

CHANGE WELCOME HERE

Mobile Printer Shipments
Expected To Grow Rapidly

MEET THE INDUSTRY EXPERTS



Ravi Panjwani,
Director of Marketing,
Brother International



Seth M. Avergon, Senior
Director of Marketing,
Citizen Systems America



Barry Wise, Senior Marketing
Consultant, Epson America



Adam Ortleib, Associate
Director of Marketing,
Seiko Instruments USA



Christophe Naasz,
Business Development
Director, Star Micronics



Marty Johnson,
Practice Leader,
Mobile Workforce, Zebra

For the last several years, few restaurant owners and chains have made dramatic changes in how they're using printing technology. For the most part, the majority of end users in the hospitality vertical seem to stick with what they know — technology that was developed several years ago. "They (restaurant owners) have a printer in kitchen, a POS station at the front of the house, and the communication between those two is done by cable," says Christophe Naasz, business development director with Star Micronics.

However, there are indications that the market is shifting. According to a March 2008 study conducted by Venture Development Corporation, titled "Mobile Transaction Printers: Global Market Demand Analysis," shipments of mobile printers are expected to grow rapidly within the hospitality and entertainment industry — more so than any of the other verticals analyzed in the study. In fact, shipments should grow more than 20 percent annually, to about \$20 million by 2012, the study predicts. Admittedly, that's off a base of just 8 million mobile



▲ **Tableside printing has undoubtedly contributed to the positive shift in mobile printer application growth.**

printing applications currently in place within the vertical. This compares with, for instance, 48 million each in retail and distribution.

To provide a glimpse of how this market is likely to change over the next few years, *VSR* tapped into the minds of six industry experts for a roundtable discussion.

1 What new printer applications are restaurant owners considering?

[RAVI PANJWANI] Mobile printers can be used for line-busting applications in the drive-through area. An employee can take orders using a handheld device, send the order to the kitchen wirelessly, run a credit card transaction in real time and print a point of sale receipt with a

mobile printer without having to go back to the POS station.

Another great application is creating name badges for new employees using labelers. Employees at quick-serve restaurants (QSR) and casual dining eateries rotate fast. Creating on-demand name badges quickly and easily has become a necessity.

[SETH AVERGON] We are seeing more tableside service. There's more demand for (swiping) credit cards on the spot and line busting. So, on top of their standard POS, more restaurants want some type of mobile solutions where the waiter has both a PDA and mobile printing device, often with a credit card reader. The PDA and printer communicate via Bluetooth technology.

[BARRY WISE] More restaurants are processing entire transactions through some sort of kiosk with self-check out. These all have some type

of printer to issue receipts. Also, what we've seen, especially in QSR, is that more operators want to use labeling. For example, customers in a sandwich shop want their product a particular way. You can create custom orders, print a label and put it on the sandwich. Or, when a drive-up order is placed into a bag, it's marked with a barcode. You can scan the barcode and see that it matches what was ordered.

[MARTY JOHNSON] Some kiosks are used in drive-through lanes. I think this will catch on more quickly than tableside (printing), because the technology isn't as advanced. It's basically a remote cash register. And, we have seen in some bars where customers pay for their drinks at the bar, and they have a PIN that needs to be entered into a keypad. So, you swipe the card and enter a PIN, and it provides extra security.

“VARs need to know their customers well enough so that when they see a new solution or system, they know that it’s perfect for a customer.”

BARRY WISE, SENIOR MARKETING CONSULTANT, EPSON AMERICA

One of the other things that’s evolving with the adoption of cell phones is a movement to use them for payment applications. They’re (used) like a speed pass, and use a chip to store credit card information. You would hold the phone to a reader of some type. It’s a couple of years out, and probably will happen first in quick-serve restaurants.

[AVERGON] Down the road, we will see terminals at the tables. We’re already getting questions. There are restaurants thinking of doing away with waiters. We won’t see it in the next couple of years, but maybe three years down the road. There are a lot of technical requirements. And, I don’t think fine dining will change, as that’s all about individual service. Casual dining is where we’re seeing early questions on this.

2 How would you describe the growth of these applications in the hospitality vertical?

[ADAM ORTLEIB] The applications are newer, but gaining traction rapidly. We’re enthusiastic about this segment, and see growth. We’re actively planning our development investments, and tailoring future development projects around requirements for applications in this sector.

[PANJWANI] The adoption rate is still relatively small, but the potential is great. Most larger QSRs with multiple locations would likely evaluate and test the solutions before deployment. The decisions are slower and dependent on return on investment (ROI) and total cost of ownership calculations. Smaller, casual dining places may make quick decisions, but the volume is usually very small.

[JOHNSON] The whole concept of (tableside) order-taking and payment is just evolving.

We have not had a chain jump on the bandwagon in the United States. I think the shift will accelerate as

chains come to the end of their current technology.

3 What is driving growth, particularly in tableside printing, and what is holding it back?

[AVERGON] Efficiency is driving adoption of tableside printing. More restaurants have summer decks, and you're looking at a waiter going a great distance to ring things up and get orders to the kitchen. Of course, for this to accelerate service, the restaurant needs

to have enough employees in the kitchen to prepare the orders. If you're understaffed across the board, this won't help.

[WISE] These systems enable restaurants to reorganize how their wait staff works on the floor. Waiters can remain on the floor, taking orders and helping customers, and wirelessly sending the orders to the kitchen, versus physically going to the kitchen with each order. Runners bring the food out to the customer. Then, they use a mobile printer and scanner to swipe the credit card and print the receipt. It cuts down on the wait time for the customer, and leads to higher satisfaction. Tables turn more quickly, so it's more profitable.

[JOHNSON] In tableside printing, a lot of the interest is driven by concerns over credit card security. At this point, there aren't any government regulations driving this in the United States. But, in Europe and Brazil, there are more credit card concerns, and that's driving some government regulations. They have to perform the credit card transaction at the table. In the U.S., until there's government regulation or a major chain jumps on this, we'll see limited interest.

[ORTLEIB] Also, customers may go years between system replacement purchases, and printers generally are not the first thing to go. They may replace them when they upgrade their whole system.

[NAASZ] Another thing that is holding these applications back is that you need two printers: one at the POS station to print the itemized bill, and one for the credit card receipt. So, there's a greater technology investment. And, do you want a waiter to carry a printer on a belt for eight hours? Also, people don't like the waiter to stay around by the table. So a restaurant may instead have the POS in middle of dining room so everyone can see it.

4 What ancillary opportunities should VARs know about?

[ORTLEIB] There's the opportunity to sell ongoing consumables, and support. You can sell it as a complete solution. You can do the installation, and provide service.

[JOHNSON] We have technology that allows paper to be used for branding. You can pre-print a receipt with the restaurant's logo or add information on a promotion. In addition, you want to think about retaining paper for record-keeping purposes. A lot of lower-grade paper fades and discolors."

5 How is the tightening economy likely to impact technology spending in the hospitality sector?

[AVERGON] They may hold off; you tend to look at (boosting) efficiency when things are going well. So, a VAR can think about how to help a restaurant owner when sales are down. For example, can they advertise on receipts?

[WISE] In the past year, when everyone was scrambling to be PCI-compliant, and two years ago, when there were so many dollars going to complying with Sarbanes-Oxley, operators were in a bit of a state of flux. Now, I sense that operators feel in control, and that they're going to be making positive steps. Before, resources were limiting operators from making upgrades.

[NAASZ] What we've seen in the last six months is that restaurants are not asking for new technology. They're looking at how to bring people back to their restaurants. They're looking at brand recognition and marketing.

6 What other considerations should VARs keep in mind as they approach these opportunities?

[AVERGON] VARs need to understand PDAs, mobile printers and application software. Each solution is going to be a little different. POS systems are relatively simple: there's a scanner, cash drawer and printer. Mobile solutions are more complicated.

[WISE] VARs need to know their cus-

tomers well enough so that when they see a new solution or system, they know that it's perfect for a customer. When retailers spend money, it has to help them grow their business, comply with laws, provide better service or reduce costs. They won't spend just to get a new system. **V**