

The Future Is Now

Tech futurist Dan Burrus talks technology that's just around the corner.



Dan Burrus

Dan Burrus gets excited when he talks about a 3-D Internet experience. Not because he can't wait to develop the technology, but because he has a prototype in his office already. No funky glasses, no need to relearn how to use the Web, just a world of opportunities awaiting the American public and, most importantly, your store. But 3-D Web browsers aren't the only innovations Burrus says could revolutionize the quick-service industry. From robots in the back of the house to voice-recognition (that really works) in the drive-thru lane, Burrus predicts that the retail experience is in for some revolutionary changes in the next two years.

He knows all this because he's one of the world's leading technology forecasters, the author of six books, and one of *The New York Times*' top-three business gurus. He is also founder and CEO of Burrus Technology, a consulting firm that monitors global technological advances. He recently disclosed with *QSR* how technological, social, and business forces will converge inside your store in the near future.

What do you think it will take for consumers to really dive into online ordering? That will become more popular because the Web is going to become 3-D fairly soon. We'll have a 3-D Web browser, and how do I know that? I already have a prototype, so obviously, if I've already got one then we're not that far from it, and you don't have to wear 3-D or special glasses.

It's really an interspatial 3-D, kind of like Xbox. It would be pretty easy for me to go to that restaurant and actually see the restaurant in high definition, it doesn't have to be a crummy animation. I can zoom in on the foods that I want. I can see a chicken burrito. I'm actually looking at the chicken burrito as it should look.

Are you saying it would look like the video game *The Sims*, where you would actually have a true restaurant experience online? Right. In other words, branding can take place

there because you've got the look and the feel. That's what a brand is all about. I know what to expect.

Don't think about what we're doing a year or two or three from now based on the way things work today."

So let's say I'm thinking of ordering online and I'm going to drop by and pick it up, and I've never tried a certain chicken burrito. Well, managing customer expectations is important. I can see what it looks like and what the sides look like by going online. So then I can make a better decision as to what I want. It's just an easy, "Yes, I want it."

How do Web-enabled devices like Blackberrys play into this? Another thing that's going to spur online ordering is the fact that our cell phones are becoming more and more intelligent and they're becoming more browser-based. Look at the iPhone, it's actually giving you a browser experience where you can make things bigger or smaller and so on. And that's just the beginning. Remember, don't think about what we're doing a year or two or three from now based on the way things work today.

Think beyond that? Technology-driven change is accelerating at a vastly steeper rate than we've ever experienced before.

Can I get specific store experiences online? Or when I log in for my chicken burrito, is it always the same online store that I see? No, that's very limited. Even though the McDonald's brand is supposed to give you consistency, all McDonald's don't look the same. So I can actually see or get an experience of the McDonald's unit I'm going to see. Because what do we want? We want to manage our customers' expectations. We don't want them to see an unbelievably fancy prototype store online and then have them go into one that's 20 years old. Because again, it's about getting what you expect, and then of course, as any good businessperson knows, you try to exceed expectation.

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Is this going to be affordable for smaller operators? The chains are going to start first because they've got deeper pockets. You might think, "Wow! This will really be a lot of programming." But, actually, it's not. All buildings today, and for quite some time, have been made on a CAD system. That's a Computer Aided Design program. So if you build a building, blueprints are not used very much anymore. It's all Computer Aided Design. Well, the 3D building for online can be constructed in seconds based on the CAD design.

By taking this program and essentially designing around it for online? The exact location of the door, of the walls, the bathroom, everything—poof! It's all of a sudden constructed and there. All I have to do is look at the particular store on Fourth Street in Miami, get that CAD drawing of that store, and create that store. All I need is graphic artists to make sure the colors are right. And, by the way, graphic artists are far cheaper than programmers.

Aside from big companies, who else will this appeal to at first? If your market is baby boomers, you probably aren't going there first. If your market is 20 somethings, you are probably going to say, "You know, this is how we're going to steal customers."

What about in-store kiosks? We're talking about basically taking an entire human element out of the hospitality experience. In developing competitive advantage, you have to decide what brand experience you want, and as it goes forward, you have to ask yourself, "What is it that I want to keep and what is it that I want to let go of?" So there's competitive advantage in finding that mix for you. There's not a one size fits all. Thank goodness, otherwise they'd just have one restaurant that did everything. There's competitive advantage in finding what's the right mix for your crowd.

Secondly, there's another strategy I'll share. I call the strategy Both/And, which means that we tend to think either you're going to do this or you're going to do that. In other words, we have people or we don't, but that's the Either/Or. I don't like that strategy. I like to have different mixes.

Self-service is better than bad service. That's an important one. So maybe during the rush of lunch or the rush of dinner when service falls down because they can't hire more people for the rush, that's when the kiosk takes over. But maybe that's in one place. Maybe another place all they have are kiosks. Have kiosks helped the jam at checking into a flight? Yes. I'm disappointed when they don't have kiosks.

Going back to the Both/And concept, the key is, When do you use the human?

You have to figure out where and when it's best for your concept to use the human and when to use the machine? For example, some might want the people that are in line to be experiencing the person who's putting the meal together and picking how you want it. Again that's up to you deciding what's your brand and how can you best bring the brand and use this with your brand.

As part of his blog, Burrus released a three-part series called "The 6 Failures of Business Growth." The six failures are:

1. Failure to anticipate
2. Failure to communicate
3. Failure to collaborate
4. Failure to innovate
5. Failure to pre-solve problems
6. Failure to differentiate

What kind of learning curve for customers is involved with using these kinds of technology? Well, luckily, the consumers are running into kiosks every time they go fly. So, you know, the kiosk experience five years ago or four years ago would've been fairly new for most people, but today anyone who has flown probably already has experienced what a kiosk is like. Secondly, processing power is getting more powerful, and that allows us to make the technology easier, use better graphics, make things more intuitive.

So that's one of the benefits of powerful technology is as it gets more powerful, you can make it easier and faster so you don't have to wait.

There will be a learning curve. There's always a learning curve when you do new things, but one of the things to do as an owner/operator is to avoid being on the bleeding edge. But you may want to be on the leading edge.

How do you lead without bleeding? You learn from other industries that have already done the bleeding. What did they learn? One of the first things I would do if I was interested in kiosks is talk to the airline industry and the others and find out what they are learning now so I don't have to make their mistakes.

We're talking about a lot of amazing technologies, but are operators really going to take to this new equipment? Well, let's talk about online ordering. What device is used? The customer's device. As my phone gets more powerful, maybe my phone is a kiosk.

What other alternative payment options are out there? The phone is actually going to have a chip embedded in it, which is going to be your American Express or whatever credit card you have. Already in Europe you can go up to a vending machine and buy things with your phone.

What if I lose my phone? The answer there is the different biometrics of the owner will give you access to the phone and auto connects with it. So on the screen of the iPhone there in the bottom right, there's a little square that comes up when I want to pay for something, and I put my finger over it, and it's actually analyzing the blood vessel pattern under the thumb.

Is there an opportunity to customize a consumer's experience and already know his preferences when he come to the counter? You've got to know your customer. Is your customer someone that's concerned about weight? Exercise? Certain demographics in the age levels don't care, some other ones do. Let's go back to my example. I'm on my phone. I set up my own personal profile on my phone for food. In other words, let's say I want low carbs, low sugar, or let's say I don't care. Again I have to bring up privacy. No, you don't know my profile. I do. And then, when I go to order, it can give me suggestions based on my profile.

What if I'm a mom, would I be able to keep the profiles of my kids, too? Yes, you've got plenty of storage on your phone.

Fast food is a place where employee turnover is huge and inventory seems to "disappear." What will be the best way for owners to combat that? Well, first of all, the security cameras that we have today are terrible. You've seen on television where they show some guy committing a crime and you're wondering how anybody can see anything. So think high definition. Since we have high turnover, and in some places we're not sure about the level of trust we have with everybody, if they all know it's high definition, that right there is helping. What you want to do is keep honest people honest.

And you want to make it not easy. That can help out quite a bit. And then, secondly, it will see where the problem has taken place.

How closely in the future do you think something like that will be available and affordable? A couple of years. I mean, you could do it now. I'm just building in affordability.

Speaking of employees, will there ever come a time that everyone in the kitchen is replaced by machines? Let's go back to my concept of Both/And. I think the key is where to use a robot and where to use a person. You want quality control, and the robot could do a certain level of it, but once again, it's followed by a competitive advantage. So there may be chains that decide to be completely automated. Meaning, I am getting a food where no humans had anything to do with it. I'm not sure of the audience for that. That's a little harder sale. But, to phase it in so that there is a mixture of humans at certain points and robotics at others, yes, that could work.

Where do you think it's most important to insert robotics in the process? Highly repetitive tasks. For example, french fries need to be taken out of the fryer. That's boiling stuff with lots of potential for injury. Have a robot arm that lifts it out instead. Wherever there could be injury or harm to the employee or wherever there are completely repetitive tasks, those are really right for automation.

Then there are other parts that you need the human aspect to it. Maybe it's in the finish. Maybe it's quality control.

Does voice recognition have a place in quick-service? Voice recognition right now is 98.5 percent accurate. With the curve going up like it is, we're going to be close to that 100 percent in a short amount of time, closer to four or five years or less actually. So we're already within a year or so of 99 percent. That's pretty good.

I think the key once again is asking where you need it. Where's the place to use it? All of this technology is all about knowing your brand and knowing your customer and building your brand and making sure you understand what your brand is. There's probably going to be some brand migration, which means you know what your brand is but you need to take it from point A to point B.

So it's not going to work at all drive-thrus or all counters? No, none of this stuff is. A cookie-cutter approach is not a good approach, meaning all the industry is not going to do this. Rather, I'm saying with intention—I want to look at the possibilities and decide what my brand is, what it stands for, what's the competitive advantage, and, real importantly, how are my customers changing? If my customers are on Facebook and they are doing all this computer stuff, they're going to expect more of that. Maybe they won't be so opposed to a bunch of robots doing things. They might think it's cool. Again, if it's a 45- or 50-year-old, maybe not.

Should fast-food chains begin to move all of their marketing and advertising online to find customers? It's good to be where your customers are. Not where your customers were. That's an important line. You need to be where they are. For example, they were on MySpace for a long time and they've migrated. Now a lot of MySpacers are into Facebook. They'll be somewhere else coming up. Keep an eye out; they move.

Do you think it's worth marketing on those sites or should companies stick to traditional methods like television spots? If you look at the surveys, you can find out that the young people aren't watching TV like they used to. They are online. They are doing online gaming, all kinds of things. So I want to be where my customer is. If I find out what my customers are doing and I say, "OK, that's what they'll be doing for the next five years," that would be a mistake because things are changing so fast. Ten years ago, you could've said, "This is what my customer does" and use that advertising approach for the next five years.

There's been a gigantic change. Our customers are changing how they live, work, and play by these forces. For example, iPods, I mean, just a few years back, there were no iPods. Now, it's changed everything. Look at cell phones. Look at the number of kids that have cell phones now. That change doubled. And again look at what's happening online. If I'm doing radio ads, but they are not even listening to regular radio anymore because they've got iPods or they are listening to satellite—my approach with advertising needs to be Both/And. What I want to do is not be media specific, which means I don't want one radio ad. I don't want one TV ad. That's the old way of thinking. I want to be media neutral. Not think of the medium, but think of what I want to do and where my customer is. Then I want to use a combination of media. Maybe it's radio coupled with an online contest. Or maybe it's a television ad coupled with an online campaign.

Some companies are exploring YouTube. Right. Know where your customers are and know that they will be moving again. This was not a relevant conversation five, six, seven years ago. But, from now on, it's the new rules.

The National Restaurant Association conducted a survey and found that two-thirds of teen respondents said they'd use Wi-Fi if it was available at restaurants, and 65 percent said they'd use MP3 docks. Are these kinds of technologies worth implementing into restaurants to keep customers? Depending on the customer you are trying to attract, yes. Wi-Fi has been very successful in the places they've done it. For example, McDonald's started putting in Wi-Fi. Now, if you are a fastfood place, do you want people to be sitting around spending a lot of time there? No, you want turnover. So that might not be the best place to do it. But in a Starbucks, you might have a second cup of coffee or you might get a danish. So maybe having Wi-Fi in there makes more sense.

Is it worth giving these technologies away or should people be charging for them? Well, Starbucks used to charge and now it's gone to free. So I think Starbucks would rather you stick around and have another cup of coffee. McDonald's I would think would want me to get out of there so they can make room for somebody else. I don't think you are going to have a third burger.

According to Burrus, there are three drivers that shape the future of technology.

Processing power: The power of a computer or phone doubles about every 18 months as prices drop by half. Burrus predicts that in as little as two to three years our chips will “be unbelievably powerful.”

Bandwidth: The days of the 512 modem are long gone. Videos, pictures, and attachments need more bandwidth, and the improvements to that technology are happening even faster than those to processing power.

Storage: The ability to keep thousands of songs on iPods is improving even faster than processing power and bandwidth. Burrus says the improvement curve for increased storage across time is virtually vertical.

I'd be careful with my brand, my customer, and what they are looking for. Am I getting a behavior that I want to get? Do I really want them to be hanging around, or is there something else I could give them? For example, instead of Wi-Fi, maybe there are a couple of flat-panel screens with VH1 on them. So they are able to see some cool music while they are eating.

Burger King is using a lot of Internet marketing like online games and mobile phone downloads to turn average customers into “Superfans.” Is this a good strategy to take regular customers to the next level? Yes. I think it's a good strategy because you always want to bleed loyalty. First of all, you have to do something in the store to make them want to be loyal. And then you want to do things online to get them engaged. One of the things that the Internet does is create a level of engagement you couldn't get with old advertising. I can get you to do something online. I mean, if I can get you to click on something, if I can get you to enter something, if I can get you to want to do something, then Bingo—I've got engagement versus seeing something on TV and it's gone.