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TURN TOUCH SCREENS INTO KIOSK SALES

This integrator expects more than **100% revenue growth in 2009** from the creation and sale of custom kiosk solutions using touch screens

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scan items her

Chris Gilder, CEO, Meridian Kiosks

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Turn Touch Screens Into Kiosk $ales

This integrator expects more than 100% revenue growth in 2009 from the creation and sale of custom kiosk solutions.

By Mike Monocello

It's generally accepted that in today's economy, solutions with clear and quick ROIs have a better chance of being purchased. While it shouldn't be difficult to find ROIs in anything you sell, some technologies and solutions inherently provide faster ROIs. This is very apparent with self-service kiosk solutions. Indeed, most kiosks can reduce or supplement workforces, paying for the initial investment in a short time. With that in mind, many VARs are having great success selling kiosk solutions despite the economy. Take Meridian Kiosks, for instance. The integrator experienced 40% revenue growth in 2008, eclipsed that number mid-2009, and expects to finish the year with more than 100% revenue growth. This isn't a small company, either. The 10-year-old company falls into the multimillion dollar category. Because Meridian has been in the kiosk business for so long, it's natural that the company would have a virtual checklist of pitfalls to avoid, best practices, and general valuable information. I recently sat down with Chris Gilder, CEO of the company, to uncover what other VARs should know if they want to get into the lucrative business of creating and selling kiosks.

Create Kiosks To Solve Retail Pain Points

Like most technology solutions, Gilder says it's most important to work with your client to uncover pain points. "The first thing VARs should be asking clients is if they're looking at deploying self-service solutions," says Gilder. "Then ask if they've looked at the benefits. Many times, the potential client for self-service doesn't understand the benefits of enhancing the customer experience through self-service devices." While all that might seem like common sense, it's not something a simple questionnaire can uncover. As the integrator points out, oftentimes your clients won't even know they have a pain point or that self-service kiosks can help. It's your job to be a true advisor and uncover ways you can make their business better. The remainder of this article should provide you with enough insight to begin asking the right questions to your clients.

When you have a client that's ready for a self-service solution, Gilder cautions VARs to keep simplicity in mind when developing the kiosk. Indeed, he says it's easy to have a "can do" attitude to satisfy your clients' requests. Rather, Gilder recommends not overwhelming the end user with too many options or unnecessary bells and whistles. "The last thing you want to do is have an overly complex application on a self-service kiosk, because you'll scare away many potential users," he explains. His general guideline for a kiosk design? "Keep it as simple as possible, and fix pain points." Doing so will ensure the kiosk meets the common benefits of a self-service solution: A pain point is remedied, customer service is enhanced, and employees can be reallocated.

Gilder points to a good example of a bill payment kiosk like you see in many cell phone stores. Without a self-service kiosk, store employees would have to take time accepting bill payments from customers. "It's foolish to have a salesperson waste time accepting a payment when they could be working on landing new customers," he says. "A kiosk is a great way to free up that employee to sell more while giving customers a much better experience of not waiting in line." Airline check-ins are another great example of the power of self-service kiosks. Gilder says it took a concerted effort by the airlines to get people to use the kiosks, but now most people seek out the kiosks because they know it means a shorter wait.

Photos by Timothy Schermerhorn

Use Specialized POS Hardware In Your Kiosks

Assuming your client is sold on the value of a self-service kiosk solution, it's then up to you to deliver. This is where you need to plan carefully. As Gilder explains, there are many areas for VARs to misstep.

As mentioned, you want the design as simple as possible for users. However, you also want the kiosk to be as reliable as possible. Again, common sense, right? The integrator warns that the reliable products you're currently selling probably won't cut it in a kiosk. "There are way too many kiosks out there with blank screens," he says. "Most of the time it's the result of poor hardware choices. These things are designed to run 24/7." Rather than use standard-grade equipment, Gilder says VARs should instead look for industrial-grade components.

For instance, Meridian uses Zebra printers specifically designed for kiosk applications. The difference? Kiosk printers typically have few to no plastic levers and components to break. "As the kiosk creator, you might be able to change paper easily," Gilder says. "However, put the kiosk in a store, and you have no control over who's going inside to change paper or do maintenance. The parts must be able to withstand abuse and constant use."

Meridian Kiosks
2008 revenue growth rate: 40%
2009 projected revenue growth rate: 105%
Employees: 30
(866) 454-6757
www.meridiankiosks.com
Verticals: education, healthcare, retail
Vendors: Tyco Electronics' Elo TouchSystems, HP, Motorola, Zebra
Distributors: BlueStar, ScanSource

What's The Failure Rate Of The Touch Screens You Sell?

As an integrator specializing in creating custom kiosks, Meridian Kiosks has learned many do's and don't's when it comes to the design and building process of the units. Chris Gilder, CEO of the company, says one of the most important things to do when creating kiosks is to use components with proven reliability.

For instance, early in the integrator's history, Meridian used low-cost off-brand touch screens. As any customer-focused integrator would do, Meridian replaced failing touch

Meridian Kiosks recently deployed 3,000 kiosks to Wal-Mart using Elo Touch-Systems screens with no out-of-box failures.

screens immediately so customers didn't have to wait during the RMA (return merchandise authorization) process. Unfortunately, the integrator's good intentions proved to be costly. "Because we were using cheap touch screens, they failed often," says Gilder. "In the first year, we lost

$100,000 from replacing touch screens on our own dime." Today, Meridian uses Tyco Electronics' Elo TouchSystems units.

In most kiosk installs, Meridian uses Elo units with SAW (surface acoustic wave) touch technology. SAW uses ultrasonic waves that pass over the surface of the touch screen. When touched, the ultrasonic waves are interrupted and provide the location of the touch to the screen controller. The screen utilizes a hard glass substrate which makes it able to withstand high usage.

In April of 2009, Meridian acquired KING Products & Solutions, a kiosk software company that also dabbled on the hardware side of business. Meridian found that KING was making the same mistake in hardware choices the integrator made years ago. "When we acquired the company and went to move offices, we came across a room full of pallets containing touch screens," recalls Gilder. "We thought it was new inventory, but it was actually returns from the last two years. In our history of selling thousands of kiosks using Elo, we haven't had enough failures to fill even one pallet." Gilder continues by sharing that Meridian recently did a 3,000-kiosk deployment for Wal-Mart using Elo units, with no out-of-box failures.

www.elotouchsystems.com

When it comes to touch screens, Meridian uses Tyco Electronics' Elo TouchSystems screens with SAW (surface acoustic wave) touch technology (see sidebar). The only exception is for outdoor kiosks — the integrator uses projective capacitive screens, which have a thick safety glass. Gilder says such screens are very durable and not affected by the weather.

For keyboards, Gilder says he uses POS (point of sale)-grade keyboards with trackballs since the devices usually are made to withstand rigorous use. Meridian uses Cherry keyboards for most of its indoor kiosks. For outdoor/waterproof kiosks, the integrator uses Storm Interface keyboards.

Beyond the basics just mentioned, the components that go into your kiosk can stretch the imagination. Meridian has created kiosks that include mobile computers with integrated docking stations, passport scanners, color printers, retina scanners, hand scanners, and video cameras. It's up to you to ensure the components you use will withstand the environment and usage requirements.

Let Your Kiosk Software Work For You

While the hardware you use is important, Gilder also stresses the importance of good software. There are many choices available to VARs, including Meridian's own software, which the integrator of course uses for its kiosks.

When selecting software, Gilder recommends some features VARs new to kiosks might overlook. Specifically, the components of your kiosk will interoperate more easily if the software has preexisting hooks or code built in to work with common hardware options. These hooks not only allow the components to communicate with one another, but can also be used for such functionality as remote monitoring.

Indeed, Meridian uses remote monitoring of some of its kiosks to be alerted to low paper, computer failure, lockup of the unit, and loss of power. The software can send alerts to support staff to minimize failure time. Additionally, the Meridian software also provides solution guides with each alert message. So, if a store manager receives

an "out-of-paper" alert, they also receive a guide on how to change the paper roll.

Another feature of the software that might make your life easier is a deployment tool set. Having such capabilities provides you or your client with the ability to update the content of multiple kiosks at the same time. Gilder explains that one feature many retailers like is the ability to program content to appear at certain times — meaning a year's worth of holiday promotions can be scheduled in advance.

Many software packages, Meridian's included, provide basic kiosk functionality out of the box. However, to create kiosks to meet the exact needs of your clients, you'll most likely have to do some custom coding. While Meridian performs custom development for VARs, it also provides willing and able VARs with its development kit for customization. Gilder says the integrator has kits for developers experienced in Flash, C++, and .NET. To customize the interface, Gilder says anyone with a basic familiarity with desktop publishing tools should be able to alter the looks of the presentation end of the kiosk software.

Kiosk Enclosures: More Than Meets The Eye
At this point, Gilder's explained the hardware and software of a kiosk. The remaining element is the enclosure. "It's easy to think that all you need to do is mount the hardware into a box," he says. "The reality is far more complicated." In fact, to preface what you're about to read, making your own kiosk enclosure might be folly.

Indeed, there are many areas VARs often overlook. For instance, Gilder says VARs often underestimate the size of kiosk enclosures. "A kiosk ranges from 130 lbs. to more than 500 lbs.," he says. "When you've got bill acceptors, printers, dual screens, and sometimes safes in a metal case, the weight can become burdensome." Additionally, the physical dimensions of kiosks can sometimes be daunting. Plan ahead to ensure there is space for the kiosk you're putting in place and also that you have a method of transporting it to the client site and moving it around, if necessary (some kiosks have casters for mobility).

Other areas VARs commonly overlook are:

■ ADA (Americans with Disabilities Act) requirements — The screen and other components must be within reach of disabled users.

■ UL (Underwriters Laboratories) certification — This requires the unit to meet specific electric and fire safety specification.

■ Ventilation — Proper ventilation will ensure that if fans fail, the unit will still function at an acceptable temperature range. Gilder says the goal is to have the ambient temperature inside the kiosk as close as possible to the temperature outside (outdoor kiosks being the exception). Also, properly designed ventilation (louvers instead of holes) will ensure spilled drinks don't drop directly onto critical internal components.

■ Accessibility — If something fails or you need to change a roll of paper, you want to make it easily accessible to a service tech or store employee.

■ Environment — Will the unit be placed in a dusty environment (requiring fan filters)? Outside (requiring climate control and maybe a wireless modem or Wi-Fi access)? In an unsupervised location (requiring heavier gauge steel and additional locks)?

■ Special considerations — If used in a medical setting, HIPAA (Health Insurance Portability and Accountability Act) requirements might come into play, calling for a privacy screen.

Those are just some common considerations. Gilder recommends that VARs new to kiosks work with a company experienced in the fabrication of kiosk enclosures. Meridian often ships enclosures to VARs who then do their own integration of components. It's also possible for VARs to ship components to Meridian, who then puts the kiosk together and drop ships the finished piece to the client site.

If all this seems daunting, consider the potential rewards. Meridian is on a record revenue growth pace in 2009. In addition, research firm IHL Group reports that kiosk use is on the rise. In a 2009 market study, IHL looked at six types of kiosks where payment is accepted. Their findings? Transactions at self-service kiosks will surpass $775 billion in 2009, growing to more than $1.6 trillion by 2013. With the combined benefits of improved customer service while reducing operating expenses, it's clear why Meridian is doing so well and why you should be considering adding kiosks to your line card. ●

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