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One-click cuisine

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Restaurants Choose Web Advertising to Increase Sales By Sarah G. McC. Moise, Staff Writer

"With the amount of revenue we're getting,[the cost] is a drop in the bucket, "says Kent. "[OpenTable's] definitely driving sales."

Lindsay Slaby, public relations director for Maverick Southern Kitchens, is in the process of researching web advertising for The Old Village Post House. "One of the options we're looking at is Restaurant.com," she says. "The program is very flexible, well marketed to people of all ages, and rapidly accumulating fine dining restaurants."

The advertising options in Charleston can be daunting, and often the returns are difficult to measure. Marketing professionals at area restaurants are finding that online advertising is giving them bang for their buck—or diners for their dollars.

Advertising on www.restaurant.com doesn't actually cost anything—up front. "You're not paying to advertise," says Slaby. "You're making a commitment to provide online gift certificates at least three times a week. That's a \$300 value a month at most."

Potential customers can preview the menu, read a description and find other information, then purchase and print a \$25 gift certificate for any of the advertised restaurants. The \$25 gift certificates are just \$12.50.

However, Maverick is wary about the required two-year commitment and the lack of control. "They could offer larger gift certificates for very low prices—such as a \$50 gift certificate for \$8—which could make the restaurant look cheap," says Slaby.

To learn more, she consulted Jaime Lambert, financial administrator for Rue de Jean, which has used restaurant.com since 2001. "It attracts a lot of tourists, who find out about us online," says Lambert. "We don't have a web site, and it's a way for us to have a presence on the web."

The site features cities and restaurants in every state and county, so it's easy for visitors to search for eateries wherever their destination. Rue de Jean sells about five gift certificates per week, which are redeemable for everything except alcoholic beverages. "I think 80 percent of the people who use them are tourists, but it's a good gift for locals," explains Lambert.

Each certificate is printed with a number, and at the end of the evening when it has been redeemed, the restaurant calls a phone number and cancels the certificate. "It definitely brings people in," says Lambert. "At first we weren't sure how we would like people bringing in a printed, paper gift certificate, since we don't have control over the design. And we questioned the professionalism of the piece of paper. But we like it, and it works for us."

America's Cuisine is another web advertiser site Maverick is considering. The American Express branded web site, www.americascuisine.com, features restaurants in about 100 cities and allows diners to winnow their search down by city and then restaurant. Each of the 50 restaurants advertised in Charleston have five web pages with current menus, recipes, information and a chef's biography.

"It's more regulated and the pricing is firm, but you have to be an advertiser in their book, Charleston Cuisine," says Slaby. "When you advertise, you are automatically placed on the web site."

Maverick currently buys advertising on Charleston.com for High Cotton and Slightly North of Broad and was impressed with their referral numbers. Slaby says that 40% of their web traffic for High Cotton came from www.charleston.com.

When Crew Carolina, which uses both American Cuisine and Charleston.com, considers web advertising options, the company looks at how the site is laid out and how easy it is to navigate. "Charleston.com seemed obvious," says Catherine Alley, marketing and public relations director. "If I were searching for information on Charleston, it's the easiest web site to find. It has such an obvious name."

Crew Carolina, which operates the two Boathouse restaurants and Carolina's, is also interested in web advertisers' traffic

reports and where they are placing their web site.

"How do people even know that the web site exists?" Alley asks. "For instance, American Cuisine, where we also advertise, gets a huge amount of coverage because the book is mailed to all American Express Platinum holders."

The listing for Charleston.com is \$1,000 and the site offers virtual tours, wine lists, menus, reviews and links to the restaurants' websites. For restaurants that offer their own online reservations, referrals mean more reservations and more sales. Crew Carolina has received a little over 800 online reservation requests in the nine months they've been using Charleston.com. "I'm surprised other people aren't doing it," says Alley.

Currently, Maverick Southern Kitchens doesn't participate in any electronic reservations, and OpenTable, one of the advertising packages they have been considering, also offers software and hardware that could bring their reservation system into the 21st century. OpenTable Inc. is the provider of Internet-enabled customer relationship, marketing and reservations management software to over

2,000 restaurants in the foodservice industry. Crew Carolina is about to start using it at their East Bay location. "Once we learn it, we'll spread it to all our restaurants," says Alley.

Hospitality Management Group Inc., which owns and manages Magnolias, Blossom Café and Cypress Lowcountry Grille, has been using OpenTable for about three years. "It's an Internet program where guests can go online and see what restaurants are available on a particular day and time," says Kim Kent, online reservationist for HMG. "If you're coming to Charleston, you can search for reservations for seven o'clock on a Saturday night, and it will show you any restaurant in Charleston that has tables open then."

The site provides extensive information about the restaurant, and diners can book a table online at www.opentable.com, or from there, link to www.magnolias-blossom-cypress.com to make a reservation. The OpenTable software at HMG instantly makes the reservation and sends an e-mail confirmation.

"Between all three restaurants, OpenTable probably generates an additional \$15,000 to \$20,000 a month in revenue," Kent says. The report from the last two weeks of June showed that Cypress had 98 online reservations (or \$2,000 in revenue), 52% of which were first time diners. "Blossom was about the same, and Magnolias, which is our big hitter, did 300 online reservations and generated \$6,000 in revenue."

In addition to the \$1,300 to \$2,000 initial outlay for software and hardware, restaurants pay OpenTable 25 cents a head for every diner that books through their homepage, or a \$1 a head for booking through OpenTable's web page. "But with the amount of revenue we're getting, it's a drop in the bucket," says Kent. "It's definitely driving sales."

The OpenTable software program also has a marketing option, called the Occasion Club. "If a customer has visited us several times, whoever takes the phone reservation looks at their history and says, 'Oh, Mr. Jones, I see you've dined with us before. Would you like your usual table and favorite server? And shall we have a bottle of Chateau St. Michele waiting for you?' It takes our service up a notch."

"Table management software is extremely costly and takes training," says Slaby. "But we're looking at it. We'd like to be able to integrate table management, customer information and loyalty, group dining, online reservations and point of sale."

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