

A photograph of three young women with long hair, smiling and looking at a smartphone held by the woman in the center. The woman on the left has long brown hair and is wearing a white tank top and blue jeans. The woman in the center has dark hair and is wearing a yellow shirt and blue jeans. The woman on the right has long blonde hair and is wearing a blue textured top. The background is a bright, outdoor setting. There are teal decorative elements in the corners of the image.

SEVENROOMS

# A Guide to Taking Back Your Business from Reservation Apps





# The Evolution of Restaurant Discovery

The way people discover restaurants is constantly evolving. Before the internet, consumers relied on word of mouth, print ads and the radio to find the new hot spots in town. Then in the 90s, the world wide web exploded, revolutionizing the way people searched and discovered businesses.

The restaurant industry, still relying on traditional marketing and reservation methods, was slower to adapt to the new digital frontier. Companies like OpenTable and Grubhub saw an opportunity to bridge the gap by creating consumer marketplaces and digital solutions for restaurants. These platforms quickly became a one-stop-shop for restaurant discovery.

For the last 20 years, restaurants have relied on third-party marketplaces to drive business, but **consumer behavior is changing**. Today, **only a small percentage of consumers actually use marketplace reservation channels like OpenTable and Resy to find restaurants**. Most use social media, Google or book direct, according to our survey data. This means there's only one way to reach and engage the majority – **omnichannel marketing**.

## What's Included in This Guide?

In this guide, we'll explore the ways restaurant discovery is changing and how operators can leverage an omni-channel strategy to drive business and maximize profit.

*Click on the desired topic to jump to that page.*

- **Why Marketplaces Alone Aren't the Future**
- **How Consumers are Finding Restaurants Today**
- **Introducing the Omnichannel Approach**
- **How to Transition Customers to Book Direct**
- **The Power of Switching to a Direct Reservation Platform**

# Why Marketplaces Alone Aren't the Future


The days of guests solely using third-party marketplaces to find and book restaurants are declining – restaurants that don't shift their strategy are at risk of losing business. Research from thousands of SevenRooms' restaurant clients shows that third-party marketplace contribution has reduced from 8% three years ago to 2% today.





## Why Marketplaces Alone Aren't the Future

### Consumers are Fleeing Marketplaces in Droves

Nowadays, consumers use multiple channels like social media, Google, AI (e.g., Alexa and Chat GPT) and influencers for dining recommendations. [Research shows](#) that younger generations are ditching legacy discovery networks for social media to find restaurants.

 — **2X** more likely for Gen Z to discover a new restaurant on Instagram

 — **5X** more likely for Gen Z to discover a new restaurant on TikTok

 — **39%** of Gen Z has tried a new restaurant solely because of an influencer

### Consumers Expect a Personalized Experience

[71% of consumers expect businesses](#) to deliver personalized interactions. Brands that do this successfully earn their loyalty (and repeat business). But to [personalize the guest experience](#) across channels, restaurants need to leverage data – which is limited if your customers come from only one source. The more channels you use, the more data you'll collect to better understand who your customers are and what they want.

### Third-Party Apps Drive Revenue Not Profit

Third-party pricing models aren't cost-effective. They drive revenue but reduce profit margins by charging restaurants commissions for each booking. During the pandemic, [third-party delivery apps](#) like Grubhub were charging restaurants as much as 30% in commission for online orders. But the [industry fought back](#), driving awareness around the importance for consumers to [order direct](#).

**FYI:** Restaurants aren't alone in their fight against third-party commissions. Hotels have accused sites like Expedia and Priceline of monopolizing the travel industry and are tired of paying commissions as high as [15% to 20% per booking](#). To take back market share, hotels are now leveraging their own direct booking platforms and diversifying their marketing strategy.

## Why Marketplaces Alone Aren't the Future

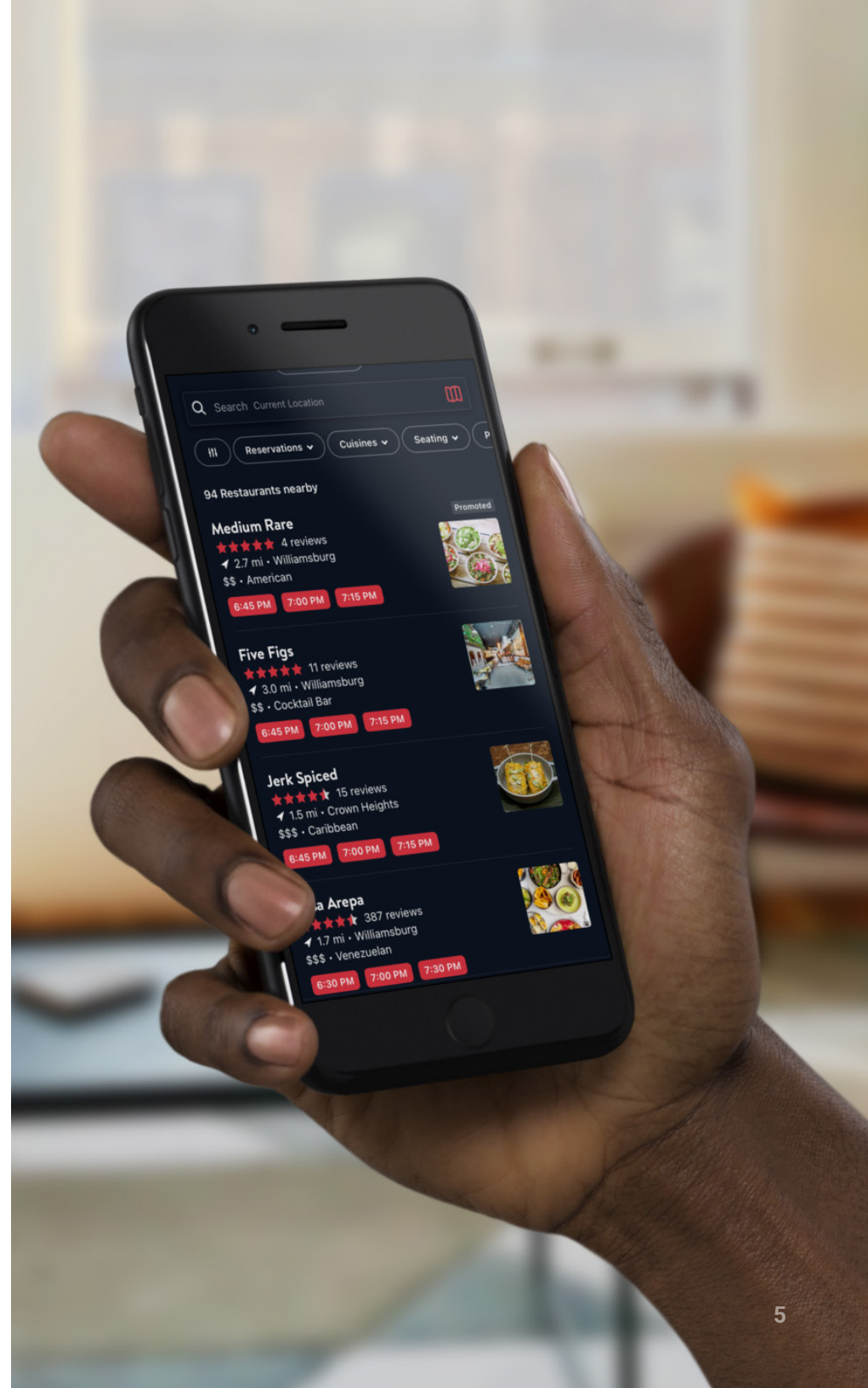
### Guest Loyalty is More Important Than Ever

Since the pandemic, rising costs have forced consumers to become more financially cautious, opting for ways to save money and get the most bang for their buck. A recent survey from [PYMNTS](#) found that 43% of consumers would be more inclined to purchase from restaurants if they had a loyalty program.

More [restaurants are launching](#) and expanding [loyalty programs](#) to provide additional value and ensure their best customers keep coming back. But venues relying on marketplaces are forced to fight harder for business.

### Third-party apps compete for your customers.

- They often **charge** you for covers
- They **own** your guest data
- They **limit** opportunities to build direct guest relationships
- They **dilute** your brand by co-marketing their own
- They **promote** other restaurants and their own loyalty programs



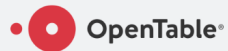


## Why Marketplaces Alone Aren't the Future

# How Third-Party Apps Compete for Your Guests' Loyalty

### Your Reservation is Confirmed

Register on marketplace to earn **rewards points**



#### Reservation confirmed

Thanks for using OpenTable!



#### Five Figs

Indoor Dining • Table for 2 on Tuesday,  
December 6, 2023 at 6:30 pm

Name: Alexis Jones  
Confirmation #: 85194

[See menu](#) | [Get directions](#)

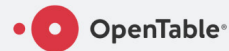
104 Jones Street  
Los Angeles, CA 90015  
(123) 456-7890

The best way to manage your reservation is to register with us! It's easy – just create a free OpenTable account today. Please click [here](#) to change or cancel your reservations, earn rewards points, and so much more.

[Register Today!](#)

### How Was Your Experience?

**Competitors** on the marketplace the diner might enjoy



#### How was Five Figs?

We would appreciate your feedback about your experience at



#### Five Figs

#### Write your review:



Poor

Outstanding

#### Restaurants we think you'll enjoy...



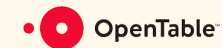
**Mangione's Ristorante**  
Italian | Downtown  
[Book Now >](#)



**Rare Steakhouse**  
American | Downtown  
[Book Now >](#)

### Convert to a Paid Cover

Convert from free (direct) to a paid cover on the marketplace



## Get more out of eating out

Alexis, you would have earned 100 Dining Points from your meal at Five Figs if you were registered with OpenTable, where you earn points with every meal that can be redeemed for valuable gift cards and other rewards.

When you sign up, you also get personalized recommendations, city guides, and other resources to help you make the most of eating out.

[Sign up](#)

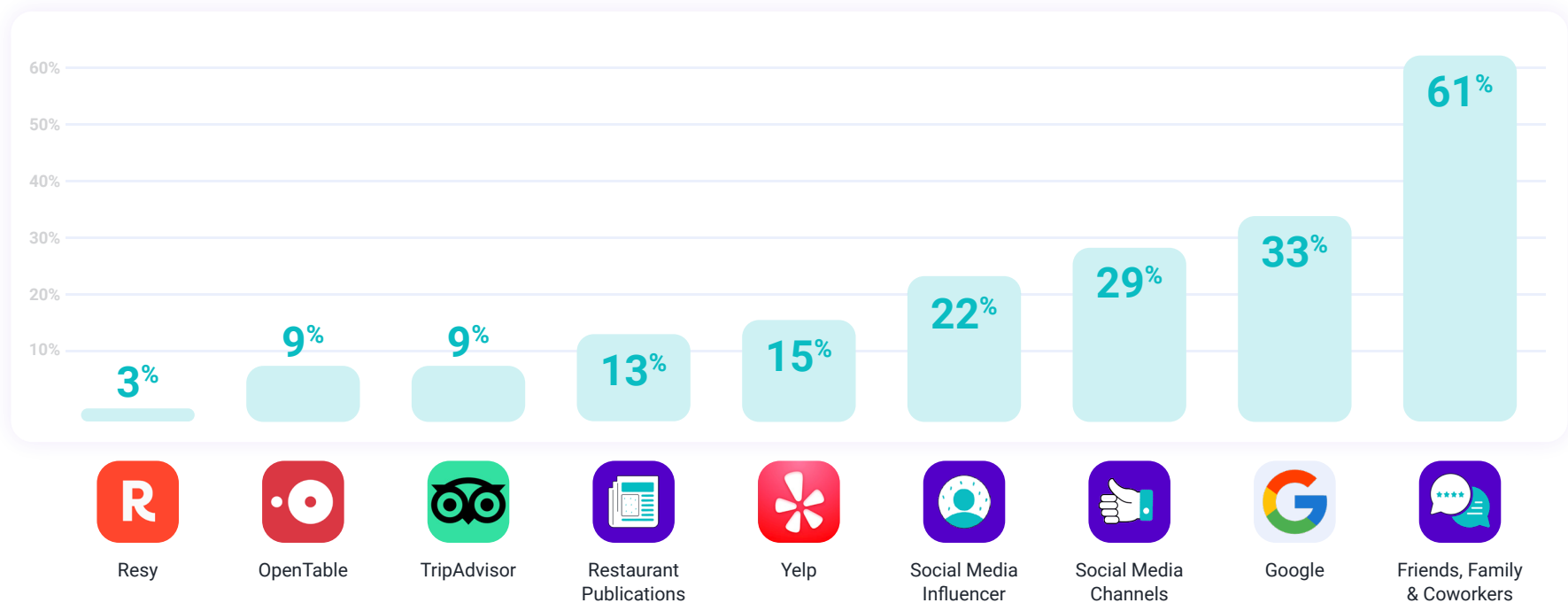


## Why Marketplaces Alone Aren't the Future

# How Consumers Find Restaurants Today

So where should restaurants spend their marketing dollars if marketplace-only strategies leave money on the table?

We asked consumers which platforms they use to find a new restaurant. Nearly two-thirds of diners hear about or discover new restaurants from friends, family and co-workers, followed by 33% using Google, and 29% searching social media for restaurant profiles. **Only a small percentage use third-party platforms** such as OpenTable (9%) and Resy (3%).



Research was commissioned through Censuswide, polling 2,003 individuals between March 14-17, 2023. Figures have been weighted and are representative of all US adults (aged 16+).

### PRO TIP

Add [Reserve with Google](#) to your business listing to increase online visibility and drive bookings from more channels.

# Introducing the Omnichannel Strategy

The key to succeeding in 2023 and beyond is to diversify your marketing strategy. Restaurants need to shift from a single-channel to an omnichannel approach. An omnichannel marketing strategy ensures your restaurant shows up in all the places your customers look when they're searching for somewhere to eat, but it also unifies the customer experience across every channel.

In contrast, a single-channel approach, like a marketplace, forces restaurants to rely on one source, limiting their online presence and perpetuating dependency.





Introducing the Omnichannel Strategy

# Benefits of Omnichannel Marketing

- ✓ Creates an integrated, consistent guest experience
- ✓ Leverages organic, free channels
- ✓ Gives you ownership of your online brand
- ✓ Generates awareness in more places
- ✓ Improves customer retention and loyalty
- ✓ Drives more revenue and maximizes profit
- ✓ Collects more guest data
- ✓ Helps you discover which channels drive the most business



NUTS

VISITS: 6

LOYALTY MEMBER

## Introducing the Omnichannel Strategy

# Exploring Omnichannel

The internet offers infinite ways for your potential customers to browse, engage and absorb content. If you want your restaurant to be seen and heard, you have to expand and integrate into other channels.

For example, a guest may come across your restaurant's Google listing, then see a Facebook ad, and later decide to visit your website. Everything from your brand, messaging, voice and tone should be consistent across every channel. Consistency builds trust and loyalty. Let's dive into the various ways your restaurant can create a cohesive experience in an omnichannel strategy.



- Owned Reservations, Waitlist & Ordering Channels
- Search & Social Channels
- ⋯ Paid Channels

## Introducing the Omnichannel Strategy

# Integrating with Google

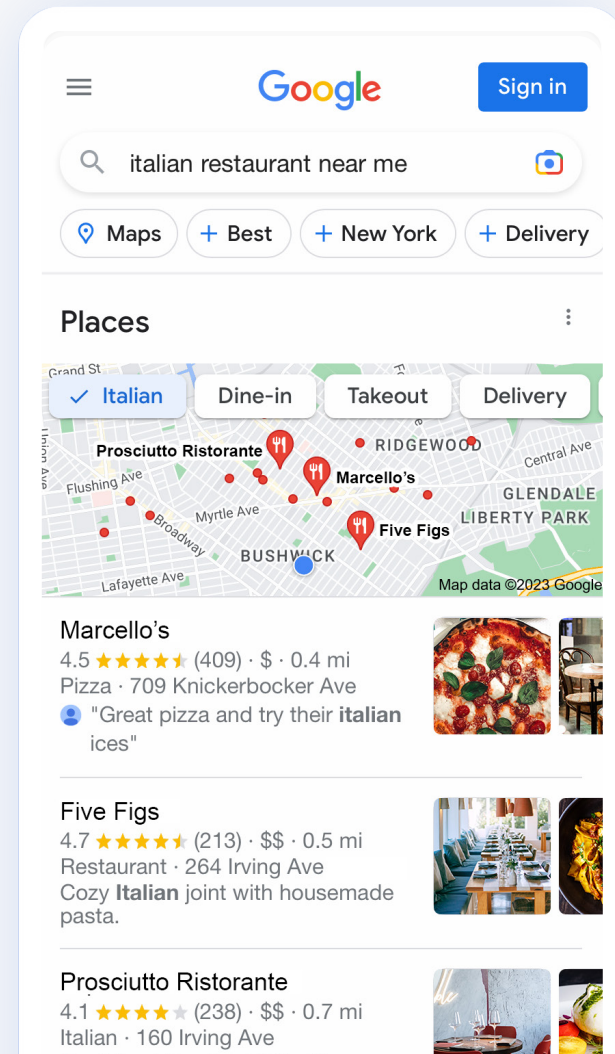
### Organic Search

As the world's largest search engine, Google is visited roughly [88 billion times per month](#). And thanks to features like Google Maps and "near me" listings, there are [6.2 million searches a month](#) specifically for restaurants. If you haven't optimized your restaurant on Google, we suggest you do.

### "Near Me" Feature

The "near me" feature (e.g., Italian restaurants near me) is a popular and convenient way consumers find restaurants on Google. It will localize recommendations for a variety of search terms based on where the searcher lives. But in order for Google to include you on its results list, you must claim and [optimize your Google My Business Listing](#).

Another important Google feature is [Reserve with Google](#), which allows your guests to easily book your restaurant directly through Google Search and Google Maps. It's free and easy to implement.



### PRO TIP

To help with local SEO, ensure all the information you add to your Google profile is consistent with other channels your guests use to find and book your restaurant.



## Introducing the Omnichannel Strategy

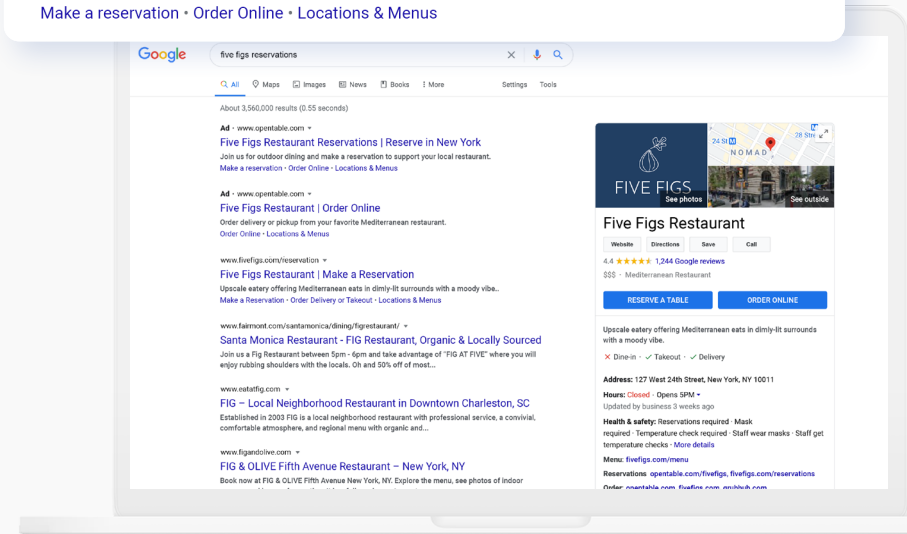
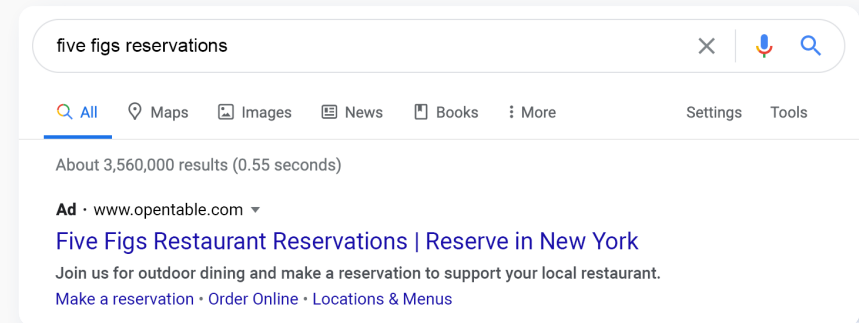
# Integrating with Google

## Paid Google Ads

If you have the budget, [Google Ads](#) is another viable source for generating business from the world's largest search engine. In fact, [63% of people](#) are more likely to click on a Google Ad than any other search engine. There are two types of Google Ads a restaurant should consider.

**Google Search Ads** appear on Google when a searcher types in a certain keyword or restaurant name. Even if your restaurant appears at the top of Google for an organic keyword like “best Italian restaurants in Manhattan,” competitors and third-party marketplaces are also ranking and bidding for these phrases. Google Ads can help you stand out from the crowd.

**Google Display Network** ads are text or image ads that are displayed when the searcher is browsing different places on the internet (websites, YouTube, Gmail, apps, etc.). Display Ads are a great fit for long-term sales goals like advertising a new restaurant opening or raising awareness for a new lunch offering.



**FYI:** Marketplaces have been known to compete with restaurants on their own branded search terms. Not only does this dilute the restaurant's brand, but the restaurant risks paying for covers that could have been booked directly (and for free).





## Introducing the Omnichannel Strategy

# Showing Up on Social Media

**45%** of people have tried a new restaurant based on **what they've heard about it on social media.**

*Source: MGH*

We can't ignore the power platforms like TikTok, Facebook and Instagram have on the restaurant industry. With the right strategies in place, you can leverage these channels to keep your restaurant top of mind and drive new business (without paying cover fees).

## TikTok

Recent [MGH research](#) found that 53% of millennials and 38% of people of all ages have visited a restaurant after seeing it on TikTok. Additionally, 72% of TikTokers have sought out restaurants because of how delicious a dish looked. If you haven't yet jumped on the [TikTok trend](#), we suggest you do!

## Facebook

This "legacy" social platform is a must for restaurants. [72% of Facebook users](#) have chosen a restaurant based on photos and comments from other Facebook users.

## Instagram

Instagram is the reason people whip out their phones before taking a bite. [One in four](#) Instagram users shares food content, while 38% consume food content. Also, foodies check Instagram 18 times per day, on average.

### PRO TIP

Make it easy for your social followers to reserve or order online from your restaurant by adding a "Reserve Now" button on your [Instagram](#) and [Facebook profiles](#). Be sure to link to your direct reservation pages.

## Introducing the Omnichannel Strategy

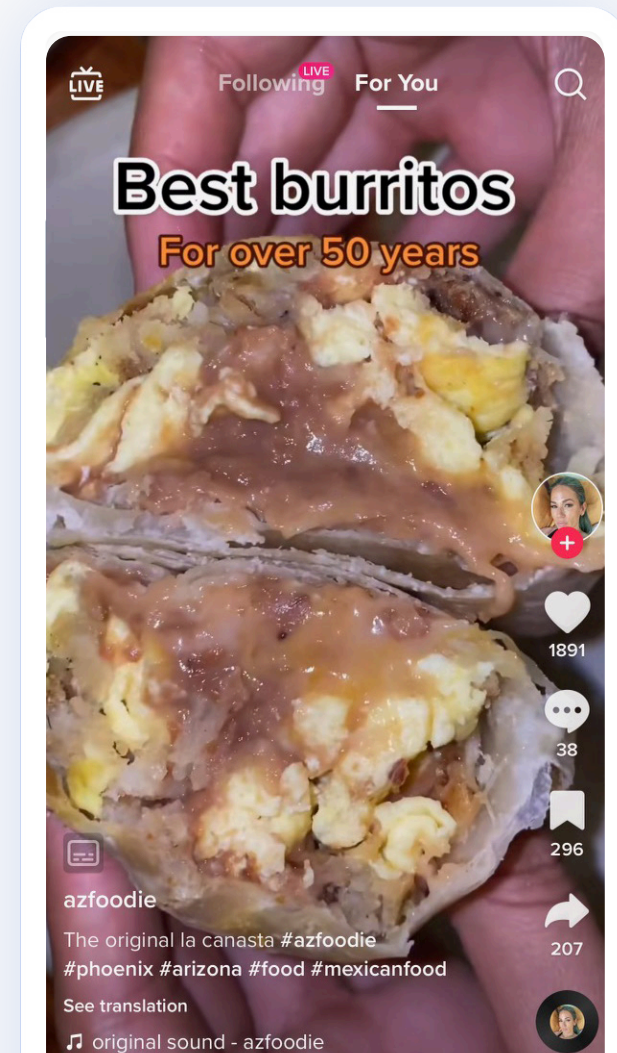
# Showing Up on Social Media

The average person spends [two hours and 27 minutes](#) per day on social media. To reach your existing and potential customers when they're online, you need a strong presence. Paid social ads and influencer endorsements can help put you in front of the people organic social posts alone can't reach.

## Influencer Marketing on Social

Gen Z is more apt to trust an influencer's restaurant recommendation to try a new, hip spot. Social media channels like [TikTok](#) and [Instagram](#) have marketplaces where you can search for influencers to help you share your content. But this type of reach can be costly.

According to [Influencer Marketing Hub](#), pricing can vary anywhere from \$5 to \$25k+ per post depending upon the influencer's following and the social platform.



**FYI:** This [Arizona Foodie](#) has over 162,000 followers on TikTok and over 63,000 on Facebook. Her video on the “best burritos for over 50 years” promoting La Castana restaurant generated over 40,000 views.

## Introducing the Omnichannel Strategy

# Showing Up on Social Media

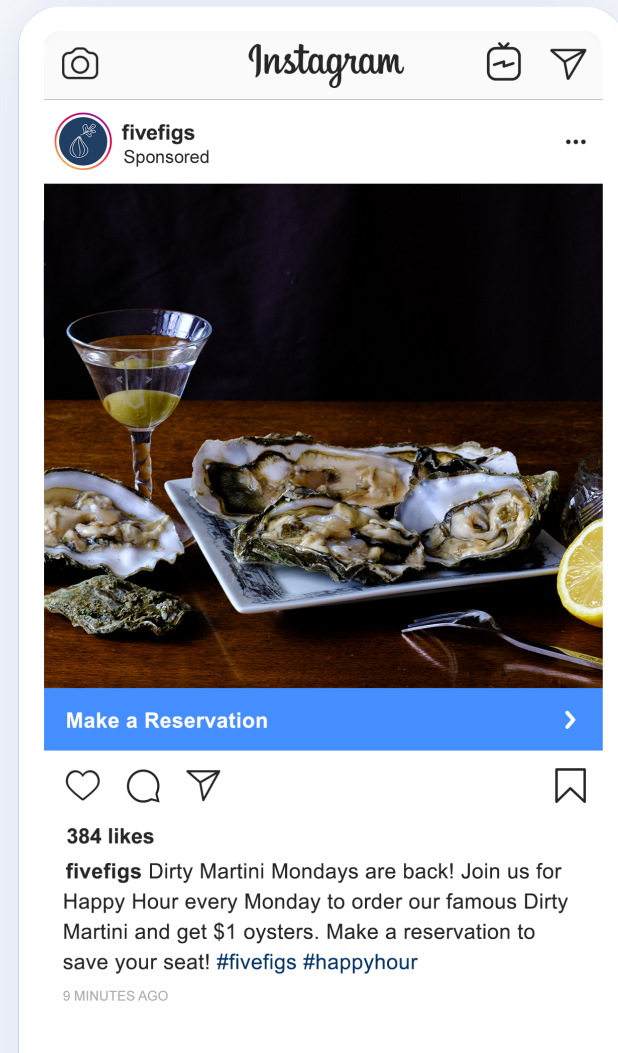
### Paid Social Ad Campaigns

Paid social media ads can help you get in front of your ideal audience at scale and build a stronger organic following.

**67%** of restaurants leverage **paid advertising on social media.**

*Source: Toast*

Paid social ads are a cost-effective way of generating leads for restaurants. Most platforms operate on a pay-per-click or pay-per-view model so you only pay when someone takes action (like clicking your “book now” button). Set a daily budget. Depending upon your restaurant location and group size, your budget could [range from \\$10 to hundreds of dollars](#) a day. Test a few methods and then invest in what works best for your business.



### PRO TIP

When it comes to social media advertising, [add custom tracking links](#) to your direct reservation and landing pages to track which social channels are driving the most business.



## Introducing the Omnichannel Strategy

# Leveraging Marketplaces

We understand the appeal of third-party marketplaces – truly, we do. For a long time, they’ve been an important channel for driving new business to restaurants. While they can be a part of your strategy, they shouldn’t be the only strategy.

## When Should Restaurants Consider a Marketplace?

- ✓ Brand new restaurants that haven’t established a customer base
- ✓ Restaurants struggling to drum up new business

## When Shouldn’t Restaurants Use a Marketplace?

- ✗ Busy restaurants with a strong customer following
- ✗ Restaurants with an established brand and strong presence on organic channels

## Tips for Maximizing Your Marketplace Listing

For restaurants that want to keep marketplaces in the mix, below are some tips on how to leverage this channel to its full potential.

### Optimize Your Listing Profile

- Keep it consistent with your Google My Business profile
- Use eye-catching photos of dishes & give them descriptive names
- Create a robust description of your restaurant, ambiance and food and include your owner’s and chef’s names
- Optimize your profile for SEO
- Post professional images of your menus, don’t just link to your website
- Include links to your social media channels and website
- Actively engage and respond to customer reviews
- Update your profile every so often to keep it fresh

### Maximize Your Inventory

- Promote your listing to drive leads during the slowest days and shifts
- Reduce or turn off your marketplace inventory on your busiest days

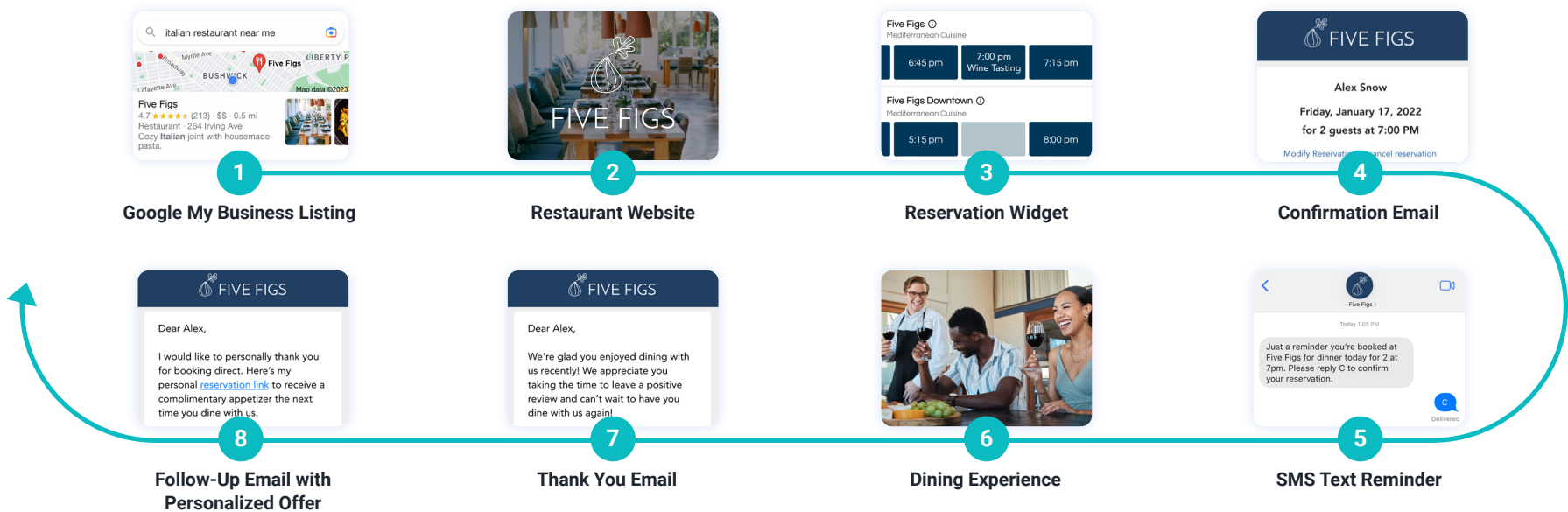


## Introducing the Omnichannel Strategy

# Taking Ownership of Your Direct Channels

Your website, app, email and SMS communication are all vital touchpoints in an omnichannel strategy. Once a guest finds your restaurant, these channels are the next step in delivering cohesive and personalized brand experiences that drive business and boost retention.

The first step is to map your guest journey with all the various touchpoints along the way. Let's use a potential scenario below.



Now, think about how each of these touchpoints integrate and connect. How can you make this journey more fluid for your guests? The path to a successful omnichannel strategy is taking ownership over all of your channels – and it starts with transitioning your guests to book direct.



## Introducing the Omnichannel Strategy

# How to Transition Customers to Book Direct

Direct booking channels give you complete control over your brand and the guest experience. And because marketplace reservations also cost you money, it's essential to transition these guests to book directly through your website.



### Add Book Direct Option on Your Marketplace Listing

To encourage direct booking behavior, add a note to the reservation section that states, *"if no reservations are available, visit our website or call."*



### Incentivize Direct Bookings While They're Dining With You

To create awareness, print out a "book direct next time" insert and add it into your check presenters with a link to your website or QR code to your reservation page.



### Send Post-Visit Follow-Up Emails

After a guest dines with you, send a follow-up thank you email incentive and include a direct link for them to use the next time they book.



### Promote (or Create) a Loyalty Program for Your Restaurant

Encourage your guests to sign up for your loyalty program – both at your restaurant or via email. Always include your direct booking link when promoting special offers and perks.



### Turn Off Marketplace Inventory During Peak Hours and Days

During your busiest shifts and days of the week, reduce or turn off your marketplace listing inventory and leverage direct channels to save money.

**Discover more ways to optimize your booking channels to drive profit and turn tables with our [Revenue Management Guide](#).**

## Introducing the Omnichannel Strategy

# The Power of Switching to a Direct Reservation Platform

Once you've established a loyal customer base and implemented an omnichannel strategy to drive new business, you'll likely want to decrease your marketplace inventory and only list reservations on the slowest days and times. You may even want to stop using marketplaces altogether.

If you decide a marketplace is no longer the best option for your business, consider a [direct reservation platform](#).

Direct reservation platforms, such as [SevenRooms](#), integrate with Reserve with Google and allow you to take ownership of your brand and [guest data](#). We've seen restaurants save thousands of dollars a year in cover fees by switching from third-party reservation apps to direct.



/ SUCCESS STORY



ALTAMAREA  
GROUP



**\$76K**

Saved in Third-Party Fees

**\$340K**

Reservation Revenue

**\$60K**

Online Ordering Revenue

Altamarea Group operates 15 venues across the U.S., Istanbul and Dubai. After years of paying expensive cover fees, Altamarea Group switched to SevenRooms' reservation platform to take advantage of direct bookings. They **immediately reduced their third-party cover fees by 50%**. Then, to capitalize on the Covid-induced takeout boom in 2020, they added delivery and takeout options for customers at their flagship, Marea. Utilizing SevenRooms' direct, commission-free reservation booking and online ordering tools in tandem, the restaurant **saved over \$76,000 in third-party fees in 2021 alone.\***

[READ THE CASE STUDY](#)

*\*Estimate based on average 30% commission fees and \$1 cover fees charged by third-party channels.*





# Conclusion

No one knows what restaurant discovery will look like 20 years from now, but one thing is certain: restaurants that continuously adapt and evolve according to consumer and industry trends will be the most successful.

Leveraging an omnichannel strategy offers a diversified and integrated approach to testing the market to find out which channels work best for your business and customers. If your only channel is a marketplace, you may never find out.

If you're interested in transitioning from third-party booking apps to direct solutions, [book a demo](#) with SevenRooms. Our all-in-one solution can help you build a successful omnichannel strategy.

