

SELF SERVICE WORLD

Self-Service Market Survey

2006

Presented by



The 2006 Self-Service World Market Survey

How are you — and your competitors — using self-service? Our exclusive survey captures a snapshot of the industry.

James Bickers, editor

Adopting new technologies and business practices without hard, fast numbers is a bit like trying to find a light switch in the dark: You can do it, and sometimes you'll do it correctly, but just as often you'll stub your toe or break a lamp.

Numbers on the adoption and usage of self-service have been historically tricky to pin down, chiefly for two reasons: self-service is a relatively new business method, and it is used across a variety of industries for a variety of purposes.

Keeping that second reason in mind, we set out to perform our 2006 Market Survey with an eye on multiple industries. We surveyed 100 decision-makers at medium-sized and large companies: 18 percent of those companies are in the banking/financial sector, 22 percent in restaurant/foodservice, 28 percent in retail, with the rest divided among government, healthcare, hospitality and other sectors.

We asked these decision-makers a variety of questions about what self-service means to their business plan; how they see their usage of it changing in the coming years; what benefits it brings them; what their competitors are doing with self-service; and how they go about choosing a supplier.

Current usage — and the near future

The majority of our respondents (72 percent) have deployed at least one self-service device in their business. Among those, the most commonly deployed were Internet access kiosks (20 percent), ATMs (17 percent), product information kiosks (15 percent) and digital signage (12 percent).

Surprisingly, one of the self-service applications that bears the most promise regardless of industry — human resources — was one of the least deployed, with only 3 percent of respondents saying they've used self-service to manage their employees and field for new ones.

We then asked which devices were next to be deployed, either within the next 12 months or the next five years. Internet access, ATMs, product information, interactive marketing, loyalty programs, digital signage and coupon dispensing all got high marks, with at least 10 percent of respondents saying they would deploy them within the next 12 months. Once again, HR got very little attention, with only 2 percent of respondents expressing an interest.

The reasons why

Every major business purchase must have a justification — hopefully a solid one. When asked why they were spending money on self-service, respondents overwhelmingly said it was because their customers demanded it: Forty-five percent of those surveyed said customer demand for convenient service was driving their self-service initiative.

The other prime mover (40 percent of respondents) was a desire for increased operational efficiency, which, it can be argued, works hand-in-hand with the improved customer experience. Customer demand for fast service also was a big motivator, with 39 percent of respondents calling it a factor.

Survey participants also were enamored with the potential for greater profitability (34 percent), enhanced branding opportunities (26 percent) and the fact that competitors are using self-service (13 percent).

When it comes to researching this major purchase, though, most companies are remiss; only 11 percent of respondents commissioned their own research (in-store, online or via mail) to see what their customers want. A mere 14 percent hired the services of a research firm or purchased one or more research reports; 17 percent conducted no research at all.

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Budgeting and planning

It's a consensus among self-service experts that in order for a project to succeed, it needs an internal champion — someone within the company who believes in it and will fight for the conditions and support required to make it work.

Although that internal champion might have a dozen other things on his plate, it is best to have a dedicated self-service employee (or more than one) whenever feasible. In our survey, 36 percent of respondents have at least one employee who does nothing but oversee the company's self-service program — and 45 percent plan to add one or more such employees in the next three years.

Not surprisingly, self-service is common in budget planning. When asked what their spending on self-service looks like for the next few years, 52 percent said it would increase in the next twelve months, and 60 percent said it would increase in the next three years. Fourteen percent and six percent foresee no change in spending levels, respectively, during those two periods.

Not a single respondent said their budget for self-service would decrease within the next three years.

Making the key decisions

Once a business has arrived at the decision to spend money on self-service, the really tough questions lie ahead — namely, whom to choose as suppliers.

Although price is always a factor, it certainly is not the biggest factor. Only 19 percent of respondents said price was essential, while 33 percent dubbed it important and 11 percent felt it was "somewhat important."

So what is essential? Overwhelmingly, companies want a supplier that understands their particular business. When asked which attributes are most important when choosing a provider for self-service, 39 percent felt an understanding of their industry was essential, and 29 percent said an understanding of their specific company was essential.

What was least important? The supplier's age, experience, size and perceived market position. Outranking all of these was the supplier's ability to demonstrate real-world success stories — especially in the form of case studies from previous clients.

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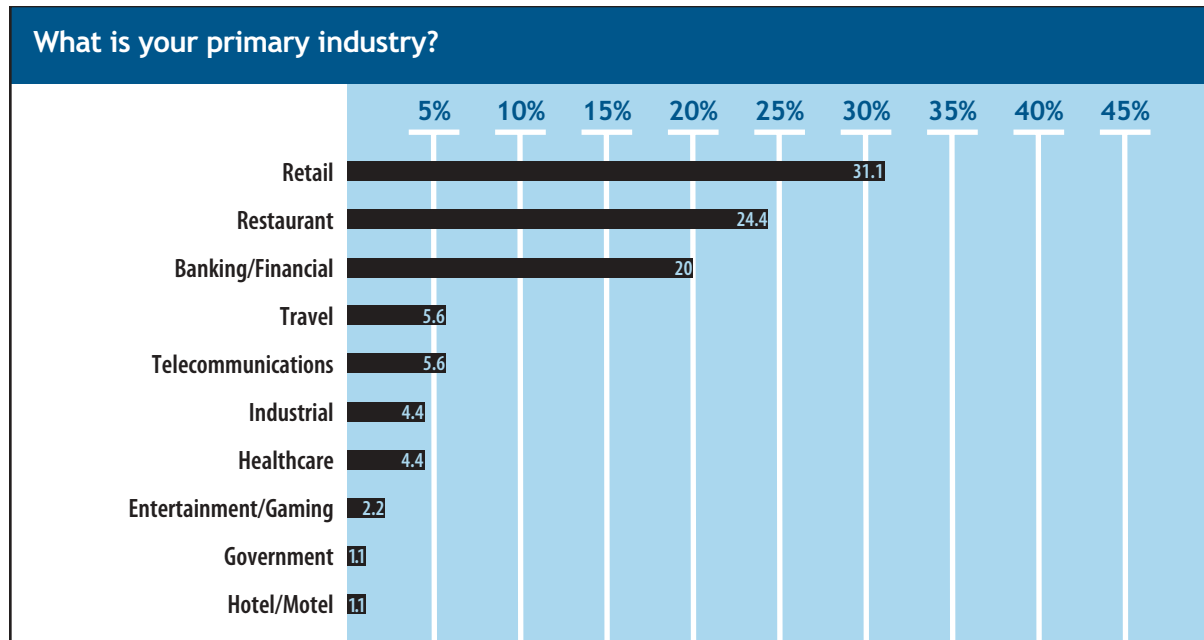
Lessons learned

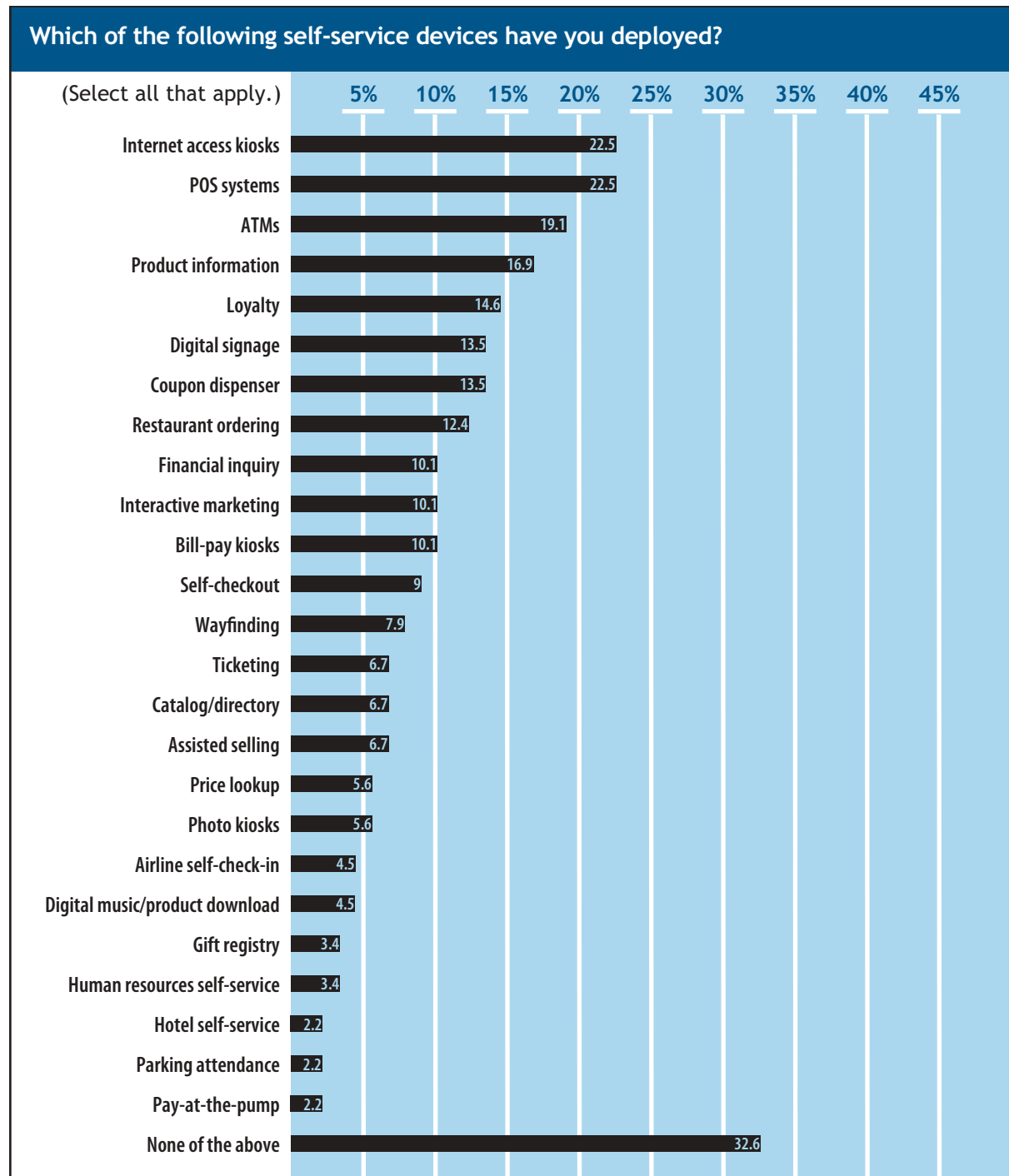
We can extrapolate three key takeaways from this year’s Market Survey:

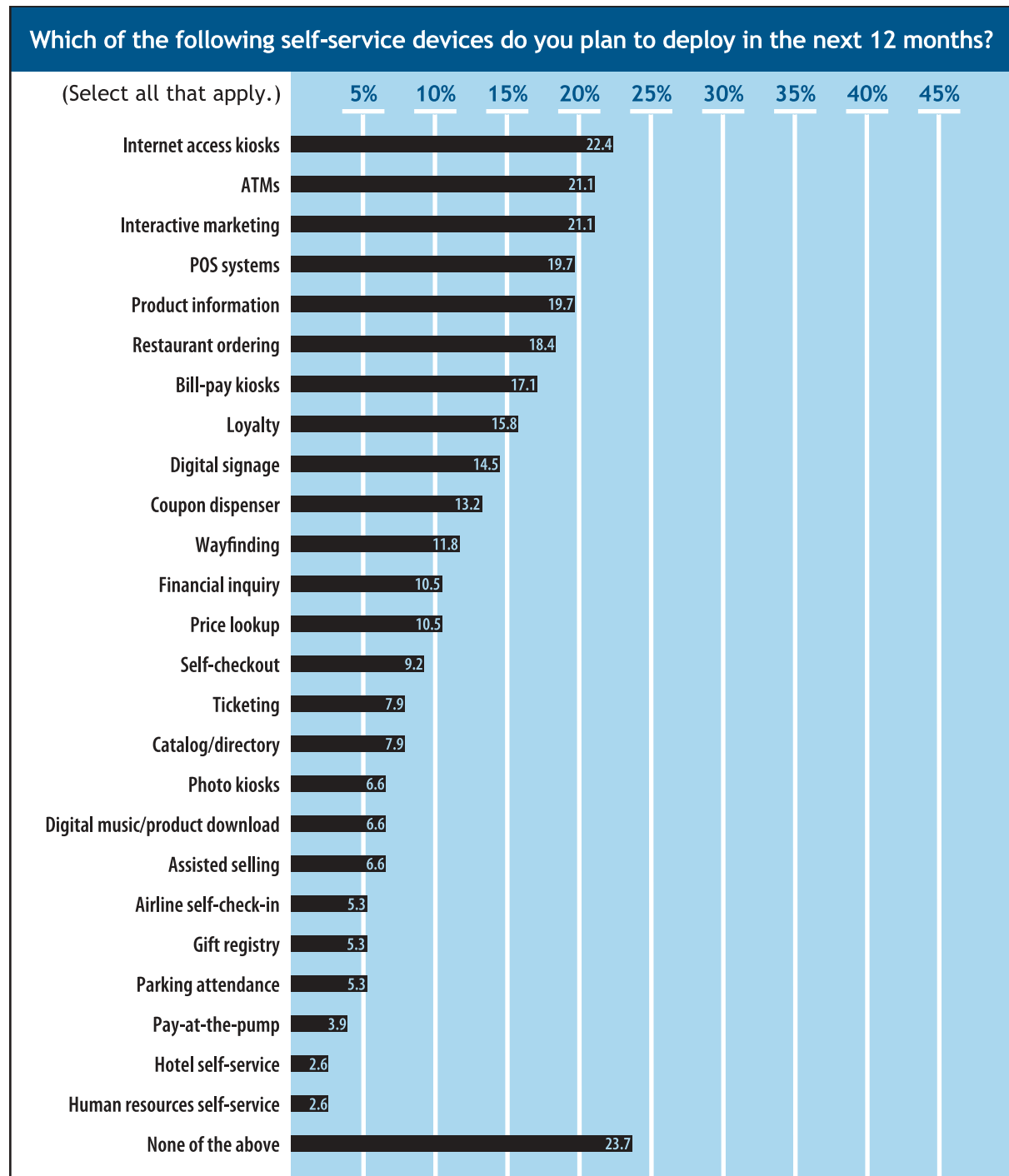
- Companies increasingly understand the importance of having one or more full-time self-service employees.** Self-service is a business process, with its own body of literature and disciplines; as with ISO 9000, Six Sigma or TQM, companies wishing to adopt it will find their efforts enhanced by having one or more dedicated experts on staff.
- Companies value expertise that is germane to their particular field.** Our respondents place far more weight on a supplier’s ability to understand their industry and their specific business than on the supplier’s market position, who has the lowest price or any of a number of other variables.
- Self-service for human resources is underutilized.** The field of human resources bears some of the greatest potential for self-service improvement, and yet our survey shows it to be the most underused. Companies can experience great growth in productivity and profitability merely by using the basic tools already in existence; further refinement of those tools, and customization to a firm’s specific internal HR processes, can result in even greater gains.

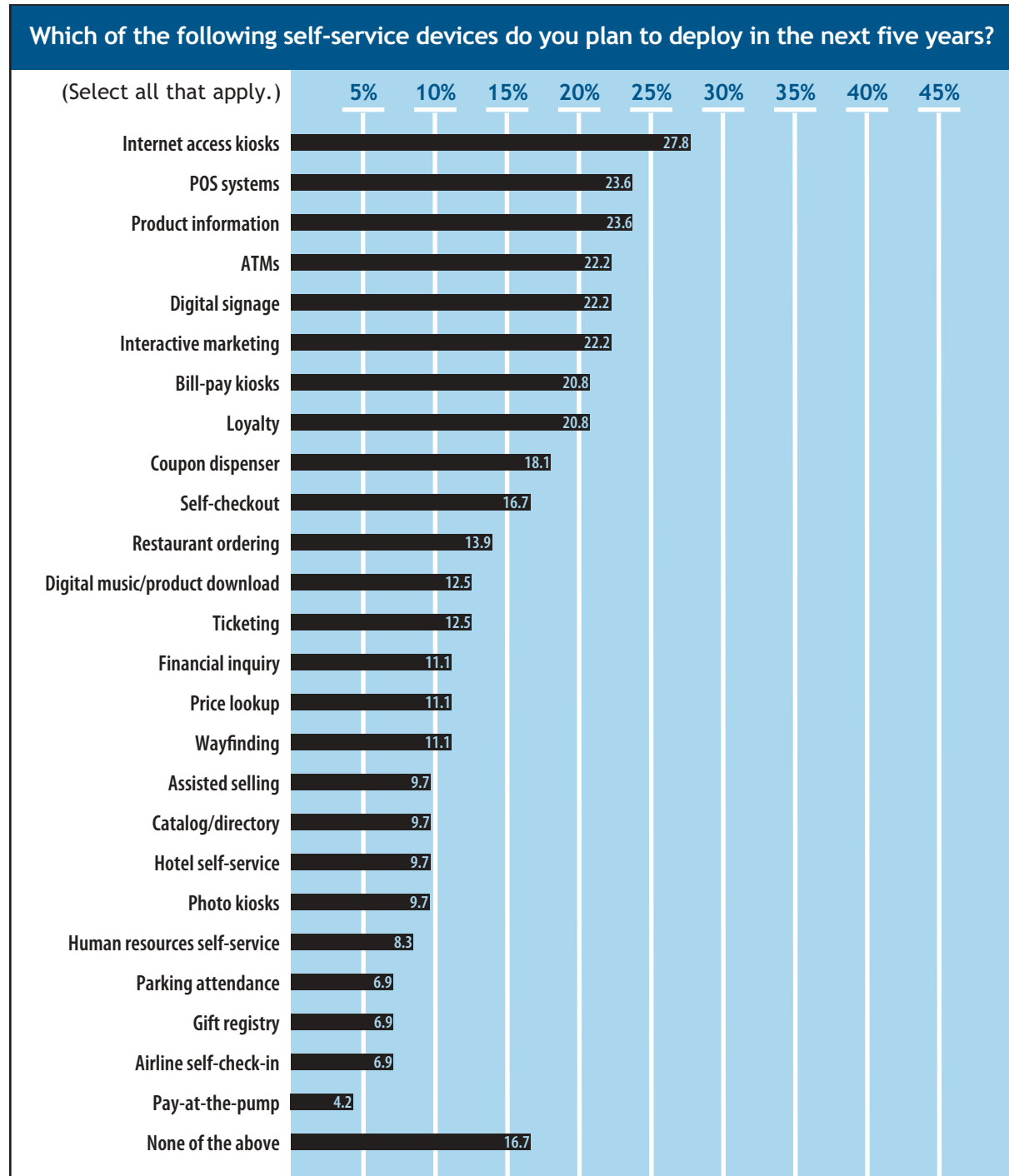
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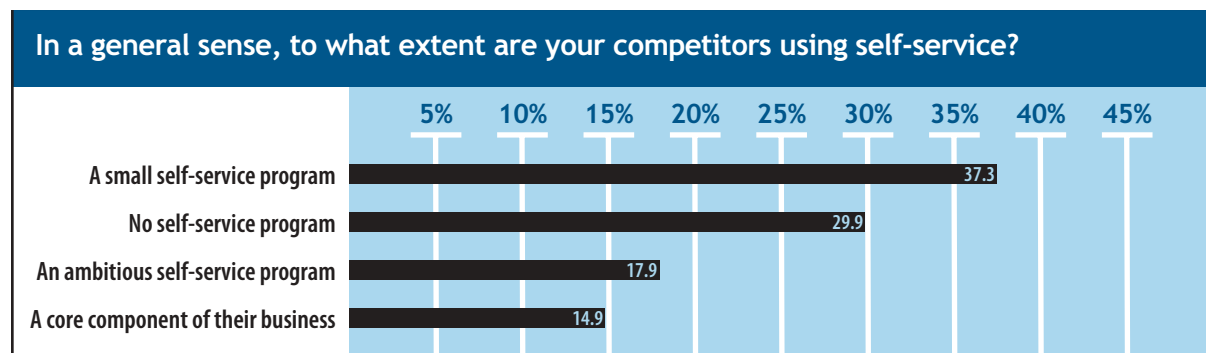
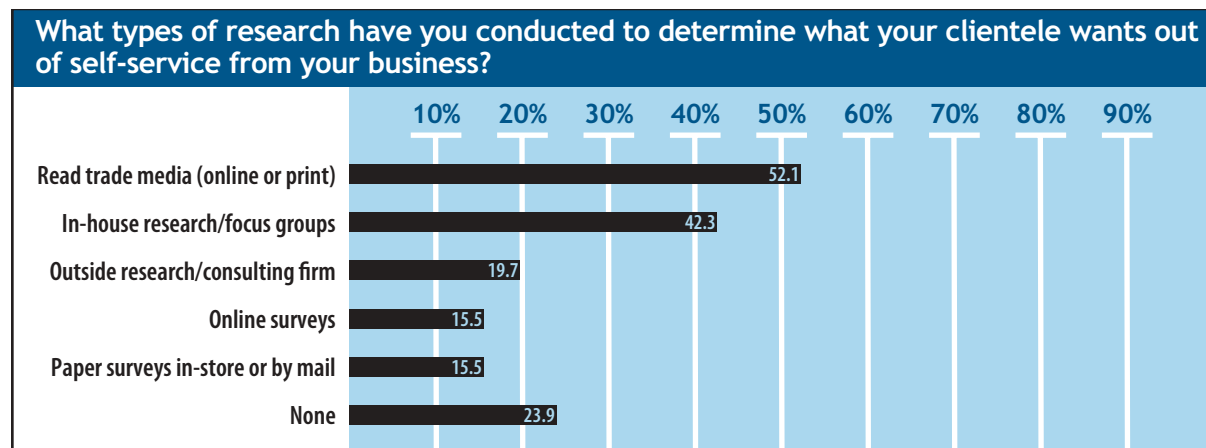
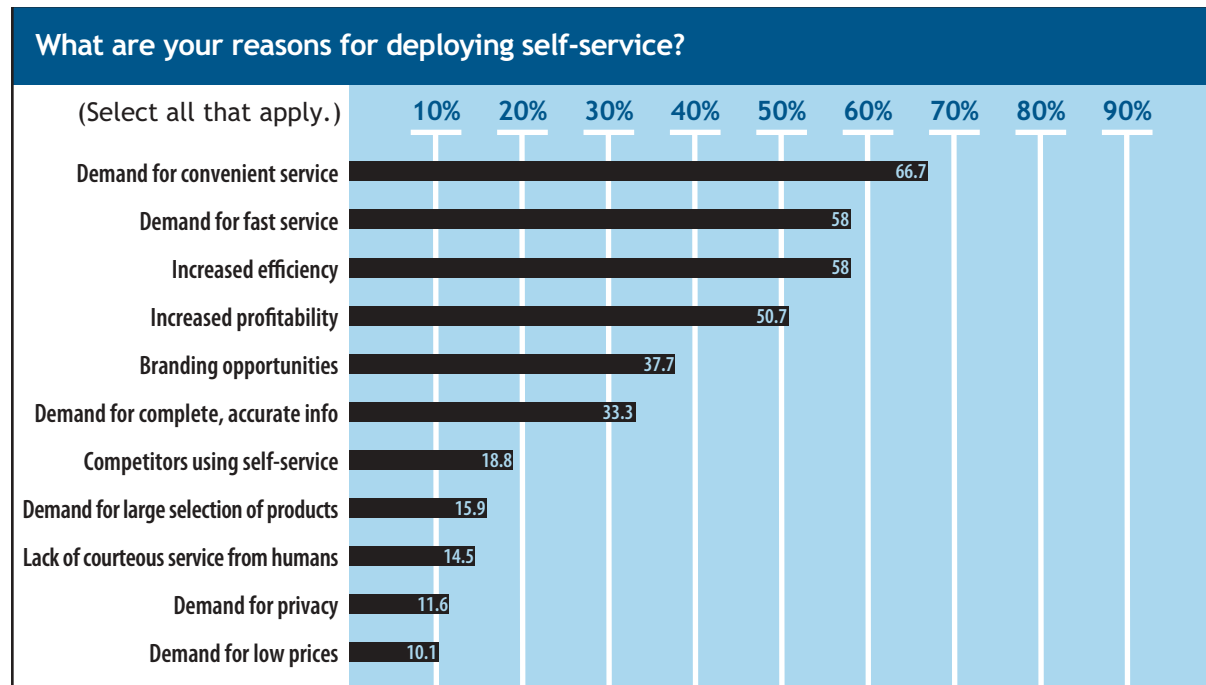
Survey results:

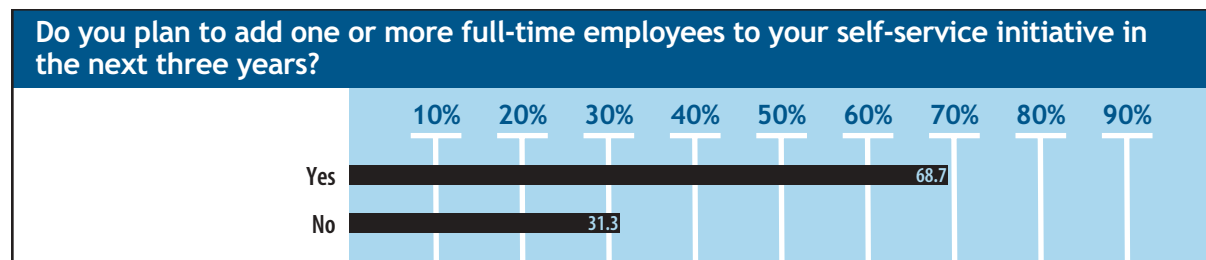
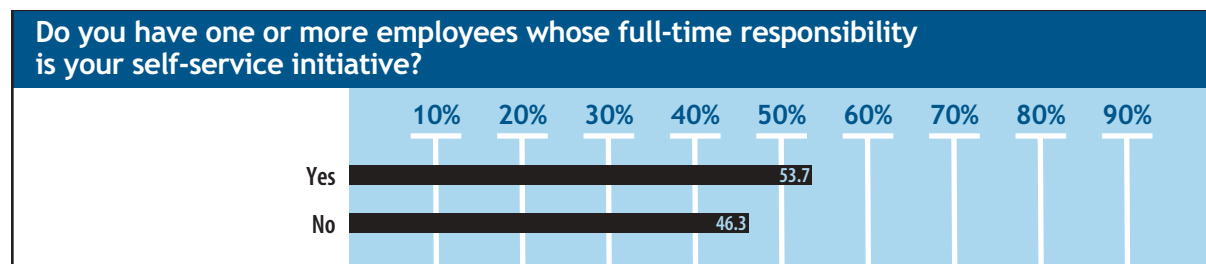
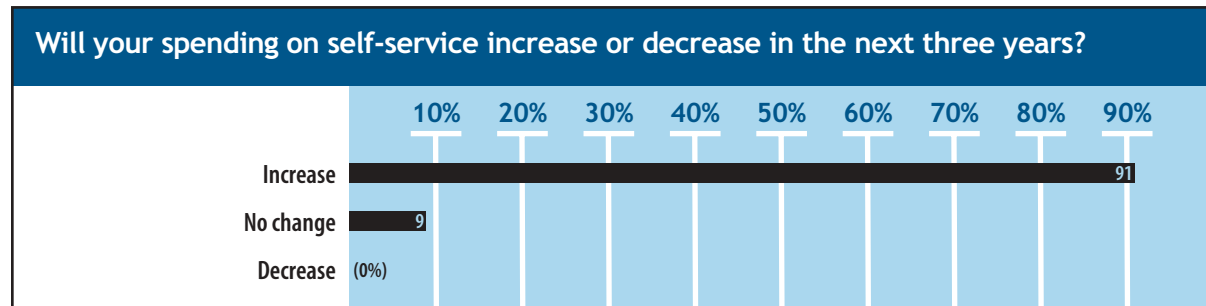
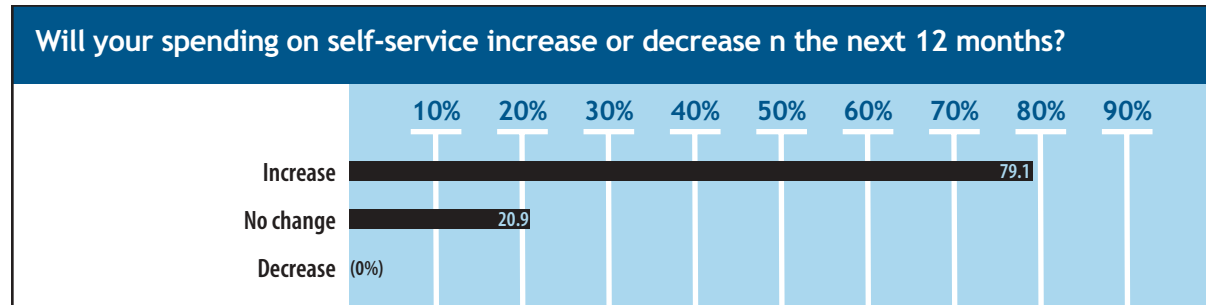












When choosing a supplier for your self-service initiative, which of the following attributes are most important?

	Understanding of my industry	Understanding of my company	Company age, experience	Case studies/success stories	Company size, market position	Company history
Essential	58%	48%	18%	33%	16%	32%
Very important	33%	35%	52%	47%	41%	38%
Somewhat important	6%	14%	21%	18%	39%	27%
Not important	3%	3%	8%	2%	3%	3%
Response average	1.55	1.73	2.20	1.88	2.30	2.02

