



## AN APPLICATION OF LOGISTICS IN FAST FOOD AND HOTEL INDUSTRY

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### **Abstract**

McDonald's became the leader in the fast food industry with their strong focus on customer service, response to competition, and use of marketing techniques early on in their development. Please note that the study is not proposing that the tactics used by McDonald's are the right or wrong way to strategically or ethically achieve growth. The study simply selects McDonald's as an interesting case study to examine their success stories and strategies as a prominent figure in the fast food industry aiming for an imitation among other similar businesses with a different brand name.

<https://profitworks.ca/blog/541-how-mcdonalds-became-the-leader-fast-food-industry-marketing-strategy>

### **Introduction**

The achievements of MacDonald's are summarized as below:

- **At scale:** By creating kiosks that enable companies to capture customer data, restaurants will be better poised to provide both a consistent and personalized customer experience across all locations—be it [two, five, or 500](#).
- **Customer satisfaction:** By creating a [better customer experience](#) at scale, customer satisfaction is sure to increase.
- **More kiosks and fewer employees:** Kiosks thus far have been fairly successful, and I think we'll see more fast-food restaurants downsize their cashier crews in favor of automated order takers.

At the end of the day, digital transformation—and growth—are fueled by data. These fast-food industry tech trends—just as tech trends in all other industries—poise restaurants to know and understand their customers better, and feed them even more of what they want: easy, convenient experiences.

<https://futuresresearch.com/fast-food-industry-tech-trends/>

Additionally,

- **Workers receive "assistants."**
- **Management gets automated help, too.**

<http://www.jobs.net/Article/CB-125-Talent-Network-IT-How-technology-is-making-fast-food-even-faster/>

The ever blooming hospitality industry is one of the major contributors to the economy of developed and developing countries and with the introduction of IT in this sector it has been fortified than ever. With the IT (information & technology) sector undergoing tremendous changes in last 20 years, it is revolutionizing world hospitality industry with innovative technologies that has made landmark setting various benchmarks and breakthrough for future advancements in coming years with automation and mechanization.

<https://www.trilyo.com/blog/role-of-information-technology-in-the-hospitality-industry/>

### **The purpose of the study**

The major purpose of this study is to present and explain the way the information technology is working in the kiosks of MacDonald's at least in the restaurants of USA. Additionally, the study aims to present an original way the customers could use in taking their rooms in hotels without the contact of the reception. (front desk)

### **The aim of the study**

The aim of this study is to help other brand name industry to borrow techniques in developing and improving the nowadays working way, both in food and hospitality industries. **Generally speaking, especially McDonald's is between the definitions explained above such as consistency, core competencies and benchmarking.**

### **Limitations**

The study is limited to MacDonald's food industry concerning its application of kiosks in the lobby of the restaurants and neither to other existing mobile applications or drive through service. Additionally, concerning the hospitality industry, the study is limited only to the elimination of the checking process in the front desk in the entrance. This study is not dealt neither with the reservation of the room through TRIVAGO or BOOKING.com or with any mobile application related to the reservation of the room or the payment of the reserved room.

### **Definitions**

**Core competencies.** The unique strengths of a business

**Benchmarking.** The process of studying the practices of companies considered "best-in-class" and comparing your company's performance against theirs.

**Consistency.** Thickness or something stays the same, is done in the same way or looks the same.

**It doesn't matter if you're visiting a McDonald's in California or Connecticut, America or Australia—you're going to have a similar experience wherever you are.** This highlights Ray Kroc's vision for McDonald's from the beginning.

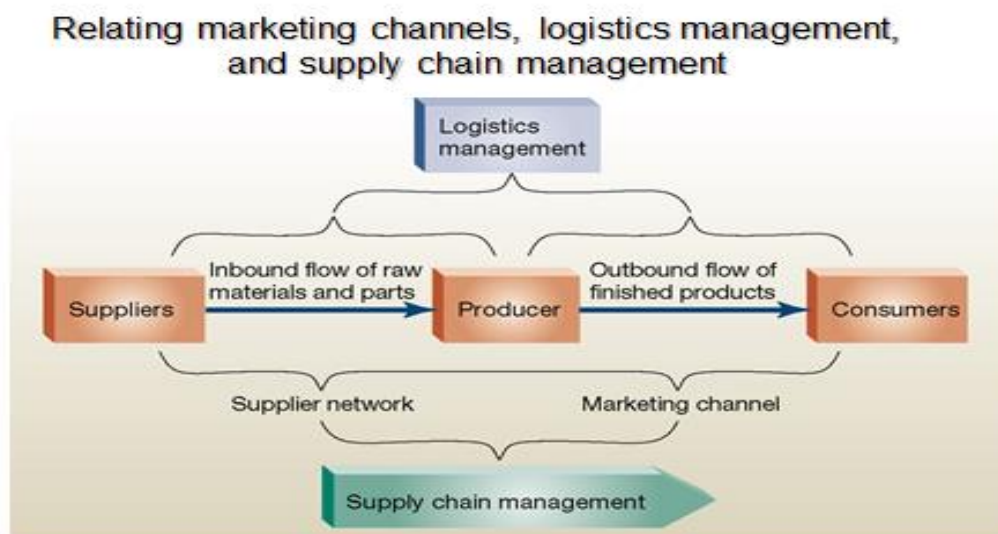
Kroc was a salesman from Illinois who ventured to San Bernardino, California in 1954 after receiving a larger than normal order for the milkshake multi-mixers he was selling. When he arrived in Southern California, he was intrigued with what he witnessed. The restaurant was efficiently serving a large number of customers...and those customers seemed pleased with the food they were receiving.

Sensing a business opportunity with a lot of potential, he made a proposal to the McDonald brothers to begin franchising their restaurant concept, which the brothers eventually accepted. Kroc opened his first McDonald's in 1955 in Des Plaines, Illinois.

(<https://www.franchisedirect.com/information/markettrendsfactsaboutfranchising/thesuccessofmcdonalds/8/11/11/>)

**Supply chain management.** The management of the chain consisting of the suppliers, production, warehousing and the transportation to the final end customer.

**Logistics.** There are so many definitions for those who have tried to define this field. The author of this study gives the following definition. (Maniatis, 2018)



Source: 2002 McGraw-Hill Companies Inc.

The above diagram represents a general combined application of supply chain management. First of all the application of supply chain management is shown. Of course the warehousing component is missing in this case due to the application of Just-in-Time. (Suppliers- producers-consumers). Above them without showing them the application of logistics is representing with the insertion of information technology, human resources and finance.

Note: This is why in the title of this study the word logistics is mentioned instead of information technology.

### Methodology

The methodology is based of literature studies and secondary data.

### Literature review

#### **A. Food Industry**

McDonald's Premier Capital plc, a Malta-based developmental licensee, is implementing an investment program worth 10 million euros in six European markets based in Malta, in order to improve the customer experience in restaurants.

According to a relevant announcement, by the end of this year more than 4.5 million euros will have been invested in the implementation of a comprehensive platform in 50 restaurants, existing and new, in Greece, the Baltic States (Estonia, Latvia, and Lithuania), the Malta and Romania. This platform directly connects the digital kiosks that are in the restaurant's lobby, with new food preparation processes in the kitchen. Meals are prepared by the staff, according to the orders they receive through the kiosks located in the restaurant's lobby. In this way the customer service becomes more efficient.

Premier Capital currently operates 136 restaurants and employs more than 7,000 people, while more than 105 million customers were served at the group's McDonald's restaurants last year. In 2017, a total of three new restaurants opened in Greece, Lithuania and Romania, while by the end of the year, five more restaurants will be open in Lithuania, Romania and Malta.

Along with the ambitious program of creating new restaurants, Premier Capital is implementing in its network the integration program of the integrated platform. In the next two years 2018-2019, an additional 5.5 million euros will be invested in the direction of innovation.

The 34 McDonald's restaurants in Latvia, Lithuania and Estonia will have installed the new integrated platform by the end of 2018, while the goal is for the platform to operate in all McDonald's restaurants managed by Premier Capital in 2021. Six purchases. It is estimated that in 2021 the total number of restaurants will approach 200.

In addition, Premier Capital follows McDonald's Corporation's strategy to meet the needs of its customers electronically (kiosks in the lobbies). The mobile app includes, among other things, finding restaurants, updates, menu information and offers.

<http://www.zougla.gr/money/business-stories/article/efarmogi-aftomatou-sistimatos-paragelion-se-ola-ta-mcdonald-s-eos-to-2021>

## **B. Hospitality**

Information Technology in the Hotel Industry

- 1. Two-thirds of guests want to check in on their smartphone**
- 2. More than half of hotels are planning to ramp up IT spending**
- 3. Three-quarters of guests want customized offers or loyalty programs**
- 4. Half of all hotels are operating in the cloud**
- 5. Half of business travelers factor free Wi-Fi into their decision to book**

<https://blog.capterra.com/information-technology-in-the-hotel-industry-5-things-you-didnt-know/>

## **DEVELOPMENT OF THE STUDY**

### **A. FOOD INDUSTRY**

A this point in the Appendix I is given the step-by-step method showing how a customer is placing his/her order in the kiosk in the lobby of a MacDonald's restaurant without the contact with the cashiers.

The source is taken by <https://www.youtube.com/watch?v=dpU3I1SlaQY> , representing thee exact steps using by the customer by himself/herself/themselves until receiving the ordered staff by the employee to the final eating desk.

### **B. Hotel Industry**

#### **Priorities For 2020**

This study tries to propose for the first time something which doesn't exist up to date. Let say a customer achieved to reserve and pay the room by any electronic mean beforehand. The time he/she/they are entering in the hotel, instead contacting with the desk could direct led themselves in their reserved rooms by entering a code which gave to them the time they paid for the room. Outside of the room it will exist a mechanical device accepting codes as in all the other business in which the entrance is opened safely only to the relevant people after the introduction of the right code.

**Note: The only restriction to the new proposed system is the process of showing their identification card of their passport.**

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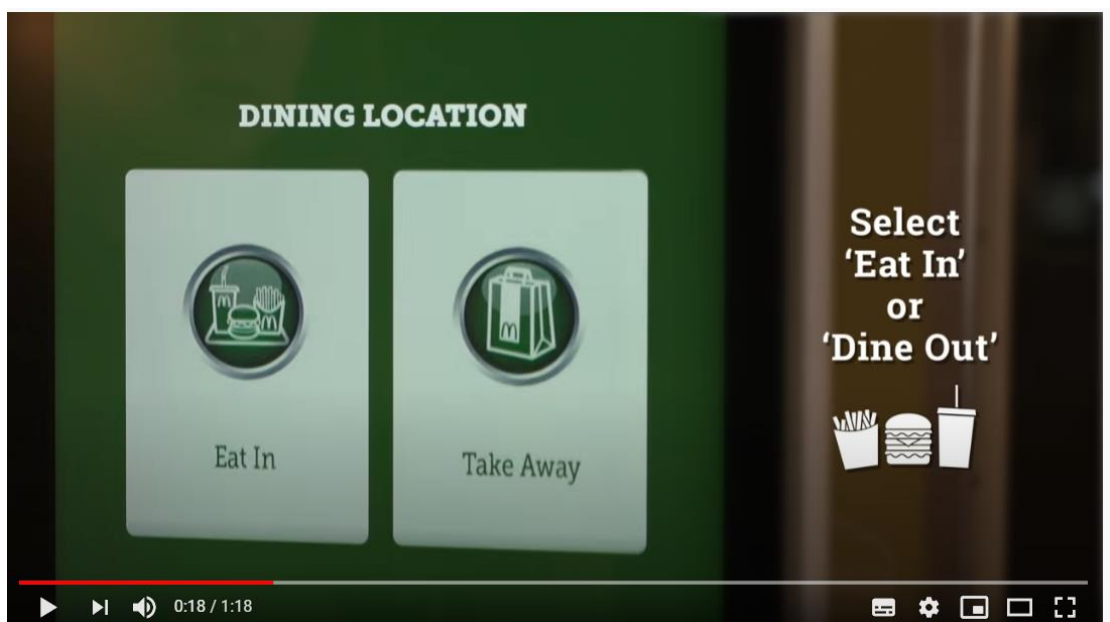
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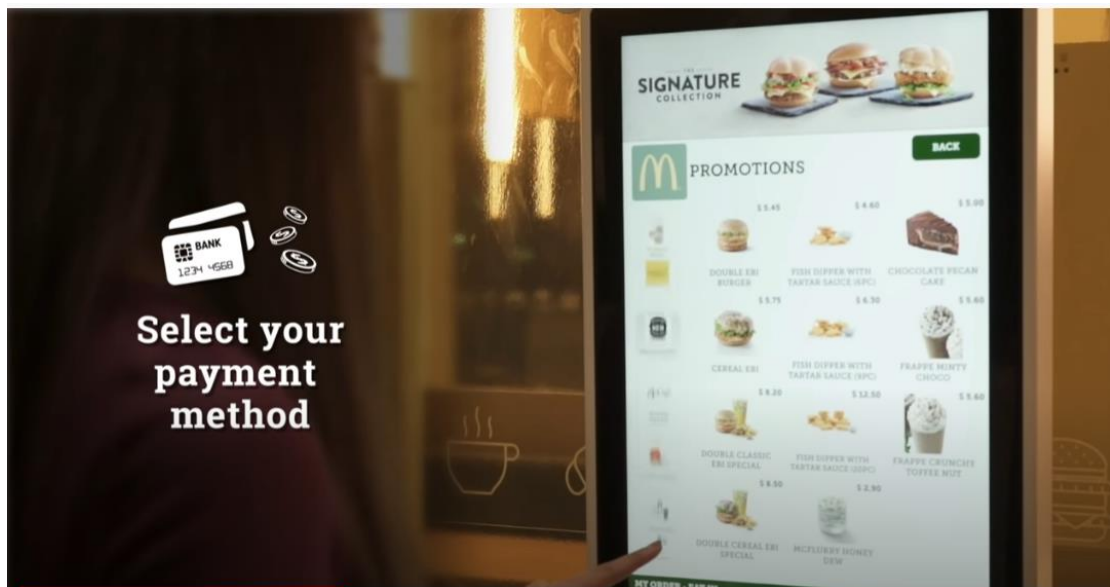
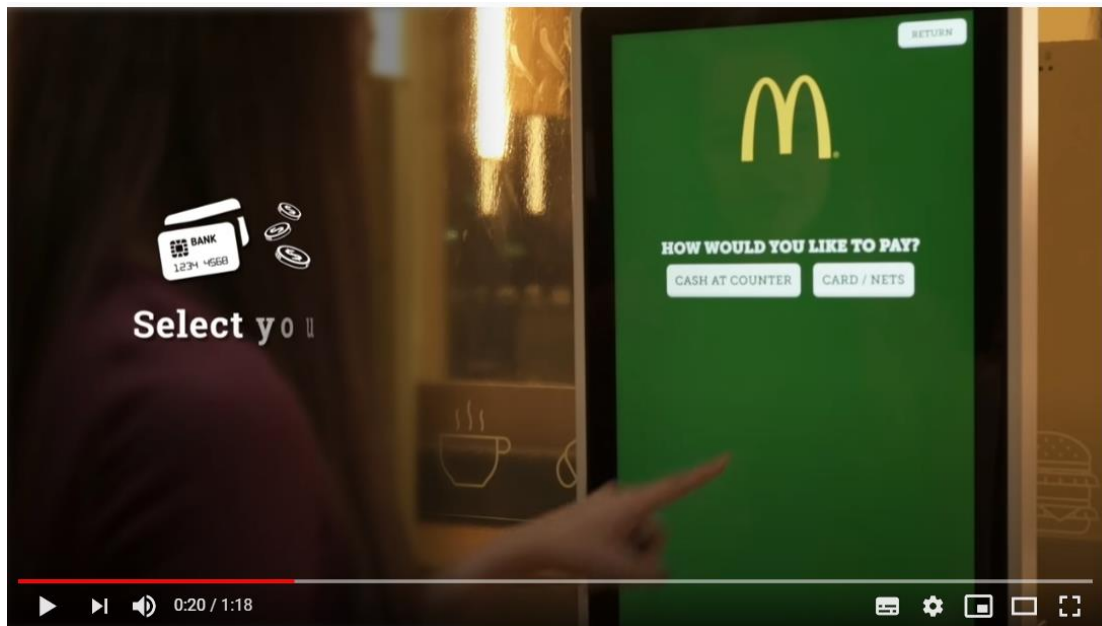
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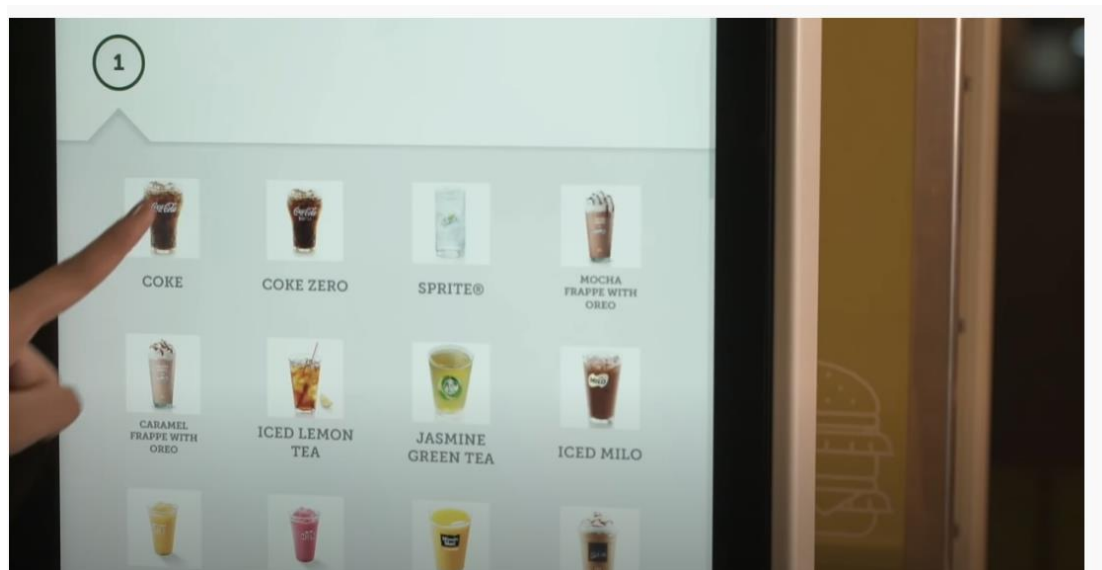
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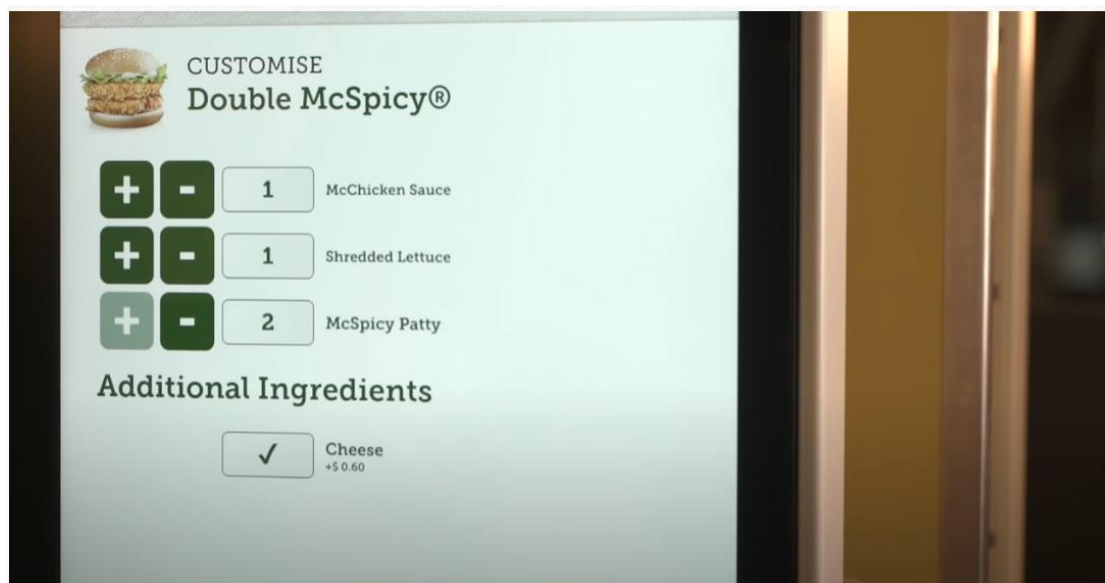
## APPEDIX I

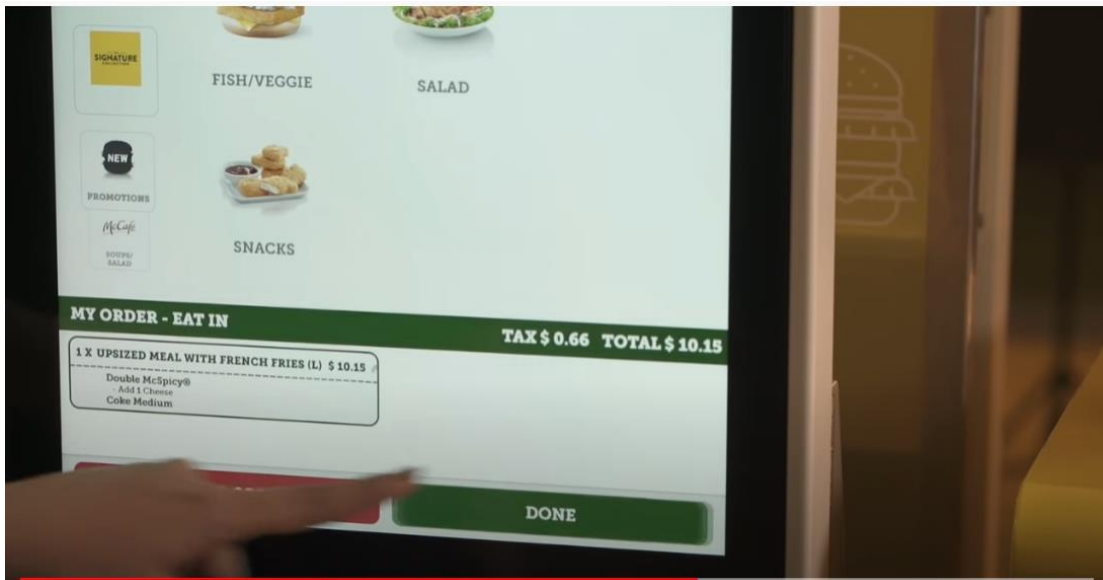
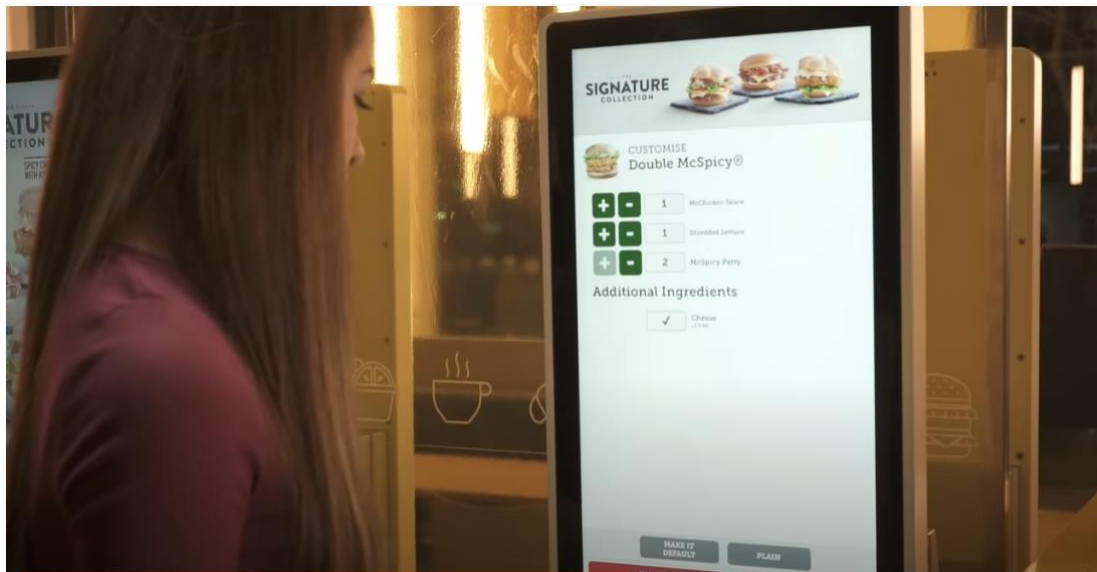


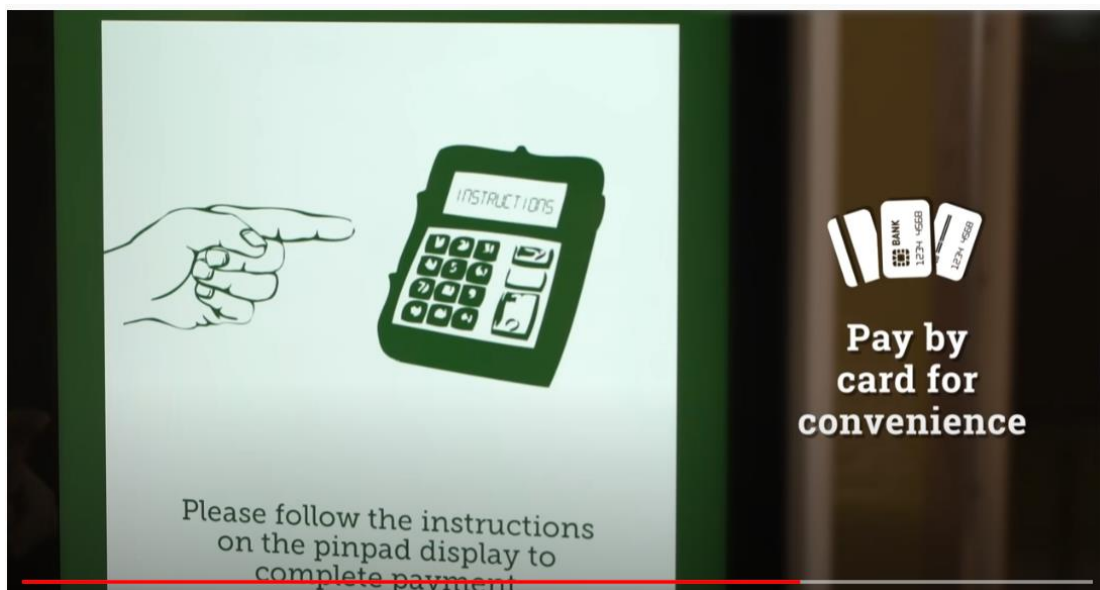


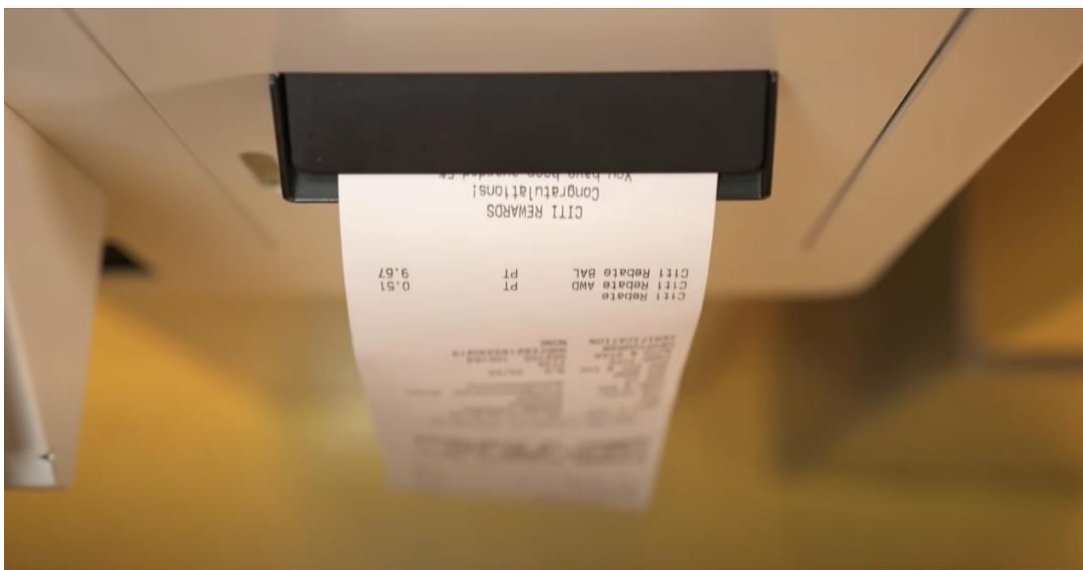
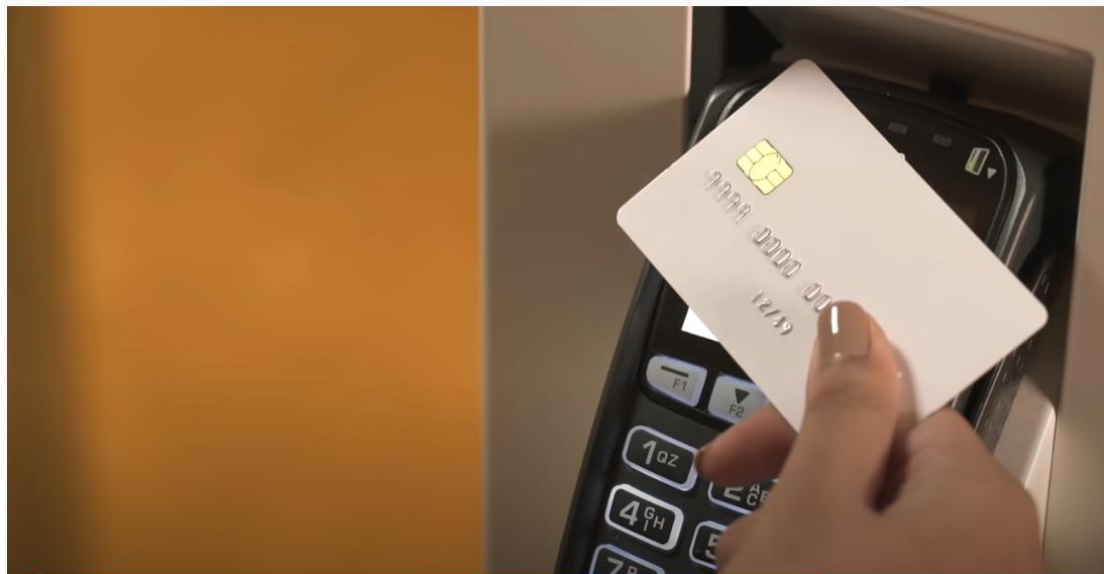


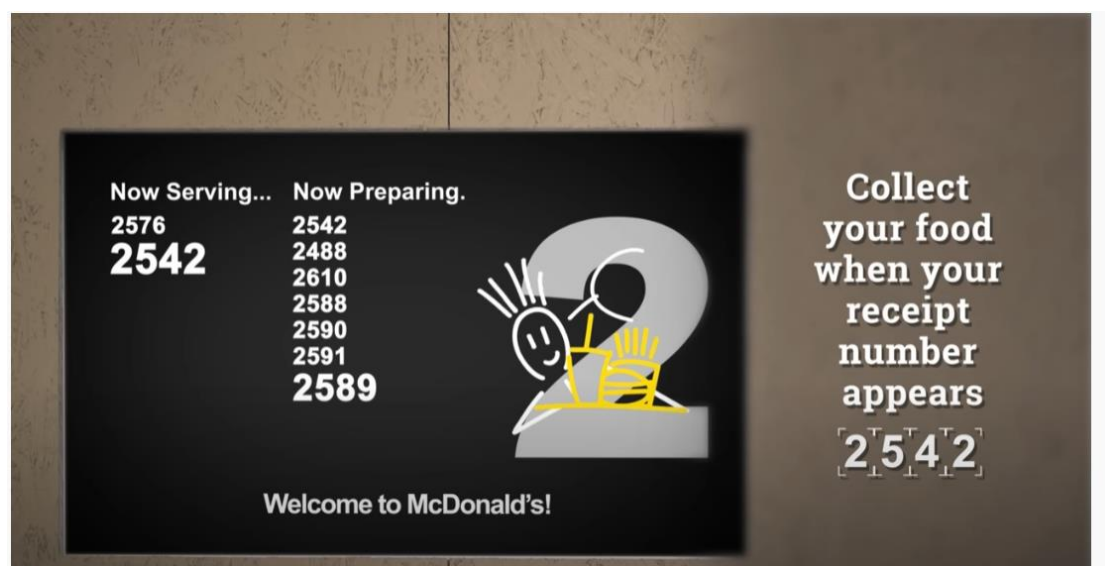












The order is finally served to the customer by the personnel in the table after its expedition



Source: <https://www.youtube.com/watch?v=dpU3IISlaQY>