

McDonald's is ending its test run of AIpowered drive-thrus with IBM

June 18 2024, by Wyatte Grantham-Philips



A McDonald's restaurant is seen, Feb. 14, 2018, in Ridgeland, Miss. McDonald's confirmed, Tuesday, June 18, 2024, that it's decided to end a global partnership with IBM, which has been testing an artifical intelligence technology at select McDonald's drive thrus since 2021. Credit: AP Photo/Rogelio V. Solis, File

Ever get your McDonald's order mixed up at an AI-powered drive-thru? The experiment behind the fast food giant's current automated order



taker will soon be coming to a close.

McDonald's confirmed Monday that it decided to end a global partnership with IBM, which has been testing this artificial intelligence technology at select McDonald's drive-thrus since 2021.

That doesn't mean you'll never encounter some sort of chatbot while picking up fries on your car ride home again. While the IBM partnership for McDonald's current automated order taker test is winding down, the Chicago-based company suggested that it wasn't ruling out other potential AI drive-thru plans down the road—pointing to "an opportunity to explore voice ordering solutions more broadly."

"Our work with IBM has given us the confidence that a voice ordering solution for drive-thru will be part of our restaurants' future," McDonald's said in a prepared statement this week, adding that it would continue evaluations to "make an informed decision on a future voice ordering solution by the end of the year."

Numerous fast food chains have begun exploring the implementation of AI across operations over recent years, with many pointing to possibilities of maximizing speed and cutting costs.

In the U.S., Wendy's partnered with Google Cloud to develop "Wendy's FreshAI" chatbot. White Castle teamed up with SoundHound AI with a goal of bringing voice-powered AI technology to more than 100 restaurants by the end of 2024. And a handful of Panera, Arby's and Popeyes locations have brought OpenCity's "Tori" voice assistant to their order lanes.

Beyond America, Popeyes U.K. also launched its first AI-powered drive-thru (dubbed "Al") last month, after the company said a pilot program reported 97% accuracy.



Success for AI-powered drive-thrus has been mixed. McDonald's automated order taker with IBM received scores of complaints in recent years, for example—with many taking to social media to document the chatbot misunderstanding their orders.

One 2023 <u>TikTok</u>, appears to show the drive-thru assistant place order after order of McDonald's chicken nuggets on one car's tab, despite the customers asking it to stop while laughing. Additional posts show an array of other mishaps—such as it adding strange extras, like ice cream <u>with ketchup and butter</u>, or picking up orders <u>from other nearby cars</u>.

Unnamed sources familiar with the technology <u>told CNBC</u> that the technology has had difficulty interpreting different accents and dialects, among other challenges affecting order accuracy.

McDonald's declined to comment about the automated order taker's accuracy. In an initial statement, IBM said that "this technology is proven to have some of the most comprehensive capabilities in the industry, fast and accurate in some of the most demanding conditions," but did not immediately respond to a request for further comment about specifics of potential challenges.

The Armonk, New York-based tech company also said that it is currently "in discussions and pilots" with several other quick-serve restaurant clients interested in the automated order taker.

According to trade publication <u>Restaurant Business</u> and CNBC, which obtained a memo sent to franchisees last week, the automated order technology will be shut off in McDonald's locations testing it "no later than July 26, 2024."

Both IBM and McDonald's maintained that, while their AI drive-thru partnership was ending, the two would continue their relationship on



other projects. McDonald's said that it still plans to use many of IBM's products across its global system.

In December, McDonald's launched a multi-year partnership with Google Cloud. In addition to moving restaurant computations from servers into the cloud, the partnership is also set to apply generative AI "across a number of key business priorities" in restaurants around the world.

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Citation: McDonald's is ending its test run of AI-powered drive-thrus with IBM (2024, June 18) retrieved 29 June 2024 from https://techxplore.com/news/2024-06-mcdonald-ai-powered-thrus-ibm.html

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