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# The Role of Multi-Restaurant Reservation Sites in Restaurant Distribution Management

## Abstract

A study of 474 U.S. consumers documents the increasing popularity of sites that allow reservations at numerous restaurants—although the telephone remains by far the most common way to make a restaurant reservation. Slightly over half of the respondents to this survey had made a restaurant reservation online. About 60 percent of those who made reservations online used a multi-restaurant site to do so, and the rest used the restaurant’s own website. Those who continued to make phone reservations said they preferred a personal touch. However, a substantial percentage of respondents who telephoned their reservation had located the restaurant using a multi-restaurant site or app. Restaurateurs need to note the demographics and habits of customers who typically make reservations online. There are no gender differences between customers who make reservations online and those who don’t, but the online group is noticeably younger. Multi-restaurant site users also visit restaurants more frequently than the other respondents. They were more likely to rely on online reviews, and they like having several restaurants to choose from. Although participating in a multi-restaurant reservation site represents an additional expense, restaurateurs should consider a distribution strategy that includes such sites, especially since they seem to be the preferred portal for younger guests who dine out more frequently than others.

## Keywords

reservation system, multi-restaurant reservation sites, table management tools

## Disciplines

Business | Food and Beverage Management | Hospitality Administration and Management

## Comments

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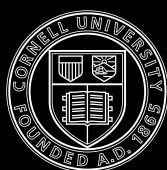
## The Role of Multi-Restaurant Reservation Sites in Restaurant Distribution Management

Cornell Hospitality Report  
Vol. 12 No. 3, January 2012

by Sheryl E. Kimes, Ph.D., and Katherine Kies

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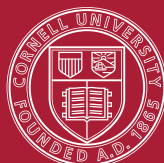
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# The Role of Multi-Restaurant Reservation Sites in Restaurant Distribution Management

by Sheryl E. Kimes and Katherine Kies

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## EXECUTIVE SUMMARY

**A** study of 474 U.S. consumers documents the increasing popularity of sites that allow reservations at numerous restaurants—although the telephone remains by far the most common way to make a restaurant reservation. Slightly over half of the respondents to this survey had made a restaurant reservation online. About 60 percent of those who made reservations online used a multi-restaurant site to do so, and the rest used the restaurant’s own website. Those who continued to make phone reservations said they preferred a personal touch. However, a substantial percentage of respondents who telephoned their reservation had located the restaurant using a multi-restaurant site or app. Restaurateurs need to note the demographics and habits of customers who typically make reservations online. There are no gender differences between customers who make reservations online and those who don’t, but the online group is noticeably younger. Multi-restaurant site users also visit restaurants more frequently than the other respondents. They were more likely to rely on online reviews, and they like having several restaurants to choose from. Although participating in a multi-restaurant reservation site represents an additional expense, restaurateurs should consider a distribution strategy that includes such sites, especially since they seem to be the preferred portal for younger guests who dine out more frequently than others.



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# The Role of Multi-Restaurant Reservation Sites in Restaurant Distribution Management

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The emergence of online reservations and sites that allow reservations for multiple restaurants has increased the complexity of restaurant distribution, and has forced restaurants to rethink the way in which they manage their distribution.<sup>1</sup> A large part of this reconsideration comes from the fact that online restaurant reservations are popular among consumers—and are valuable to restaurants, as well. Consumers like online reservations because of their convenience, speed, and control,<sup>2</sup> while restaurants like online reservations because they bring in business and trim personnel costs, among other benefits.

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<sup>1</sup> Kimes, Sheryl E. 2011. “The Future of Distribution Management in the Restaurant Industry,” *Journal of Revenue and Pricing Management*. In press.

<sup>2</sup> Dixon, Michael J., Sheryl E. Kimes and Rohit Verma. 2009. “Customer Preferences and Use of Technology-Based Service Innovations in Restaurants,” *Cornell Hospitality Reports*. 9 (7).



The hospitality industry has found the growth of third-party reservation sites to be something of a mixed blessing. Even as these sites facilitate bookings and give a restaurant exposure, they have changed many restaurants' distribution patterns. Whereas restaurants formerly had complete control over their table inventory and its distribution, the growth of multi-restaurant reservation sites (such as OpenTable.com) has caused restaurants to feel that they have much less control over their distribution, particularly the cost of reservations. Not surprisingly, this loss of control has led

to some resentment as restaurants try to balance the cost of these sites with the perceived incremental business booked through these sites.<sup>3</sup> These concerns are similar to those of the hotel industry with regard to online travel agents (OTAs).

While multi-restaurant sites have been in existence for over ten years, one reason that we conducted this analysis of their advantages and disadvantages is that they have grown in importance during the past few years. For example, OpenTable.com, the largest U.S. multi-restaurant reservation service with 90 percent of the market, has grown from a *total* of one million customers seated as of August 2002 to over 22 million diners *per quarter* by March 2011. The number of restaurants accepting reservations via OpenTable.com has likewise risen, from only ten in 1999 to over 21,000 in March 2011.<sup>4</sup> This expansion is concurrent with the growth of mobile reservation apps. For example, OpenTable's mobile app was started in November 2008,<sup>5</sup> and by March 2011 provided approximately 10 percent of their business.<sup>6</sup>

This report offers an overview of multi-restaurant reservation sites, reviews current industry use, and presents the results of a consumer survey on restaurant distribution channel use. Based on this analysis, we conclude with guidelines for developing a multi-faceted restaurant distribution strategy.

## EXHIBIT 1

### Comparison of major multi-restaurant reservation sites

Company	Price per Month	Price per Seated Diner	Reservation Type
OpenTable	\$270	\$1	Direct Reservation
	\$0.25	Restaurant website	
	\$7.50	Dining Rewards Program	
UrbanspoonRez	\$99	\$1	Direct Reservation
	Free	Restaurant website	

### Overview of Multi-Restaurant Reservation Sites

Although we're focusing on multi-restaurant sites, their benefits are similar to all forms of online reservations. They allow restaurants to (1) reduce labor costs, (2) increase accessibility to their customers, (3) increase reservation consistency, (4) better market to their customers, and (5) provide better service to their customers. Customers like the convenience and control that online reservations provide, particularly since reservations can be made at any time and do not depend on restaurants' operating hours.<sup>7</sup>

Multi-restaurant reservation sites such as OpenTable or UrbanspoonRez show customers the availability of reservations at a number of restaurants at customers' desired times. Restaurant operators can use revenue management strategies to put all or some of their table inventory online. The interfaces are designed to make reservations fairly easy to make, and the sites generate an automatic email confirmation for both the customer and the restaurant.

In addition, both OpenTable and UrbanspoonRez support online reservations through a restaurant's own website. This makes it easier for the restaurants to offer online reservations and also helps them keep their costs down since reservations made through the restaurant's site cost less (Exhibit 1).<sup>8</sup>

### Advantages of Multi-restaurant Sites

Let's examine the five key benefits that multi-restaurant sites offer. They are: (1) an additional distribution channel, (2) increased reservation consistency, (3) an electronic reservations book, (4) table management tools, and (5) improved customer data.

<sup>3</sup> Consentino, Chris and Mark Pastore. 2010. "Is OpenTable Worth It?," *Inside Scoop SF*. 10/18/10. <http://insidescoopsf.sfgate.com/incanto/2010/10/18/is-opentable-worth-it/>. Viewed 10/20/10.

<sup>4</sup> OpenTable Corporate Presentation. 2011. [http://files.shareholder.com/downloads/ABEA-2TKK09/1059025644x0x464630/664e8331-2f44-4e88-a8ba-5844f26505b7/OpenTable\\_Corporate\\_Presentation\\_5\\_3\\_2011\\_FINAL.pdf](http://files.shareholder.com/downloads/ABEA-2TKK09/1059025644x0x464630/664e8331-2f44-4e88-a8ba-5844f26505b7/OpenTable_Corporate_Presentation_5_3_2011_FINAL.pdf). Viewed 5/15/2011.

<sup>5</sup> Schonfeld, Eric. 2010. "OpenTable's \$150 Million Mobile App (and Q1 Earnings)," *TechCrunch*. 5/4/10. [TChhttp://techcrunch.com/2010/05/04/OpenTables-150-million-mobile/](http://techcrunch.com/2010/05/04/OpenTables-150-million-mobile/). Viewed 11/14/10.

<sup>6</sup> Kats, Rimma. 2011. "OpenTable Exec: Forget About Apps Until Mobile Web Site is Complete," *Mobile Commerce Daily*. April 14, 2011. <http://www.mobilecommercedaily.com/2011/04/14/10pc-of-reservation-bookings-come-from-mobile-opentable-exec>. Viewed 5/14/2011.

<sup>7</sup> Kimes, Sheryl E. 2009. "Online Restaurant Reservations: The Customer Perspective," *Cornell Hospitality Reports*. 9 (5).

<sup>8</sup> McLaughlin, Katy. 2010. "More Ways to Snag That Table," *The Wall Street Journal*. 5/20/10. <http://online.wsj.com/article/SB10001424052748703691804575254680739522068.html>. Viewed 5/20/10.

**Additional distribution channel.** As with any business, the more distribution channels a restaurant uses, the greater the exposure to its potential customer base. Given that online reservation users tend to be more frequent diners,<sup>9</sup> being listed on a multi-restaurant site offers the potential for increasing the restaurant's visibility.

**Increased reservation consistency.** Multi-restaurant sites can provide a restaurant with a more consistent service experience in terms of how the reservation is handled, since customers know how to make a reservation on these sites. An increase in consistency has been shown to lead to an increase in customer satisfaction.<sup>10</sup> Service speed is enhanced when customers become "members" of a site and save their contact information. The reservation then becomes a matter of a click or two.

**Electronic reservations books.** The chances of a reservation going astray are diminished by the presence of electronic reservations books, which help restaurants keep better track of reservations. These apps are helpful regardless of whether the reservation is made by phone, through the restaurant's website, or through the multi-restaurant site, and even walk-ins can be logged into the book.

Electronic reservation books allow a restaurant to better control availability and maintain more accurate records. They also provide better reporting capabilities, are accessible from multiple locations (for example, the host stand, a reservations office, and the manager's office), and can be much easier to use than traditional pen and paper, depending on the system.

**Table management systems.** Table management system capabilities can help restaurants better manage their tables so that they can know when tables are available and minimize the time that tables sit idle. While the table management systems provided with most multi-restaurant sites are not as sophisticated as some of the dedicated table management systems (e.g., ProHost), they provide the basic functionality that most restaurants need.<sup>11</sup>

**Guest history systems.** The guest history systems associated with some of the multi-restaurant sites can allow restaurants to record customer information and help improve customer service. For example, California's popular upscale restaurant The French Laundry allocates just one or two tables per day to OpenTable, but then uses the guest his-

tory features of OpenTable to track guest preferences so the restaurant can provide more personalized service.<sup>12</sup>

## Disadvantages of Multi-restaurant Reservation Sites

Despite the sites' benefits, many restaurant operators have been concerned about the following issues relating to multi-restaurant sites: (1) associated costs, (2) whether the sites bring in incremental business, (3) the possible reduction in restaurant loyalty, and (4) the loss of a personal touch with customers.

**Associated costs.** Even though electronic reservations generally cut personnel costs, multi-restaurant reservation sites nevertheless cost more than reservations through the restaurant's own website. Given restaurants' tight profit margins, some operators view this additional cost as too high and not worth the potential increase in business.

Hotel operators have expressed similar concerns about the commissions charged by OTAs such as Expedia and Travelocity. The OTAs' counter argument is that they drive a substantial amount of business to hotels that they would not otherwise book.

**Incremental business or not?** Similar to hoteliers, restaurateurs wonder whether they are paying the third-party site for a reservation that would have been made in any event. The question, then, is whether incremental business is being booked through these sites. While this question has not been examined for restaurants, a study of hotels found that being listed by the OTA did drive reservations on the hotels' own websites, in a phenomenon known as the billboard effect.<sup>13</sup>

**Loss of loyalty.** As multi-restaurant reservation sites grow in importance, it is possible that consumers might become more loyal to the site than to individual restaurants (perhaps because of redeemable rewards points). For example, OpenTable customers can amass Dining Reward points that they can redeem for discount vouchers.

**Loss of a personal touch.** Some operators are concerned about the loss of the personal touch, since customers do not have to contact the restaurant or even its website to make a reservation. Some operators think that this lack of personal touch may lead to a decrease in customer satisfaction.<sup>14</sup>

<sup>9</sup> Dixon et al. *op.cit.*; Kimes 2009, *op.cit.*

<sup>10</sup> Parasuraman, A., Valarie A. Zeithaml, Leonard L. Berry. 1985. "A Conceptual Model of Service Quality and Its Implication for Future Research," *Journal of Marketing*, 49 (Fall): 41 – 50.

<sup>11</sup> Chait, Eli. (2010). "OpenTable Isn't Going Away," EatMetrics Blog. 11/10/10. <http://blog.eatmetrics.com/2010/11/opentable-isnt-going-anywhere/>. Viewed 5/2/11.

<sup>12</sup> Hafner, Katie (2007). "Restaurant Reservations Go Online," *The New York Times*, 6/18/07. <http://www.nytimes.com/2007/06/18/business/18opentable.html?pagewanted=all>. Accessed 3/5/11

<sup>13</sup> Anderson 2009, 2011, *op.cit.*

<sup>14</sup> Prewitt, Milford. 2005. "Operators see Pros, Cons in Online Reservations Boom," *Nation's Restaurant News*, 2/28/05. [http://findarticles.com/p/articles/mi\\_m3190/is\\_9\\_39/ai\\_n12934951](http://findarticles.com/p/articles/mi_m3190/is_9_39/ai_n12934951).

## Growth of Multi-restaurant Reservation Sites

Regardless of the advantages or disadvantages, it's clear that multi-restaurant sites will continue to be a factor in reservations, and they are expected to grow in importance. For example, currently about 37 percent of the North American restaurants that take reservations have installed OpenTable and about 9 percent of diners who make reservations do so via OpenTable. To put this in perspective, in San Francisco, the home base of OpenTable and the hub for a number of internet startups, 64 percent of the restaurants use OpenTable and 24 percent of reservations come through OpenTable.<sup>15</sup>

### Website Analysis

We analyzed the websites of the top 100 restaurants as listed by *Restaurants & Institutions*<sup>16</sup> to see (1) whether the restaurants offered reservations, (2) whether they offered online reservations, (3) whether their online reservations were supported by a multi-restaurant site, and (4) the number of clicks it took to make a reservation. In addition, we called the restaurants to see whether we could determine the percentage of their reservations that came through various distribution channels.

Of the 99 *R&I* restaurants that were in operation,<sup>17</sup> 87 offered reservations. Of these restaurants, 78 offered online reservations; the remainder required customers to either call the restaurant (eight) or submit a form (just one). OpenTable provided the reservations capability of 70 of the 87 restaurants that took online reservations.

Interestingly, information on how to place an online reservation was not always that easy to find. Only 9 percent of the restaurants that took online reservations offered reservation access on their home page. About half (52%) of the sites required one click to get reservations access, 27 percent took two clicks, and 12 percent took three clicks.

**Reservation sources.** We called the restaurants to obtain reservations information, but were only able to get data from 55 of the restaurants. On average, 25 percent of their reservations came through OpenTable, 49 percent were made by telephone, 4 percent came through the restaurant

## EXHIBIT 2

### Demographic differences in use of online reservations

Variable	Category	Telephone	Restaurant Site	Multi-Restaurant Site
Gender	Female	43.9%	24.2%	32.0%
	Male	47.0%	21.7%	31.3%
Age	18 - 24	33.3%	26.7%	49.5%
	25 - 34	27.7%	22.8%	49.5%
	35 - 49	43.1%	26.5%	30.4%
	50 - 64	51.1%	23.0%	25.9%
	65+	71.1%	15.8%	13.2%
Location	Urban	41.1%	23.4%	35.5%
	Suburban	42.7%	22.8%	24.5%
	Small town	48.8%	25.6%	25.6%
	Rural	60.4%	18.9%	20.8%

website and 22 percent of their business came through walk-ins.<sup>18</sup>

Given that multi-restaurant sites seem to be driving a substantial amount of reservations business, we decided to conduct a study to determine how customers were using multi-restaurant sites and apps.

### Consumer Study

We conducted an online survey of U.S. consumers who had made a restaurant reservation during the previous year. The survey was distributed in January 2011 through a company that maintains a representative panel of consumers, and a total of 474 completed responses were obtained.

Respondents were asked a variety of questions on their attitudes toward reservations and their use of various reservation distribution channels. In addition, several demographic questions were asked.

Respondents were fairly evenly split by gender (female, 51.5%). The age distribution was fairly representative of the U.S. population (18-24, 12.7%; 25-34, 21.3%; 35-49, 21.5%; 50 - 64, 28.5%; 65+, 16.0%).<sup>19</sup> The majority of respondents lived in suburban areas (48.6%), with 22.6 percent in urban areas.

### Results

Over half of the respondents (54.6%) had made an online reservation. We split the respondents into three categories

<sup>15</sup> OpenTable Corporate Report 2011.

<sup>16</sup> *Restaurants & Institutions*. 2010. "The Top 100 Independents," 120 (4): 28.

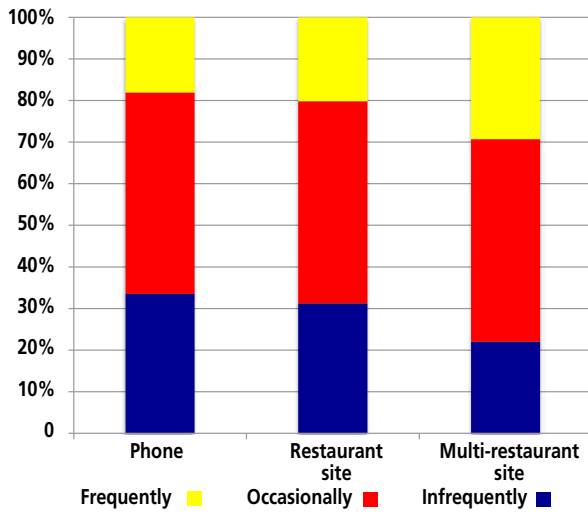
<sup>17</sup> New York's Tavern on the Green had closed in the interim.

<sup>18</sup> The data on the percentage of reservations that came through OpenTable and the restaurant website may be inaccurate since some of the respondents did not necessarily distinguish the different sources of online reservations.

<sup>19</sup> U.S. Census, 2009. [www.uscensus.gov](http://www.uscensus.gov).

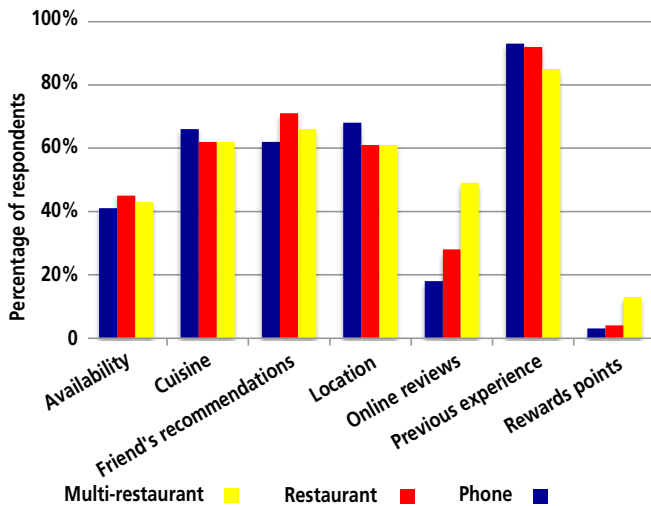
**EXHIBIT 3**

**Frequency of reservation by distribution channel**



**EXHIBIT 4**

**How people choose a restaurant, by distribution channel**



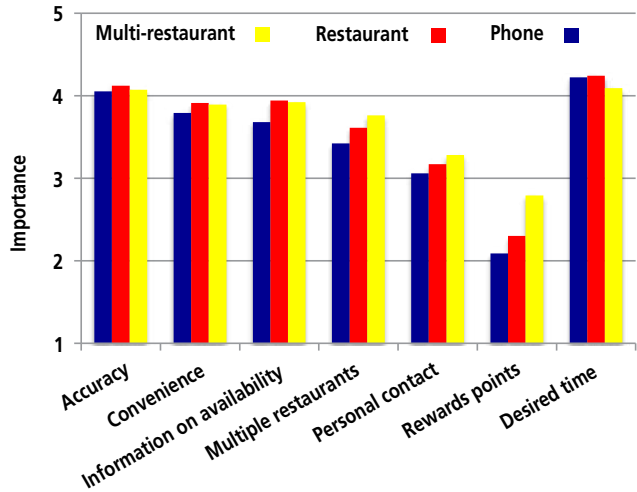
based on their reservation patterns: (1) Non-users, that is, the 45.4 percent who had not made an online reservation; (2) Restaurant users (23.0%), those who had made online reservations only through a dedicated restaurant site; and (3) multi-restaurant users (31.6%), those who had made reservations through a multi-restaurant site (regardless of whether they had also used the restaurant's dedicated site).

**Characteristics of Users and Non-Users**

We wanted to see whether distribution channel usage varied by age, gender, and locale. We also wanted to understand how respondents made reservations and how frequently they dined out. Older respondents were significantly more

**EXHIBIT 5**

**Importance of selection factors, by distribution channel**



likely to make their reservations by phone, while younger respondents were more likely to use multi-restaurant sites. There were no differences by gender, but respondents in urban and suburban locations were more likely to have used a multi-restaurant site (Exhibit 2).

**Reservations Behavior**

Respondents were asked a variety of questions on their reservations behavior, including how frequently they go to restaurants that take reservations, how they choose a restaurant, and what factors they consider when making a reservation.

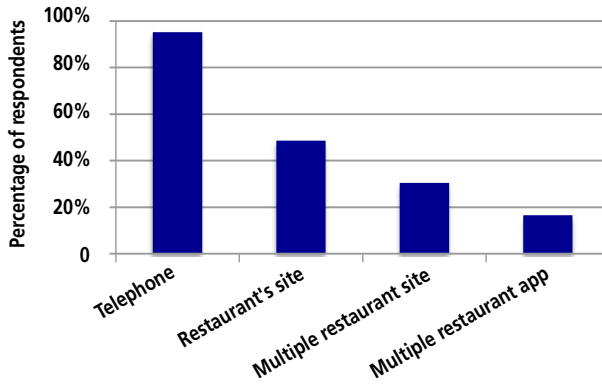
**Frequency of dining at restaurants that take reservations.** About one-quarter (22.1%) of respondents patronized restaurants that take reservations at least twice per month, and about half (48.6%) went to such restaurants three to twelve times per year. Multi-restaurant site users went out the most frequently (Exhibit 3).

**How they choose.** Respondents indicated that they choose restaurants based on previous experience (90%), recommendations of friends (65%), cuisine (64%), and location (64%) (Exhibit 4). However, multi-restaurant site users were significantly more likely to rely on online reviews. In addition, multi-restaurant users were more likely to select restaurants that offered reward points.

**What's important.** Respondents were asked to evaluate the importance of nine different attributes associated with restaurant reservations, on a scale of 1 to 5. Being able to get the time and date they wanted was considered the most important (4.19), followed by reservation accuracy (4.07). The least important reasons for picking a particular restaurant were dining reward points (2.36) and having a personal connection with the restaurant (3.15) (Exhibit 5). Multi-restaurant site users considered having multiple restaurants

**EXHIBIT 6**

**Percentage of respondents who had used each distribution channel**



to choose from and dining reward points as more important than other respondents did.

**Distribution Channels Used**

We also asked questions about which distribution channels respondents had used to make reservations, and, for those who had used multi-restaurant sites and apps, how they had used those sites. In addition, non-users were asked a series of questions about their reasons for not using online reservations. Two measures of distribution channel use were calculated: (1) the percentage of respondents who had used a distribution channel, and (2) the percentage of reservations that had been placed through each distribution channel.

Nearly all of the respondents had made a reservation by phone (95.2%). About half (48.5%) of the respondents had made a reservation through a restaurant site, while about a third (30.4%) had made a reservation through a multi-restaurant site and 16.5 percent had made a reservation through a multi-restaurant app (Exhibit 6).

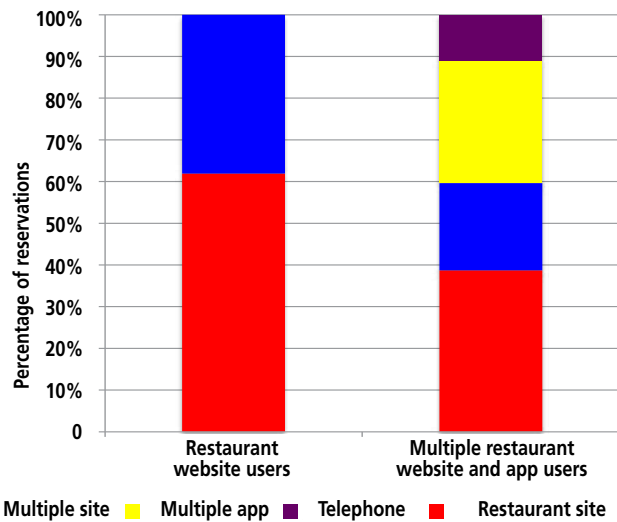
Based on this sample, the majority of reservations are still made by calling the restaurant (71.7%). Restaurant sites accounted for 15.5 percent of reservations followed by multi-restaurant sites (9.3%) and multi-restaurant apps (3.5%).

Needless to say, non-users obviously placed all of their reservations by phone. Those who reported using a restaurant's website had made about 38.1 percent of their reservations online (and the rest by phone). Multi-restaurant site users made 38.7 percent of their reservations by phone, 20.9 percent on a restaurant website, 29.4 percent through a multi-restaurant site, and 11.0 percent through a multi-restaurant app (Exhibit 7).

**Multi-restaurant site and app use.** Respondents who had used a multi-restaurant site or app were asked to indi-

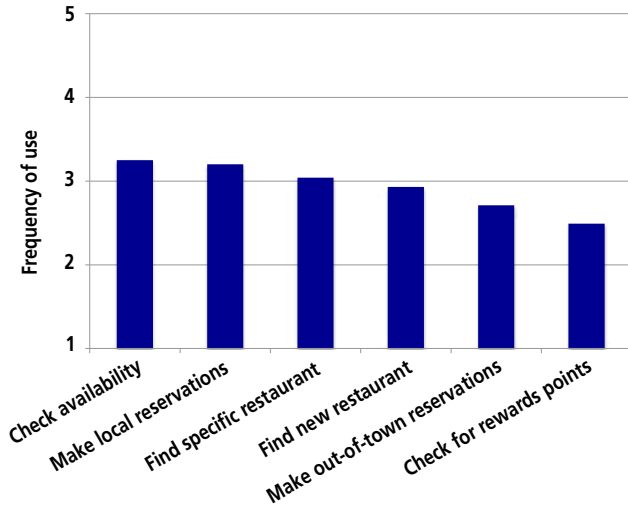
**EXHIBIT 7**

**Percentage of reservations made in each distribution channel, by type of user**



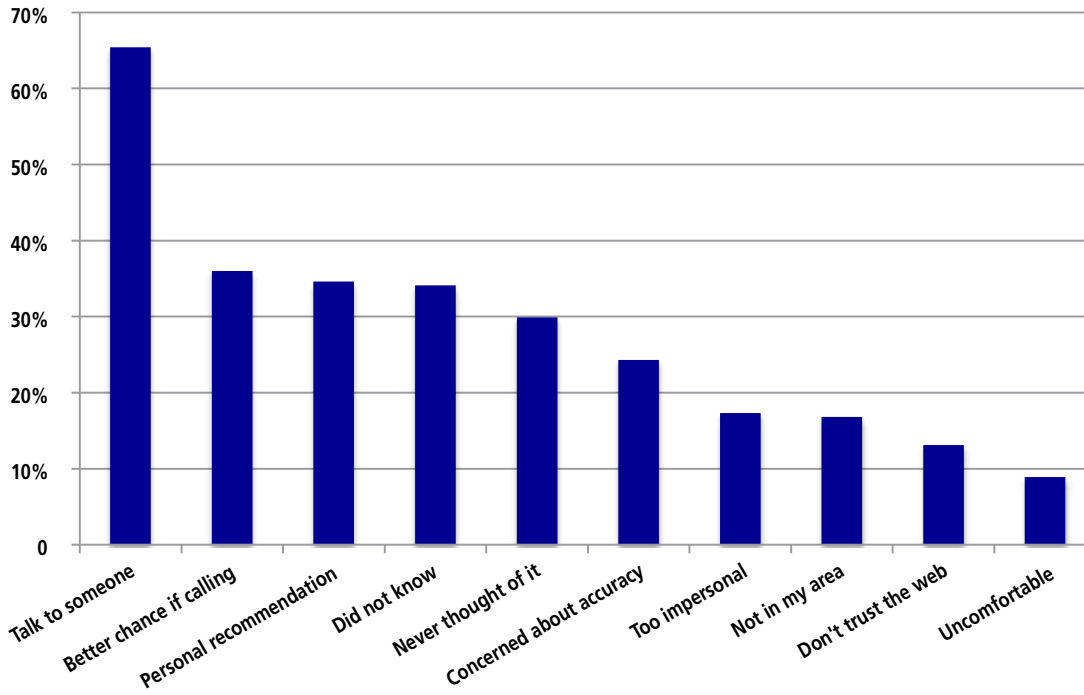
**EXHIBIT 8**

**Uses of multiple-restaurant sites**



cate how frequently they used these sites or apps to search for certain restaurant attributes. The most frequent search attributes were finding restaurant availability (3.25) and finding reservations in their city (3.20). The least common use was to find restaurants with reward points (2.49) (Exhibit 8). Frequent diners (defined as those who dine at restaurants that take reservations at least twice a month) were significantly more likely to use multi-restaurant sites to find a specific restaurant, to search for reservations at out-of-town restaurants, and to look for restaurants that offer reward points.

## Reasons given for not making online reservations



Once they located a restaurant, 44.0 percent booked the reservation through the multi-restaurant site, 32 percent called the restaurant to make a reservation, and 24 percent went to the restaurant website to make their reservation. Frequent diners were significantly more likely to book their reservation on the multi-restaurant site or on the restaurant's own site, while infrequent diners were significantly more likely to call the restaurant to make their reservation.

Finally, multi-restaurant site and app users were asked what they would do if the restaurant they were searching for was not on the multi-restaurant site. The majority (58.0%) said they were likely to try to book a reservation at that restaurant through another channel; only 18 percent said they were unlikely to make a reservation with that restaurant. Frequent diners were significantly more likely to still try to book a reservation at the restaurant, while infrequent diners were significantly more likely to look elsewhere.

**Reasons for non-use.** Respondents who had not made an online reservation were asked to indicate the reasons why they had not done so. The most common response was that they preferred to talk to someone (65.4%), followed by feeling that they have a better chance of getting what they want if they talked to someone at the restaurant (36.0%)

and a preference for having a personal connection with the restaurant (34.6%) (Exhibit 9).

### Discussion

The majority (54.6%) of respondents had made an online reservation, and of those, 58 percent had made a reservation on a multi-restaurant site. This is a remarkable contrast to just two years ago, when only 31 percent of U.S. adults had made an online reservation. About 25 percent of reservations made at the *R&I* top 100 restaurants come through multi-restaurant sites. Clearly, those sites are here to stay and will continue to grow in importance. The question for operators is how best to manage their multi-restaurant site presence while at the same time effectively using other distribution channels.

### Multi-Restaurant Website Strategy

Our findings indicate the importance of including multi-restaurant sites as part of a distribution strategy, despite the potential costs. We say this because about one-third of respondents had used a multi-restaurant site, and multi-restaurant site users dine out more frequently.

Moreover, we found that over half of respondents would call the restaurant or use the restaurant's own website after

finding a restaurant on a multi-restaurant site. Consequently, despite the cost associated with using multi-restaurant sites, the potential exposure and incremental business point to a worthwhile investment. Restaurateurs could recognize these distribution costs as marketing expenditures given the additional exposure on multi-restaurant sites. The fact that multi-restaurant users dine out more frequently makes the multi-restaurant sites even more attractive.

Operators should be sure to use the sites' ancillary services to their full advantage. The customer information thus obtained can help operators develop targeted promotions and provide guests with more customized service. In addition, the operational efficiencies available through the electronic reservations book and the table management system can help restaurants control costs, increase accuracy, and provide better service.

So far, we believe that customers are loyal to restaurants, not to reservation sites. Even when customers cannot find a particular restaurant on a multi-restaurant site, they are still likely to book that restaurant. Less than one-fifth (18%) said they would not make a reservation if the restaurant was not listed, and over half (58%) said they would still try to book the restaurant through some other distribution channel. This may indicate that customers are more loyal to individual restaurants than to a multi-restaurant site.

### Online Reservations through the Restaurant's Site

Given that the costs associated with online reservations made through a restaurant's website are lower than those of multi-restaurant sites, operators should encourage existing and potential customers to make their online reservations directly with the restaurant. This echoes a strategy used by hotels.

As we said, customers value the convenience and control associated with online reservations.<sup>20</sup> Perceived convenience can be increased by ensuring that the restaurant's website is easy to use, by allowing customers to save their personal information, and by making it easy for customers to easily invite others to join them. Perceived customer control can be enhanced by giving visible assurances that the customer's reservation will be accurate and making it easy for customers to change or cancel their reservation.

### Telephone Strategy

About two-thirds (65%) of respondents who had not made an online reservation wanted to talk to someone to make

<sup>20</sup> Kimes 2009, *op.cit.*

their reservation, for any of several reasons. One possible way to maintain personal contact but keep costs under control would be to consider using a remote call center to take the calls. Outsourcing reservations can reduce the workload on hosts and hostesses during busy periods, prevent interruptions, and allow the staff to instead concentrate on delivering better customer service. Moreover, a call center can be available around the clock, unlike the restaurant staff. If managed appropriately, outsourced reservations may also provide a more consistent customer experience while making it easier for customers to make a reservation.

At the same time, operators should make customers aware of their online reservations capabilities and encourage customer trial. Once customers try online reservations, they are more likely to view them as useful.<sup>21</sup>

### Summary and Conclusion

Over half of the survey respondents had made an online reservation and over half of those online users had made a reservation using a multi-restaurant site. We see no reason that the past growth of online reservation use will not continue, and it makes sense for restaurants to develop a comprehensive distribution strategy that will help them maximize revenue through all channels.

As with all studies, this one was not without limitations. The study applies only to the U.S. consumer sample, and the findings might not be generalizable to other parts of the world. Although the respondents were drawn from a representative national sample, it was conducted online, and these respondents may have systematic differences from consumers who do not use the internet, or at least those who do not fill out online questionnaires.

We also did not directly address the concern that multi-restaurant sites might cannibalize existing reservations. That is, restaurants might be paying the multi-restaurant fees for reservations that they would have received anyway (essentially for free on the phone or at low cost on their own website). Future research should attempt to quantify the impact of multi-restaurant sites on restaurant profitability, and address whether the billboard effect also holds true in the restaurant industry.<sup>22</sup> In addition, a choice-based experiment in which consumers are asked to express their preferences for different reservation approaches would help provide guidance for the development of a comprehensive restaurant distribution strategy. ■

<sup>21</sup> Dixon *et al.*, *op.cit.*

<sup>22</sup> Anderson 2009, 2011, *op.cit.*

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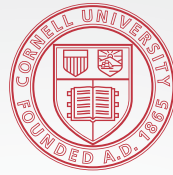
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