

Restaurateur's Guide to Front-of-House Solutions



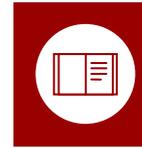
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Attracting new guests. Delivering exceptional service. Building a network of loyal repeat patrons. The success of your restaurant depends on how well your front-of-house is able to handle these important responsibilities. If you're still using a pen-and-paper reservation book, you are missing critical opportunities to streamline costs and maximize revenues. Adopting the right Electronic Reservations Booking (ERB) system can change all that.

An ERB strengthens your front-of-house operations by giving your staff the tools and visibility necessary to attract and spread customer demand across peak and off-peak periods, reduce wait times, and turn more tables. In addition, an ERB can make it simple for you to capture the invaluable guest data you need to enhance a dining experience and create marketing communications that are personal, targeted and relevant.

Just as computers have revolutionized other industries, they have changed the game in the restaurant industry as well. Restaurants without computerized front-of-house operations may not realize how much pen-and-paper systems are costing their businesses. Benefits of a computerized reservation and guest management system extend well beyond simply recording the date, time and details of guest reservations. This guide will show why a comprehensive solution is worth your serious consideration.



RESERVATIONS MANAGEMENT

Replace your pen and paper reservations book

Customers appreciate the convenience of booking ahead. However, if a customer gets a busy signal, is placed on hold, misses your return call, or visits your website and finds no way to book online, the convenience—and the reservation—are lost. By providing your customers with online booking into an ERB, you can effectively solicit, capture, and manage reservations, and keep guests satisfied.

ERB's also help you eliminate errors in managing reservations and enable you to easily enter and modify reservations from all areas of your restaurant, attach diner notes and special requests to the reservation, and access complete reservation histories by diner or date.

“ Accepting
reservations from your
website is like having
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Reduce the risk of inaccurate or lost reservations

A paper-based reservation system may be a hodge-podge of handwritten pencil reservations, scribbles in pen ink, and a few sticky notes with last-minute revisions thrown in for good measure. This traditional but inefficient system makes your reservation book vulnerable to duplicate entries, mistakes, and lost reservations. To lose the entire book would be a disaster. ERB systems introduce a reliable, systematic way for managers and staff to record and manage reservations.

Benefits:

- Standardize reservation notes to avoid miscommunication and errors.
- Increase your ability to search and retrieve reservation information.
- Safeguard your reservation book with daily remote back-ups.

Capture more reservations and free up resources

Restaurants that cannot convert phone calls into reservations fail to capture revenue. While 72% of Zagat Survey's responders still use the phone as their primary source of reservations, research shows that 40% hang up and call another restaurant when they reach a voicemail message or are put on hold.¹ Restaurants that rely solely on telephone reservations increase their chances of missing potential reservations and frustrating customers. Accepting reservations electronically from your website is like having someone ready to take a reservation at every hour of the day and night – without tying up phone lines or other resources.

Benefits:

- Instantly capture more reservations by re-routing would-be diners from voicemail to online reservations.
- Trim labor costs and increase the productivity of your front-line staff.
- Free up a phone line and other resources.

Reduce no-shows

No-shows are a persistent, costly problem for many restaurants. The average no-show rate is estimated to range from 10 to 20 percent for typical evenings. On special occasions, such as New Year's Eve or a parents' weekend in a college town, no-show rates can spike as high as 40 percent.² By reducing the frequency of no-shows, you can avoid under-utilized waitstaff and lost revenues due to vacant tables.

Benefits:

- Use an ERB to generate email reminders and track confirmations.
- Allow guests to inform you of changes or cancellations easily online.
- Track customer no-show statistics and make smart decisions on whether a particular reservation is worth taking.
- Store credit cards electronically to guarantee reservations.

Meet customers' need for convenient booking

Zagat Survey recently reported 16% of all respondents frequently reserve online, and usage in metropolitan areas is as high as 50%.³ Not all ERB systems offer online connectivity, but those that do can enable you to safely and reliably capture reservations 24 hours a day, 7 days a week.

If you choose an ERB that is linked to an online reservation network, you address the needs of an increasingly connected set of diners and increase the exposure of your restaurant online.

Benefits:

- Enable customers to book reservations online anytime and from anywhere. No waiting on hold. No long-distance charges.
- Convert more customers by allowing them to see availability and select their optimal timeslot.
- Maximize the exposure of your restaurant to a larger market.



Choose an ERB that:

- ✓ Supports automatic, instant updates to your reservations book as changes are made online or input manually
 - ✓ Has online connectivity to enable reservations from your website
 - ✓ Is user friendly and industry standard to reduce the time and cost of training employees
 - ✓ Backs up your data regularly to a remote site
 - ✓ Is PCI compliant for credit card storage
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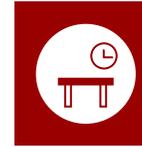


TABLE MANAGEMENT

Realize the full potential of your dining room

A savvy restaurant that properly considers the configuration and use of its tables can realize superior revenue performance without making costly changes to the dining room. A strong ERB solution will help you optimize seat utilization, actively monitor meal durations and wait times, and allocate reservations across well-planned “slots” to better utilize your fixed capacity and drive additional revenue.



Restaurants that capitalize on diners' willingness to shift their dining times will increase the number of hours they operate at full capacity.



Keep more seats filled, more of the time

Research shows that restaurants can serve up to 30% more customers and increase revenues during peak periods by nearly 15% by managing their table configuration wisely.^{4,5} Optimizing your restaurant's table mix has the most impact during busy periods with excess demand, but smart restaurateurs focus on increasing seat utilization in off-peak hours as well. Many restaurants unlock additional revenue by making sure every seat is filled during peak periods and suggesting non-peak slots for parties smaller than the table to which they would otherwise be assigned. A strong ERB can help you manage this goal.

Benefits:

- Use reports to track party-size trends over time, optimize table mix, and improve seat utilization.
- View alternate floor plans on your ERB screen to configure the best table arrangements for peak and off-peak hours.

Monitor meal duration and turn more tables

Efforts to expedite the check settlement and bussing processes at the end of the meal increase diners' satisfaction and drive additional table turns. If you can reduce meal duration during busy periods, you can serve more customers and increase revenue. Modest improvements can have a huge impact: a two-and-a-half minute reduction in total turn time has been shown to result in a 5% increase in top-line sales.⁶

Benefits:

- Actively monitor the progress of the tables and seat the next table more quickly.
- Color-code tables to alert staff of the stage of service.

Use reservation slotting to broaden peak capacity periods

Restaurants that capitalize on diners' willingness to shift their dining times will spread demand and increase the number of hours they operate at full capacity. Studies indicate that one out of every five diners is very likely to accept a reservation for 90 minutes later than their requested time.⁷ Restaurateurs that can better allocate this flexible demand to earlier or later hours of operation will drive additional revenue.

Benefits:

- Distribute diner demand for earlier or later reservations slots.
- Optimize the number of tables allocated to each time slot.

Accurately manage the waitlist and customer expectations

Customers want to be in control of their dining experience. Diners understand that failure to make a reservation typically leads to waiting, but customers become dissatisfied when wait time quotes are inaccurate.⁸ A quoted wait time that is underestimated by even 10-15 minutes can drastically reduce a customer's perception of service quality.⁹ It is up to the front-of-house to accurately balance the mix of walk-in and reservation-holding guests, and quote wait times accurately so that long queues don't form and impatient diners don't give up and walk out the door.

Benefit:

- Leverage advanced waitlist analytics to track and quote wait times accurately even as conditions change.



Choose an ERB that:

- ✓ Can configure multiple on-screen floor plans that clearly display seating alternatives
 - ✓ Leverages color codes to track diner progress
 - ✓ Has robust reporting capabilities to allow you to track and improve occupancy performance
 - ✓ Can prioritize your waitlist and suggest which table is best-suited for your next party
 - ✓ Can integrate with POS systems to automatically track diner progress and enhance communication between the front and back of the house
-



GUEST MANAGEMENT

Drive repeat business by delivering superior service

How much of what you know about your best guests is stored solely in the heads of a few key employees? Good data management is central to good service. An ERB can serve as a versatile, centralized repository for all guest information that extends well beyond the collective memory and tenure of your staff.

Customer satisfaction and service quality have a measurable impact on customer retention, market share, and profitability. Providing consistently superior service even to infrequent guests generates positive word-of-mouth and drives repeat business. (Research shows that repeat customers tend to spend more money than first-time guests.¹⁰) The right ERB can help you educate and empower staff to provide personalized service that will drive repeat business.

“ When service recovery efforts are strong, guests are actually more likely to return than if there was no problem at all. ”

Empower employees to anticipate guests' needs

Quality ERB technology will help you track and communicate your guests' needs and expectations, so that your staff will be better able to deliver personalized service and exceed customer expectations. The system's ability to store and search historical guest data enables you to extend great service even to infrequent guests so that you can convert them into more frequent patrons.

Benefits:

- Continually collect, compile and store guest preferences, birthdays, and other personal notes.
- Immediately recognize VIPs and other important diner segments.
- Discreetly print and share guest notes with staff.
- Coordinate service efforts between the front and back-of-house staff to create seamless, high-quality service.

Improve service recovery efforts

Service-related issues are the most frequent source of customer dissatisfaction, but customers are willing to forgive restaurants for service missteps. In fact, when service recovery efforts are strong, guests are actually more likely to return than if there was no problem at all.¹¹ An ERB can help you recover when things go wrong.

Benefits:

- Use an ERB to track incident reports and recovery efforts.
- Encourage incidents to be reported, corrected and prevented from happening in the future.

Coordinate guest data across sister properties

Restaurant groups recognize the value of a coordinated approach to managing guests across related properties. An ERB solution enables you to build your guest database and provide superior, consistent service across all properties. Whether you have two restaurants or 200, a strong ERB solution can help you to consolidate historical guest data across all regions and properties.

Benefits:

- Access guest and reservation data from a single location.
- Capture guest information across multiple properties to enhance your guest loyalty program.



Choose an ERB that:

- ✓ Allows you to store and revise robust guest records over time
 - ✓ Ensures that your guest data is secure, confidential and protected
 - ✓ Can help you consolidate guest information across multiple locations and allows access from a centralized location
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MARKETING

Create powerful marketing campaigns

Many restaurants fall short of their revenue potential because they don't make the most of email marketing to drive new and repeat business. If you're still relying on spreadsheets or pen-and-paper guest books to keep track of guest contact information, you've probably found that it's nearly impossible to generate accurate mailing lists and target specific segments. Utilizing a computerized front-of-house system, you're able to access your guest database and quickly find contact information for a customized segment of guests. This makes it easy for you to email a specific segment with a marketing message that is highly relevant to that audience. Personalized, well-targeted marketing efforts extend the reach of your relationship with your customers, and give you a chance to inspire repeat visits and loyalty.

“ Website and email marketing investments will never reach their full potential if they don't convert website browsers into seated diners. ”

Build and leverage your database for targeted email campaigns

A database of accurate and complete guest information is the foundation of a successful email marketing campaign. Computerized front-of-house solutions offer you the potential to capture contact information with every reservation. From there, you can mine the data and segment your customers effectively.

Benefits:

- Harness the depth and detail of a computerized guest database.
- Automatically update your database as guest profiles change.

Use email to promote special events and foster loyalty

Email marketing is a low-cost, effective way to make sure your restaurant is top-of-mind when a customer is deciding where to dine. A recent study found that restaurant email campaigns tend to outperform other types of email marketing, signaling that diners enjoy receiving email from their favorite restaurants. In fact, restaurant mailings had an average click-through rate of nearly 60%.¹²

Benefits:

- Format and send promotional email quickly from the ERB desktop.
- Create newsletter-style emails that keep your restaurant on the top of your customers' minds.
- Target specific segments of diners for special events, holidays, and off-peak promotions.

Turn your website into a revenue driver

Your website and email marketing investments will never reach their full potential if they don't convert website browsers into seated diners. Enabling online reservations will help you make the most of your investment in both email and your website.

Benefits:

- Link your website to your ERB to turn browsers into seated guests.
- Distribute your restaurant's inventory online and link to a network of online partners to assist with cross-selling and marketing.



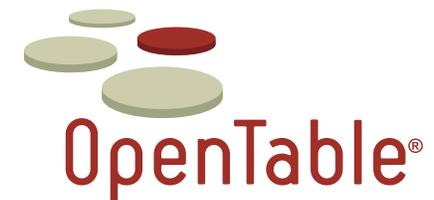
Choose an ERB that:

- ✓ Seamlessly integrates your guest database with email capabilities
 - ✓ Features robust search capabilities that allow you to segment your database and customize email campaigns to a specific set of diners
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CONCLUSION

Relative to an ERB, traditional pen-and-paper methods of running your restaurant are inefficient, costly, and unreliable. You are in the business of creating memorable experiences for your customers and consistently exceeding their expectations. Selecting a comprehensive ERB solution—one equipped with a robust suite of dependable tools—will enable you to seat more guests more often and provide diners with a positive, personalized experience they won't forget.

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