

## Robot waiters - food for thought for F&B industry: Observers

The food and beverage industry is increasingly turning to technology and innovation to help address issues such as labour crunch. Industry watchers say an important challenge remains – getting consumers accustomed to the new technology.

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SINGAPORE: Faced with high rental costs and manpower shortage, the food and beverage (F&B) industry is increasingly turning to technology and innovation. This includes using robotics to help address the labour crunch.

Industry watchers said an important challenge would be to get consumers accustomed to new technology.

Robotics was one of the technologies on display at DBS' F&B Disrupt @ the Bay event on Wednesday (Jun 10), aimed at bringing F&B service operators together with technology vendors.

Food catering group, Neo Group, liked what it saw at the event, particularly a robot server.

"The robot that acts as a waiter or waitress - I think it can leverage using less manpower," said Neo Group founder, chairman and CEO Neo Kah Kiat. "I think technology is important, with fewer Singaporeans wanting to do this food industry, or restaurants, I believe this would add a lot of value in terms of technology. And myself, I always believe in technology, that's why Neo Group is able to grow quite well in this area."

A robot that could prepare ice cream was among the technologies on display at the event. It was developed by local tech firm, Techmetics. The company, which has also developed a ordering and payment system, markets them together as a single end-to-end solution.

Said Techmetics chairman and technical director Mathan Muthupillai: "We not only deploy the robot to serve the dishes, but also for clearing the dishes. Typically, 10-table restaurants can use one robo which can serve, the other robo to clear the dishes. So two robos are sufficient for running the front-end operations including our software solutions."

Techmetics' products are pending approval from the Infocomm Development Authority of Singapore (IDA), but they are slated to be rolled out in August. However, the company said it already has 15 restaurants interested in using its systems.

Industry watchers said while such innovations could help ease cost pressure, it was equally important that customers get used to the change.

"It's more of consumer acceptability," said Mr Andy Sim, senior vice president of Equity Research at DBS. "Now you can see the point of sale, using iPad, iTouch or phones to take orders or self-service. It was initially not well accepted by consumers, but over time, things actually start - consumers actually start to get the hang of it.

"So I think it will probably take time for all these to gain traction. And also I think the other thing is for the operators to decide to spend the capex, to invest in this area."

Overall, analysts said Singapore's F&B industry is still on track for growth. They are expecting a compound annual growth rate of 4.4 per cent in the next four years, to reach S\$7.2 billion in 2018. However, purchases, remuneration and rental remain the top three business costs for F&B operators and managing these costs will be key moving forward.

Said Mr Sim: "The growth is still there, we're still seeing relatively stable growth versus what we're seeing in the last few years. So I think the outlook is quite optimistic. I think the key is how to overcome the manpower or rental challenges that the industry is facing now."

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