How McDonald's Is Getting Ready For The 4th Industrial Revolution Using AI, Big Data And Robotics

Some experts might say McDonald's, the fast-food burger joint that truly needs no introduction, was behind its competitors in embracing big data and artificial intelligence (AI) to enhance operations, but there are signs the Golden Arches is turning things around and improving business results in the process. This statement in the company's 2017 growth plan: "enhancing digital capabilities and the use of technology to dramatically elevate the customer experience," highlights McDonald's priority and commitment to technology. Central to McDonald's and really any fast-food business is the need to keep costs low and efficiencies high—something big data, artificial intelligence and robotics can support.

The 4th Industrial Revolution

As the largest fast-food establishment, operating in 188 countries and serving more than 69 million people each day, it's clear McDonald's creates volumes of data, but it's what they do with it that will yield powerful results. Here are just a few ways McDonald's is getting ready for the 4th industrial revolution and using AI, big data and robotics.

Personalised and improved customer experience

Not only can customers order and pay through the McDonald's mobile app and get access to exclusive deals, but when customers use the app, McDonald's gets vital customer intelligence about where and when they go to the restaurant, how often, if they use the drive thru or go into the restaurant, and what they purchase. The company can recommend complementary products and promote deals to help increase sales when customers use the app. In Japan, customers who use the app spend an average of 35% more thanks in part to the recommendations they are provided at the time they place an order. favourite orders are then saved by the app and offer a way to encourage repeat visits. App users can avoid the lines at the drive thru and at the counters, reason enough for many to share their buying data in exchange for convenience and perceived perks.

Digital menus that use data

McDonald's continues to roll out new digital menus. These aren't just fancier versions of the old menus, these menus can change based on the real-time analysis of data.

The digital menus will change out the options based on time of day and even the current weather. For example, on a cold, blustrey day, the menu might promote comfort foods while refreshing beverages might be highlighted on a record heat day. They've been used in Canada and resulted in a 3% to 3.5% increase in sales.

Trends analytics

Embracing a data-driven culture is also important to help McDonald's better understand performance at each individual restaurant as well as uncover best practices that can be shared with other restaurants in the chain. Since McDonald's uses a franchise business model, consistency of food and experience is important across the franchise. It's important from the customer's perspective to experience the same food and offerings from one restaurant to another no matter where they are located or who it's owned by. The company looks at multiple data points in the customer experience. For example, when they look at the drive-thru experience they not only assess the design of the drive-thru, but they review the information provided to the customer and what's happening for customers waiting in line to order. They analyse the patterns in an effort to make predictions and alter design, information and people practices if necessary.

Kiosks and interactive terminals

As one solution to the increasing costs of labour, McDonald's is replacing cashiers in some locations with kiosks where customers can place their order on a digital screen. Not only are labour costs reduced, but the error rates go down. By the end of 2018, you can expect an ordering kiosk to be available at a McDonald's near you. McDonald's France is also testing out interactive terminals. Once a customer places an order they take a connected RFID card associated with the order to their table. When the order is ready, a McDonald's staff person locates the customers through the RFID card and then delivers their meal to them.

As McDonald's continues to embrace its data-driven culture, expect to see the company improve performance based on the insights and efficiencies realised from artificial intelligence, big data and robots.

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