

## Will digital restaurant menus get you to spend more?

Mitch Lipka, Reuters  
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(Reuters) - Businessman Mitch Goldstone planned to shell out about \$40 at the **Red Square** restaurant in Las Vegas before heading to a show, but he ended up spending four times that amount because of the alluring pictures of food and drinks on an electronic menu.

"I ordered extra appetizers and ... drinks, which look better when you can see a photo, and the inviting descriptions that supersede the words of even the best servers," says Goldstone, 51, who is chief executive officer of ScanMyPhotos.com in Irvine, California.

While Goldstone spent far more than what the sellers of tablets and electronic kiosks pitch to restaurant owners, his experience shows the promise of the technology. It is also a warning that diners should watch their wallets as U.S. eateries shift to interactive menus.

"The machine never forgets to upsell," says Linda Duke, CEO of San Rafael, California-based restaurant consulting firm Duke Marketing.

Unlike menus printed on paper, electronic ones provide the opportunity for consumers to find out far more about the food and drinks and to see persuasive pictures. Celebrity chef Gordon Ramsay's establishments, for instance, have wine lists that customers can search for food compatibility, taste, ratings, location and recommendations.

Some electronic menus also allow diners to pay without asking for the check. While this option that does not eliminate waiters, it can save time.



UNO HANDOUT PHOTO

The deep dish sundae at Uno Chicago Grill.

A promotional advertisement for a 2013 Cadillac SRX. The ad features a silver SUV on a dark background. Text includes: "2013 CADILLAC SRX LUXURY COLLECTION", "\$369 PER MONTH ON A 36-MONTH LEASE", "\$2,799 DUE AT LEASE SIGNING AFTER ALL OFFERS.", "ULTRA-LOW MILEAGE LEASE FOR WELL-QUALIFIED LESSEES", and "NO SECURITY DEPOSIT REQUIRED. TAX, TITLE, LICENSE AND DEALER FEES EXTRA. MILEAGE CHANGE OF \$0.25 PER MILE OVER 30,000 MILES. AT PARTICIPATING DEALERS ONLY." There are two red buttons: "LEARN MORE >>" and "LOCATE A DEALER >>".

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In an industry known for small profit margins and that is working its way through a difficult financial period, the prospect of getting customers to order more is a big draw. The various systems available to restaurants claim to boost sales by 10 percent to 15 percent.

The technology upgrade is particularly well-suited to higher-end restaurants, Duke says, but the order-your-own concept is also popping up in more-casual establishments.

More than half of restaurants in the casual, family and fine dining categories are expected to spend more on digitized menus this year than in the past, according to National Restaurant Association estimates.

Some chains, including Uno Chicago Grill and Brinker International Inc's Chili's, already have these menus in some locations. But the technology is only available at less than 5 percent of the nation's full-service restaurants, according to National Restaurant Association research.

Ziosk has its tabletop sets at a variety of chains and expects its reach to quadruple to about 1,500 restaurants by the middle of next year. That is due in large part to the announcement last month that Chili's would be adding Ziosk devices to its 823 company-owned locations.

With a rechargeable Ziosk terminal on a table at an Uno restaurant in Massachusetts recently, diners could order the old-fashioned way or cut out the middleman and send the food and drink request straight to the bar or kitchen. Customers also could use the terminal to pay, rather than waiting for a check.

Still, Ziosk says tipping increases an average of 15 percent because of the technology.

At an adjacent table, a flashing dead battery signal showed at least a minor pitfall: If the restaurant staff does not recharge the portable devices, they will not work.

Security experts say there is no greater risk to swiping a credit card in one of those devices than having the restaurant do it for you.

## GENERATION GAP

The typical age of a restaurant's clientele may drive the trend.

Hudson Riehle, the National Restaurant Association's senior vice president of research, says older customers are less interested in the technology. And, he warns, the business of restaurants still requires satisfaction with the human element. No matter how fancy its menu offerings, an eatery must satisfy customers with their food and service, Riehle says.

On the other hand, the younger the customer, the greater the expectation that an electronic option will be available.

The experience is already familiar to many outside the restaurant setting. National Restaurant Association research found that more than four in 10 consumers used a computer, tablet or phone in the past month to read a restaurant menu, make reservations or order food.

"Quick-service restaurants are also finding new, faster ways to get guests in and out, especially at busy downtown lunch locations," Duke says.

Technology can also retain more information than any human, including whether food is gluten-free or has a lot of sodium. Other benefits of these systems for restaurant operators include deleting menu items and wines that are no longer available as well as instantly changing anything from prices to featured items.

The combination can lead to satisfied customers, even if they end up paying more.

Goldstone has no regrets about buying more than he planned. Instead, he admires the marketing potential of the cyber waitstaff.

"Rather than a paper menu, these are interactive and tell a story behind the food and wines," he says. "For me, it works."

(The author is a Reuters contributor. The opinions expressed are his own.)

(Editing by Beth Pinsker, Lauren Young and Lisa Von Ahn)