

OCTOBER 2012

# RESTAURANT BUSINESS®

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OUR PICKY  
JUDGES PICK  
THE YEAR'S  
BEST DISHES

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Charbroiled Oysters at Drago's in New Orleans





## Challenging the reservation king

A wave of competition goes after OpenTable's throne

**J**effrey Gates gets a \$12,000 monthly bill from OpenTable for accepting online reservations for the seven Boston-area restaurants in the Aquitaine Group. That kind of bill is what has left him and some other restaurateurs looking for alternatives. "The issue with OpenTable is not a failure on their part to get the job done, it is the cost of the product," says Gates.

OpenTable has 25,000 restaurant clients and seats 9 million customers per month. It won't be easy to make a dent in those kind of numbers, but a fresh group of competitors is willing to give it a try. One of those is UReserv, a cloud-based reservation system cofounded by Gates in an effort to take control of

interactions with customers who reserve directly through his restaurants' websites. "We've managed to take back about \$300 a month for each restaurant. It's a considerable savings for us," he says.

For now, UReserv is coexisting with OpenTable in the Aquitaine Group. A new property opening this fall will exclusively use UReserv as a test. "We will see how that goes," says Gates. UReserv has seated over 1 million guests so far. "We're not here to compete directly with OpenTable. A majority of reservation-taking restaurants don't have any online solution. We're here to bring reservations to those restaurants," says Gates.

UReserv isn't the only

### Organic reality

A Stanford University study released in September reported that organic foods have no greater nutritional benefit than conventionally raised foods. So does this mean restaurants that have embraced organics are suckers? Not according to data from the Hartman Group, which shows consumers associate organics with the following properties more than they associate them with "better for one's health" and "higher nutritional content."

**64%\***

Absence of pesticides

**60%**

Absence of herbicides

**59%**

Absence of growth hormones

**56%**

No artificial flavors/colors/preservatives

**55%**

Absence of antibiotics

**54%**

Absence of genetically modified foods

\*Percent of consumers who associate organics with this property

Source: Organic and Natural 2012 report



up-and-coming OpenTable alternative. It has been joined by notable launches like CityEats from the Food Network and Rezbook from Urbanspoon. As more competitors join in, restaurants will have to weigh the cost savings against the value of OpenTable's established ability to attract customers through its website and app.

### Meet the online reservation players

#### CityEats

(cityeats.com)

#### Claim to fame:

Backed by the Food Network.

#### Cost:

Initial set-up is \$1,500. Monthly fees vary between \$150 and \$250. Cost is 75 cents per cover for reservations made through the CityEats site or 10 cents for reservations from the restaurant's own site.

**Notes:** CityEats is currently available in Washington D.C., New York City and Philadelphia, but has expansion plans for 2013. A companion table-management iPad app is available.



**EVEVE**  
restaurant booking systems

Evee (evee.com)

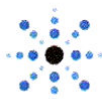
**Claim to fame:** European competitor landed high profile U.S. restaurants Meritage and Hell's Kitchen in the Twin Cities area.

**Cost:** Evee starts at a flat fee of



\$200 per month for its cloud-based solutions.

**Notes:** Eveve is aggressively expanding into more U.S. markets. It also offers a table management solution.



**Livebookings**

(livebookings.us)

**Claim to fame:** Known as “Europe’s OpenTable,” Livebookings is now making inroads into the American market.

**Cost:** Standard edition is \$119 per month with a one-time \$199 training fee. Cost per diner coming from partner websites is \$1. There is no charge for reservations made through your own site.

**Notes:** A free version is available for use on a restaurant’s own website, but it does not include listings on Livebookings’ partner websites.

**OpenTable** (opentable.com)

**Claim to fame:** Established leader in the American market for online reservations.

**Cost:** The Electronic Reservation Book solution has a monthly subscription cost of \$199, which includes the software and computer system. There is an initial installation fee. Cost is \$1 per seated diner through OpenTable and 25 cents per diner through a restaurant’s own website.

**Notes:** Also offers OpenTable Connect, a Web-based solution with no subscription fee, but also without the features of the full version. Cost is \$2.50 per diner seated through OpenTable and 25 cents through the restaurant’s own website.

**rezbook**



**Rezbook**

(rez.urbanspoon.com)

**Claim to fame:** Developed by major restaurant review site UrbanSpoon.

**Cost:** A monthly fee of \$199 with a \$1 per head fee for reservations coming through UrbanSpoon’s network.

**Notes:** Rezbook runs on the iPad. Restaurants have the option of paying a subscription fee for Rezbook to provide the iPad plus a per diner fee, or buying their own iPad and paying a higher fee per cover.



**URESERV**

**UReserv** (ureserv.com)

**Claim to fame:** Very low cost, cloud-based option.

**Cost:** \$30 per restaurant per month.

**Notes:** Wait list system can notify customer via text message or email when the table is ready. A mobile app for managers is coming soon.

—AMANDA C. KOOSER

# The month in ideas

Inspiration from around the industry

**GREAT**

**Chef/ambassador.** The State Department’s new Diplomatic Culinary Partnership—in association with the James Beard Foundation—aims to “elevate the role of culinary engagement in America’s formal and public diplomacy efforts” by having U.S. chefs as part of overseas diplomatic events.



**No-cell discount.** Los Angeles’s 40-seat Eva Restaurant gives customers a 5 percent discount if they check their cell phones at the door.

**Discounts for derrieres.** According to an employee, Texas’s Twisted Root Burger Company gives out random discounts for fun.

A recent receipt showed a discount for a female customer’s “best butt.”

**Geoduck ice cream.** No thanks Olympic Mountain Ice Cream shop of Allyn, Washington.

**Retaliation.** Marisol Simoes, co-owner of two restaurants in Ottawa, was found guilty of defamatory libel after she created a sex site profile for a customer who wrote a negative review online. Simoes also sent a sex-laden email to the customer’s boss, where she impersonated the customer: “I am open to anything—couples, threesomes and group sex. Am especially into transsexuals and transgenders (being one myself).”

**WHAT STINKS?**

Get the Week in Ideas every Friday at monkeydish.com.