys, while a \$60,000 increase in sales for the year was also achieved (Noone & Coulter, 2012). Subsequently, Zaxbys was able to serve more customers quickly without an increase in staffing levels, thereby adding significantly to the bottom-line profits and lowering yearly costs within each operation unit (Noone & Coulter, 2012).

This case study explores all of these theories. The three solutions are designed to complement audience's different methods of thinking. Each solution has a risk. Just like in a business meeting, various individuals are more willing to take on different approaches and levels of risk when investing in a new concept. The discussion questions are in place to better help the audience critically think about how the impacts and risks of their solution can be enhanced and minimized. The discussion questions allow the audience to critically think about the theories of enhancing customer perspectives of the service technology, ensuring a motivating and smooth flow of service activity between the guests, kiosks, and employees; while ensuring a high degree of profit and satisfaction. All of these theoretical concepts are essential for the audience to grasp a comprehension. As time continues to progress, these concepts will continue to be seen and utilized within the industry. With there being no one right answer to this case study, it paves the way for a smooth flow of deductive outlooks to arise on the concepts.

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