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## Survey: Consumers reserved on reservations

### Nations Restaurant News

Four-city study finds table bookings down, except in N.Y., as guests prefer walk-ins

San Francisco – A two-year, four-city survey of reservations trends involving more than 100 restaurants has found San Francisco, Washington, D.C., and Chicago to be the hardest hit by a downturn in bookings in the first three months of 2002 and all of last year.

However, the survey, by San Francisco-based technology and services vendor OpenTable, showed that the New York City sampling of 27 restaurants enjoyed growth in reservations for both the recent quarter, with a 3.2 percent year-to-year increase, and all of 2001, when reservations rose 7.2 percent over 2000 levels.

The table-booking surge in New York came despite a 0.9 percent dip in reservations in last year's fourth quarter, after the September destruction of the World Trade Center, the survey found.

According to some industry analysts, including researcher Ronald Paul, chief executive of Chicago-based Technomic Inc., the growth in reservations activity in New York might reflect a new determination by operators in that depressed market to serve guests better.

"My perception is that whenever business gets a little tougher and there are fewer customers, more people are interested in improving service, and one of the ways you make it a little better for the customer is by taking reservations," Paul remarked.

Washington, where the Pentagon was attacked by terrorists in September, suffered the greatest decrease in reservations in last year's third quarter, when the survey's monitoring of 24 prominent Washington restaurants found an aggregate reservations decline of 18.6 percent from the same period in 2000. Those same restaurants' 11.5-percent aggregate dip in reservations activity in the fourth-quarter trailed only that of San Francisco, where the combined fourth-quarter decline of the 23 restaurants surveyed was 15.3 percent.

San Francisco, where restaurants saw double-digit declines in sales in 2000 and 2001, still is suffering the one-two punch of the dot-com industry meltdown and declines in tourism resulting from security-related fears and the general economic slowdown. According to the OpenTable survey, reservations activity in San Francisco was off nearly 12.8 percent for the January-through-March period this year and was down by 12 percent for all of 2001.

Such findings don't surprise some San Francisco operators. "I'm getting a lot more walk-ins these days," reported Tim Dale, general manager at the upscale Le Colonial in San Francisco. "I think people are responding to the slowdown in the restaurant industry and have the feeling, 'Hey, we don't have to make reservations now.'"

Dale said he previously had allocated no more than 20 percent of Le Colonial's tables for walk-in customers and, on busy nights, had set aside less than 10 percent for drop-ins. "Now, on some nights, 30 percent of my business is from walk-ins," he said.

"Prior to September we were doing a lot of reservations – maybe 80 percent to 90 percent of our dinner guests were here with reservations," recalled Darrin Sanders, a manager at Roy's in San Francisco. "Some nights now only 40 percent to 50 percent of our guests have reservations. It's about the same level of business, just a different mix."

However, managers of some big-ticket restaurants in San Francisco and Chicago are reporting a higher percentage of customers using reservations in recent months while acknowledging that overall sales are off from 2001 levels or still lag behind the reservation rate of 2000.

The San Francisco restaurant Farallon is one of the exceptions. "We're finding that more people in the last year are making reservations," said general manager Tyler Williams. "With a \$65 average check at dinner for food and beverage, what we're seeing is that, given the economic trends of the past year, people, when they are ready to spend that kind of money, want to plan their evening. They don't want to just drop in someplace."

Abul Hossain, manager of San Francisco's landmark Carnelian Room, also disputes the trend indicated by the OpenTable survey. "More people are making reservations," he said. "It helps me a lot because if I know people are coming I can be ready for them." Hossain characterized the increase in reservation usage at his 52nd -floor restaurant as "large."

In Chicago at the midscale Chicago 312 general manager Chuck Przybylinski said reservation usage is up and with it "repeat business."

"My feeling is that people are getting tired of being bull-rushed at the door and then being forced to sit in the bar and have five drinks before being seated," Przybylinski remarked. "A year ago we probably set aside 50 percent to 60 percent [of tables] for reservations, but now that may be up to 90 percent."

Chicago 312 appears to be an exception to the findings of the OpenTable survey. According to it, the 27 restaurants surveyed in Chicago saw an aggregate decline in reservations activity of nearly 4.7 percent for the recent quarter and 0.2 percent for 2001.

The reservations survey, which OpenTable compiled by retrieving data from selected subscriber restaurants, also looked at five quarters of reservations activity at restaurants grouped by check average, type of cuisine and number of seats.

The surveyed restaurants with checks in the \$31-to-\$50 range saw the smallest falloff in reservations for the first quarter of 2002, compared with the year-earlier quarter, with a 5.6 percent decline. The decreases in reservations activity at restaurants with checks in the \$16-to-\$30 range and those with tabs of \$51 and higher were 7.4 percent and 11.4 percent, respectively.

Aggregate reservations activity during the first quarter declined the least, by 6 percent, at the 23 restaurants serving French food, while the 10 restaurants selling Italian fare saw the greatest aggregate decline in reservations, at 19.6 percent.

When one views the survey pool by restaurant size, the 20 large operations with at least 150 seats suffered the smallest aggregate downturn in reservations activities, a nearly 2-percent dip, while the 48-restaurant grouping of businesses with "100 or more" seats suffered the greatest drop-off, 10.3 percent.

If reservation counts are off in some of America's leading restaurant cities, it is not because of lack of promotional effort by some operators.

Tonino Drovandi, assistant general manager at San Francisco's Kokkari Estiatorio said the Greek restaurant's crew is being much more "aggressive" about generating reservations in a bid to overcome a small decline in the number of daily covers. "We're trying to make it as easy as possible for people to make reservations," he said.

"We signed up with OpenTable [for Internet-generated reservations capabilities], and in March I believe we got about 360 people that way," Drovandi said. "And our managers are taking a great interest in [promoting reservations]."