Provisio's Views on Today's Self-Service Market

Provisional Outlook

Christoph Niehus gave us his views on current trends, expected booms and the projected outlook for the market.

Provisio founder Christoph Niehus has seen his company grow into a market-leading software producer for the self-service market. SiteKiosk has become one of the most commonly-used public access terminal software products in the world, selling alongside SiteRemote, a complete software solution for remote kiosk management.

KIOSK EUROPE: How do you see the current development of the kiosk market?

CHRISTOPH NIEHUS: As far as I can see, the kiosk market is facing a very big boom.

KE: That seems surprising, given the current economic climate; how did you reach such a positive conclusion?

CN: Provisio supplies self service and digital signage software for a lot of different projects, so I get to see and hear about a lot of what our resellers are doing, and the numbers that we're currently working with seem extremely positive. For example, in 2010, we undertook a kiosk project for one of the largest German grocery chains involving over 8000 systems, plus a lot of smaller ones with 250+ systems. The North American market is very strong too. There have been six larger projects there with over 1000 installations each, and the outlook for 2011 looks to be even better.

KE: Have you spotted any longer, more persistent trends that are enabling these developments?

CN: Yes, I believe that we will continue to see very strong growth in the kiosk market for the following three reasons:
1. Higher acceptance rate of the terminals from the end users: Kiosks used to be seen as too technical for people to use, with the touch screen interface being the main reason for people to shy away from them. But with touch screen technologies being used more and more in private now, particularly with the iPhone, even the older generation has lost nearly all of its shyness in using these devices. The use of smart phones and tablet PCs will dramatically increase this trend; even my two-year-old daughter is already using a touch screen to play with many of the apps on the iPad.
2. Efficiency gains: Obviously the classic industry sector has used automation to create efficiency gains and similarly the service sector will also look for more efficiencies and will use self service to lower costs and to get higher productivity. The more intelligent the self service kiosks become, the more they will be able to do, and the less

Provisio's European headquarters in Münster, near Düsseldorf, Germany

people will be needed. Obviously many see this as a undesirable development, but looking at it from a longer point of view; due to the demographic development here in Germany and the shortage of young people in comparison to the past, there is now a lack of working people to do the jobs that these kiosks can do. Of course it makes business sense too to cut these costs. Furthermore, self service is available 24/7, with the ATM being the most famous example.

Of course, self-service is not going to provide all the services that people are going to demand, the classic example being the wine selection kiosks, which help people to choose a bottle of wine. I think this is an example of where kiosks will not replace a human. When I go to buy a good bottle of wine I would far sooner trust a wine connoisseur with a big red nose than a kiosk.

3. Technical development: Until around the year 2000, the kiosk industry was largely a very high cost market because every project produced very expensive prototypes first. The technology was largely slow and unsophisticated and very expensive, the graphical user interfaces had to be developed with a lot of effort in macromedia and the internet connectivity was there but it wasn't commonplace so it was still expensive to have. Ten years later and it's a totally different picture. Self service projects are still not completely cheap – but

due to the technical development a lot of the necessary components are now good value for money and particularly reliable. The necessary software is available and high speed internet is available wirelessly nearly everywhere – this is important because the content is now basically stored in the cloud, on the internet, rather than on the machines themselves or on proprietary networks.

KE: Are there any factors which may get in the way of this development?

CN: Well the critical voices claim that having a smart phone in everybody's pocket will mean the end to the kiosk market but I can only object to this theory for all of the reasons named above. In the 50s and 60s people thought that TV will lead to the dying of the cinema but I just saw the latest Harry Potter movie in a sold out cinema over the weekend.

And in the short term, I'm looking at the developments with the Euro and the banking crisis which could mean further turbulence in the market which then may negatively affect the overall economic development, but medium to long term I can only see good times for the kiosk industry ahead, at least for those companies that moved with the times.

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