

# [Your open table is ready marketing essay](https://assignbuster.com/your-open-table-is-ready-marketing-essay/)

In this section a full situational analysis will be provided for OpenTable to launch an app and software plug in to support the addition of a push and text notification system to allow diners to know that their tables are ready. The analysis will include the company description, including products and services, SWOT analysis, industry analysis, target market description, marketing mix, and a competitive analysis.

## Company (Product/Service) Description

Headquartered in San Francisco, California, OpenTable was started in 1998 as a way for restaurants and diners to manage reservations in an online tool. “ OpenTable has more than 26, 000 restaurant customers, and…has seated more than 385 million diners around the world. [T]he OpenTable service is available throughout the United States, as well as in Canada, Germany, Japan, Mexico, and the United Kingdom.” (OpenTable, 2012) As a leading provider of online reservations, OpenTable also provides guest management at a variety of levels to meet the needs of guest management for restaurants. They offer OpenTable Electronic Reservation Book, OpenTable Connect, and affiliate networks and advertising.

Restaurants can replace their existing reservations systems, whether pen and paper or POS software, with OpenTable Electronic Reservation Book to streamline reservation and table management. This allows restaurants “ to build robust diner databases for superior guest recognition and targeted e-mail marketing.” (OpenTable, 2012) This is a large advantage for restaurants that require reservations and that like to market to their clientele via email blasts or exclusive event marketing. This has been a successful product for the company and will continue to assist with guest management for companies that rely heavily on its system.

Part of what makes the OpenTable management system so successful is its versatility. There are a number of restaurants in the OpenTable network that do not rely on reservations for their seating or guest booking. For these proprietors, OpenTable offers a solution named OpenTable Connect. This is a “ web-based service web-based service that lets restaurants accept online reservations.” (OpenTable, 2012) This means that restaurants that do not rely on lists or on advanced reservations can still cater to guests that prefer to make reservations ahead of time.

These tools also allow for third party management of reservations for guests; third parties may include concierges, administrative professionals, or diners themselves. One of the additional benefits of the service for diners or third parties is that they can easily look up cuisine types, pricing, or find an open table based on a specific time – all in real-time with access to thousands of restaurants…immediately. These tools are available to users online, via mobile access (in mobile web or via mobile app), or by visiting the restaurants website directly.

OpenTable also has an affiliate network that allows users to click through to OpenTable directly from one of the “ distribution partners, including Google, Menupages, TripAdvisor, Yahoo!, Yelp, Zagat as well as local guides and restaurant directories throughout North America and the United Kingdom.” (OpenTable, 2012) This allows for users who are new to, visiting, or residing in an area to browse area restaurants and immediately make an online reservation.

OpenTable’s current branding strategy is represented by their slogan “ Restaurant Reservations – Free, Instant, Confirmed.” This is how OpenTable has built their wide acceptance; by being consistent, accessible, and providing instant gratification for diners looking to book reservations or research area restaurants. Restaurants themselves can benefit from booking reservations before or after hours, easy and effective email marketing lists, flawless reservations, machine learning applied to seating, walk in patterns, and table combinations, and guest notes stored for regular guests. (CNet, 2012) This puts the restaurant at an advantage when planning seating, creating exclusive events, or just recalling a regular’s anniversary date.

## SWOT Analysis:

## Strengths:

“ OpenTable. com is the only recognizable online restaurant reservation system in the U. S.” and represents over 26, 000 restaurants and seats more than 7 million guests in the U. S. each month. (RGM, 2012)

OpenTable offers a variety of services to meet the needs of individual restaurants, chain restaurants, and affiliate networks. These include fully integrated software solutions to simple to use internet based interfaces.

Guests and users trust the brand and are comfortable and confident when providing their personal information through the system. This allows restaurants to collect opt-ins for future marketing campaigns which brings earned value of repeat guests for each reservation made through OpenTable.

## Weaknesses:

Does not link to paging systems for notification of when a guests table is ready. Restaurants must still look for either a third party solution or simply call out a guests name when the table is ready. This is ineffective and the rate of walk out and equipment replacement is high.

Does not offer individual services to restaurants, only offer OpenTable or OpenTable connect. Restaurants cannot pick and choose services a-la-carte to meet the need of their individual clientele.

Inability to de-duplicate loyalty programs for users that may have more than one log-in but the same contact and personal information.

## Opportunities:

There is an opportunity for OpenTable to create opt in services for guests so that notification of their table being ready can be sent directly to their smartphone or tablet that support the service. This service could also include current wait times when making a same day reservation and allow users to select how they want to be notified. They could select text, push, or phone call for notification that their table is ready when they initially book the reservation. Restaurants then have the ease of leveraging the contact information through OpenTable to notify guests, in real time, what wait times are and when their table is ready. This reduces the overhead of costs associated with equipment of pagers and lost clientele due to walk outs. A secondary benefit for the restaurant is that once guests opt in, they have an alternate method for marketing to guests through text or push notification.

## Threats:

The threats to OpenTable as a whole are minimal due to their status in the U. S. and globally as the leader in online reservations; however, there are several providers in the space and OpenTable should continue to be innovative to retain market share. There are several companies in the market that offer text services for table notification as well as estimated wait times for area restaurants. Many of these services are free for guests and have minimal costs for restaurants. An additional threat is that many of the companies that offer text services also offer analytic suites so that restaurants can easily understand trends in demand through reports and graphic displays. This packaging creates value around an already cost effective service and allows third party providers (e. g. Table’s Ready, NoWait, etc).

## Industry Analysis

Nielson provides a great deal of insight into the industry size, trends, and geographical area for restaurant reservations; however, OpenTable has also gathered data about trends and growth for their services since their inception in 1998. There is a large market for app users that continue to expand at great numbers monthly. Here is the latest information gathered by RMG in 2012 on behalf of OpenTable:

## iPhone

223, 000+ reservations through the iPhones, generating $28M+ in revenue.

Downloads to date: 4. 3 Million (Avg. 100k new downloads monthly)

## iPad

63, 000+ reservations through iPads, generating $7M+ in revenue.

Downloads to date: 1. 8 Million (Avg. 61k new downloads per month)

(Apple, 2012)

## Android

48, 000+ reservations monthly through Android devices, generating $6M+ revenue.

Downloads to date: 1. 3 Million (Avg. 46k new downloads per month)

(Android, 2012)

## Target Market Description

“ OpenTable users are affluent, metropolitan consumers who are active, social influencers who enjoy frequenting restaurants. They travel domestically and internationally for business and personal vacations, staying at four and five star hotels. Credit cards and banking are a big part of their lives; having high levels of discretionary income they spend heavily using credit cards. With larger than average financial portfolios they manage wealth to maintain their lifestyle and enjoy life’s luxuries.

They select cars for style, comfort, luxury and status, with most users owning high-end domestic and import models from the top auto manufacturers around the world. OpenTable attracts these tech-savvy diners for their love of food and the access to thousands of OpenTable restaurants across the US. They enjoy the power and ability to search, review and book their next dining experience online with ease.” (RMG, 2012)

## Market Segments:

Using Nielsen data, we can determine that the market segments will resemble a select set of demographic and interest based users. RMG has provided a full list of the demographic and interest data; however, that data is summarized here. The demographic data points are: House Hold Income (HHI) 100K+, Current Market Value of Portfolio $500K+, Auto Owned (includes: Audi, BMW, Cadillac, Honda, Lexus, Mercedes, Mazda, Acura), Intent to Purchase Auto in 6 months – Definitely/Probably Will, Credit Card Ownership (includes: AMEX, MasterCard, Visa) used in the last 30 days, Airline travel in the last 30 days, Purchased travel/hotel online in the last 30 days, Hotel Reward Program, Travel Activities within 2 years, and Online Shopper within last 30 days. The interest data points are: Wine Collecting/Tasting, Gourmet Cooking, Photography, Exercising, Flying, Golf, Hiking, Sailing, Scuba Diving, Skiing, Tennis, and Yoga.

## Market Characteristics:

This service will be sold to advertisers and restaurants, but will be targeted towards guests to drive opt-ins when making their reservations. This will allow users to continue to have the same great free, instant, confirmed reservations they are used to with the added benefit of knowing when their table is ready for them. This will also allow users that make impromptu reservations or walk-in to have the benefit of knowing wait times in advance and being able to gauge their arrival to the restaurant for their table.

## Marketing Mix:

The marketing mix is a detailed look at the product, pricing, placement, and promotion of the new app and feature for Open Table. This is crucial to understanding where the new product will sit in the marketplace the proposed mix is a recommendation for ‘ Your OpenTable is Ready’ upon release to the target audience.

## Product

OpenTable has a strong brand and following and in order to support the existing brand and bring the same trust and familiarity to guests and restaurants, the new feature will be named ‘ Your OpenTable is Ready’. It will have the same styling of the existing brand and carry the same logo colors and font that OpenTable uses currently. This will ensure that the new plugin is an extension of the brand and will evoke the same confidence from guests and restaurants as their core products do.

## Price

The pricing strategy will be two levels. It will remain free for guests and users who are booking reservations through the website or through mobile apps. Restaurants will have the option to add the service onto their existing rate plans for a flat monthly cost of $45 per location for up to 10 locations and $35/mos for 11+. Initial incentives will be given to showcase the ease and ROI of the system where the first month is free with a six month commitment.

## Place

The placement of the ‘ Your OpenTable is Ready’ will be direct through both the web and mobile initiatives for guests of the restaurants. For restaurants that select to support the service the placement will also be direct through their management interfaces.

## Promotion

Promotion will be done through trade publications announcing results of any beta programs and release date for U. S. guests and restaurants. The product will be pushed (quite literally) through the web and mobile web interfaces and through the app stores for both Android and iPhone/iPad users. Existing restaurants will be notified of the additional opt-in via regular communications with either monthly billing statements and/or promotional email to internal mailing lists. Once launched online campaigns within the OpenTable site itself will also promote the new feature.

## Competitive Analysis

Your OpenTable is Ready has two main competitors in the U. S. market. Those competitors are Table’s Ready and NoWait. Table’s Ready and NoWait offer text messaging to guests who provide their mobile number to the hostess at the restaurant they arrive at. (Ortiz, 2012) While this service is effective; Your OpenTable is ready can extend this capability by allowing users to opt in before they arrive and to select the option of push notification or text. Restaurants then also have the option to remarket to users that opt in and include those guests in future marketing initiatives.

NoWait is an iPad app that allows users to enter their information prior to arrival or allows the host to enter their information upon arrival. The app collects a mobile number and allows the restaurant to send a text message to that number once their table is ready. (Bissram, 2012) This method is entirely dependent on the restaurant having NoWait and since it is not the market leader many restaurants do not subscribe to their service.

Table’s Ready also offers an analytics suite that allows the restaurant to understand peak business, trends, wait times, party size, and walk offs. (Table’s Ready, 2012) They offer a simplified view that has graphical reports to show owners and managers when their businesses are busiest and how wait times are affected. OpenTable also offers this service, but does not actively promote it. It will be required for OpenTable to promote this side of their existing suite when the product is launched so that restaurants can understand the full value of what the service can offer.

## Advertising Objectives

Advertising objectives to demonstrate the products’ advantage to both guests and restaurants will be leveraged to create interest and desire for the feature. The target audience will be reached through a mix of product positioning, direct marketing, and print and online media.

## Communication goals

Communication goals for the new product plug in will be driving awareness through leveraging loyalty and the ease of using the brand for reservations. This reinforces OpenTable’s existing goal of allowing restaurants “ to build robust diner databases for superior guest recognition and targeted e-mail marketing” and also achieving their guest goal of “ Restaurant reservations – Free. Instant. Confirmed.” (OpenTable, 2012) Guests and restaurants alike already have a great deal of confidence and trust in the brand and this will be expressed in the communication of the new product “ Your OpenTable is Ready.”

## Purchasing behavior

The target consumer is twofold with two very different marketing strategies. “ OpenTable users are affluent, metropolitan consumers who are active, social influencers who enjoy frequenting restaurants. They travel domestically and internationally for business and personal vacations, staying at four and five star hotels. OpenTable attracts these tech-savvy diners for their love of food and the access to thousands of OpenTable restaurants across the US.” (RMG, 2012) These consumers will be targeted with a focus on the ease of having text and/or push notifications sent once their table is ready; the messaging will be directed towards these tech savvy users who travel and have full busy lives.

The second side of the marketing strategy is for the restaurants directly. This is more B2B marketing and will focus on the cost savings and remarketing features of the new product. The pricing of the new product has been strategically positioned to entice restaurants to replace any existing solutions with the OpenTable offering or to add the service for their guests if they do not use a notification system currently. An added benefit that will be leveraged to increase subscriptions for restaurants is the ability to remarket to users that have opted in for marketing via text and push notifications.

## Positioning

OpenTable has a unique place in the market by holding the market share by a large percentage. Part of this is the alliance network that it uses to partner with Google, Menupages, TripAdvisor, Yahoo!, Yelp, Zagat as well as local guides and restaurant directories. This gives OpenTable unprecedented exposure in the market. OpenTable can leverage this by ensuring that the market is aware of their new text and push notification system for Your OpenTable is Ready. For restaurants, OpenTable needs to promote the ease of use through the existing interfaces, the reporting/analytics offering, and the ability to remarket users who opt in. This creates a place in the market that does not currently exist and ensures that competitors, who offer similar analytic tools, are not categorized in the same class as OpenTable. This will set them apart in the market and ensure their market share through innovation.

## Advertising (Creative) Strategy

## Product Concept

The product’s concept is one of simplicity based on a market need that already exists. Notification, other than verbal announcements, for when a table is ready has been a standard practice in the industry for the last two decades. Your OpenTable is Ready is an extension of that practice and a much improved service compared to the existing methods. Currently, restaurants have the option of investing in expensive pager systems which often need replacement and maintenance and are not reflective of the tech savvy guests that use OpenTable currently. (Table’s Ready, 2012) By leveraging the mobile capabilities that phones, smart phones, and tables have, OpenTable has the ability to create a product that will be quickly adopted by both guests and restaurants. There will no longer be a need to invest in third party equipment or solutions as the plug in will be native to the OpenTable interface and apps already in use. What is unique is the ability to send a push notification to users that prefer this method over text messages. Because OpenTable is already a market leader in the download and usage of their app, users will not have to use another tool or third party to receive the benefit of being alerted when their table is ready at their restaurant of choice.

## Target Audience

The target audience is twofold. The guest target is “ users [that] are affluent, metropolitan consumers who are active, social influencers who enjoy frequenting restaurants. They travel domestically and internationally for business and personal vacations, staying at four and five star hotels. OpenTable attracts these tech-savvy diners for their love of food and the access to thousands of OpenTable restaurants across the US.” (RMG, 2012) Guests will be targeted through direct marketing, brand awareness, and in restaurant print.

The restaurants that already subscribe to OpenTable will be targeted as well as continuing to earn new market share through innovation and promotion. One of the goals of the new product is to allow restaurants a lower cost alternative to table notification while receiving the benefit of future remarketing permissions and lists. Restaurants will be targeted through direct marketing methods.

## Communications Media

The media for communicating the new product will be quite diverse in the mix in order to maximize exposure creating excitement and acceptance of the new feature. The advertising message will be transmitted to the guests through app updates, email blast notifications, and point of purchase displays. This will be vital for guests to understand the new product’s method of notification. The user will have to both opt in to communications via text or push and they will have to ensure that their OpenTable profiles contain the mobile contact information. This information is stored in the OpenTable system so that as they make reservations at OpenTable restaurants, there is no need to provide the information a second time. They will also have the option to consent to marketing messages, as they currently do for email, via text or push notifications. The guest can then receive notifications about expected wait times and an instant, free, confirmation when their table is ready.

The same direct marketing method will be used for restaurants that are in the OpenTable network. They will be notified through direct notification in email blasts, monthly billing statements, and renewal negotiations. There will also be added visibility in the owned media on the OpenTable site as well as promotion in trade newsletters, ads in restaurant catalogs, and direct sales calls.

## Communication Effectiveness

Each of the formats for communication is listed below. They are ordered based on cost and effectiveness in the marketplace; in this section, the distinction between guest and restaurant is not defined.

Owned media – OpenTable has a strong web and app presence. Part of this presence includes space for advertising through the owned media. OpenTable will promote the new “ Your OpenTable is Ready” feature on both the website and the mobile app. This is will create exposure for nearly 7 million unique users monthly and is the most cost effective way to distribute the message as there is no direct cost associated.

Direct marketing – OpenTable has an extensive mailing list and understanding of the target audience. This list will be used to mail advertisements to restaurants that are existing clients and to prospective clients. “ No, print is not dead. Far from it. Print marketing is still the backbone of any solid business plan. There is no better way to get in front of potential new customers, or to beckon existing ones toward new products and offers.” (The PrintHeads, 2012) Mailing lists are a tool that has great effectiveness when the correct audience is obtained. OpenTable will leverage the 26, 000 restaurants in the existing network and will buy mailing lists from The PrintHeads (see Appendix A) to ensure direct marketing objectives to U. S. restaurants. The cost for direct mail marketing is low and falls around 2 cents plus bulk media rate for postage making it a very cost effective method for reaching the audience.

Point of purchase display – One of the most effective and relevant ways to meet the target audience is to provide point of purchase displays to the restaurants that subscribe to the service. This will alert guests that the restaurant they are in already has the service and they can feel confident in their decision to opt in to the new service. They will be prompted to participate in location and will be persuaded based on the ease of knowing, even on a walk in basis, that their table is ready without having to carry an additional pager, or risk not hearing their name called. There is more cost associated with the physical printing of the materials; however, the cost to acquisition is negligible.

Sales calls – direct sales calls to the existing 26, 000 restaurants in the OpenTable network paired with cold calls through the account management and sales teams is another very effective way to generate awareness and create interest about the new product. This can also be paired with contract renewal calls and billing cycle updates. This is also a low direct cost method and is one that generates great interest from the restaurant community.

Email blast – OpenTable owns a significant amount of 1st party data. This includes a list of a potential 300+ million users that have opted in to direct marketing via email. This allows awareness and direct marketing initiatives and creates a forum to offer promotions or general branding to generate interest in the new “ Your OpenTable is Ready” product. This is one of the most cost effective methods in the mix and will reach the most track-able user interactions.

Trade newsletters – Trade newsletters create an opportunity for tech savvy and for restaurateurs to have insight in to new trends and to create valuable awareness and interest in the product. Trade newsletter placement is the second most costly expense in the media plan; however, it will reach the target audiences.

App update notification – OpenTable has an application for Android, iPhone, and iPad. Users that download the app are prompted to update the app when new updates are available through the respective marketplaces. One of the methods that OpenTable will employ is an app update where users will be notified of the new feature on the prompt to install and they will be asked to accept the terms and opt in for “ Your OpenTable is Ready” once the app is launched after update. This is the second most cost effective method as the app reaches nearly 8 million unique users a month.

Print ads – Print ads in travel, technology, food, and pop culture sources will be essential in creating awareness in the groups that fall outside of the tech savvy and restaurant industry. This is expected to bring the highest number of new users to the OpenTable product set and will generate increase awareness and excitement about the easy to use product for people on the go who need to know. This is the most expensive method of advertisement in the mix; however, it is expected to bring the largest amount of new users.

Website popup at login – This method piggybacks on the owned media concept and provides another alternative for allowing users to opt in. This also allows a more robust explanation of terms and conditions for both restaurants and guests to read and opt in to. This method should be considered a value add as other methods are likely to generate more direct interest; however, this creates a forum where existing users can subscribe.

## Media Objectives

The objective of the media plan is to reach the 26, 000 restaurants and 350+ million users to generate awareness and interest in either subscribing or opting into the service. The goal is to generate enough awareness and interest that the adoption of the new product is rapid in the marketplace on both sides of the marketing audience. The goal is to create awareness and interest with restaurants first and then to push the message to guests. This will be accomplished through the use of direct marketing primarily and secondarily through print and trade newsletters to expand the reach of the new product to new users.

## Media Plan

A large portion of the media in the plan is owned media and owned 1st party data; this allows more of the budget to be spent on high end industry ad placements for the new “ Your OpenTable is Ready” creative and text ads. The goal is quick adoption, so the frequency is estimated to be on the higher end of 10 views per unique person. This translates to heavy rotation in two targeted phases; restaurants in phase one and guests in phase two. Again, because a majority of the media is owned, it lends to targeting based on log-in and demographic data. Some of the industry newsletters and print ads will be run in (Google, 2012):

allrecipes. com apartmenttherapy. com bfads. net

bhg. com caloriecount. about. com cdkitchen. com

chow. com chowhound. chow. com cooks. com

deals. woot. com eater. com eatingwell. com

epicurious. com food. com foodgawker. com

foodnetwork. com freeflys. com justapinch. com

kraftrecipes. com livingsocial. com m. allrecipes. com

macys. com menuism. com menupages. com

menupix. com myfitnesspal. com onegoodthingbyjillee. com

parents. com plainchicken. com pronto. com

recipes. sparkpeople. com seriouseats. com shopathome. com

simplyrecipes. com someecards. com southernfood. about. com

sparkpeople. com starpulse. com tasteofhome. com

tech. woot. com theblackfriday. com whatscookingamerica. net

wikihow. com woot. com yelp. com

## Advertising Message

The advertising should use the same branding guidelines that OpenTable currently uses. Copy should be kept clean and minimal representing the same look and feel as the OpenTable website and app. Images should be themed towards food, technology, and travel. Concept creative is included:

## Appendix A

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## Print Marketing

Posted in February 21, 2012 by Lynn in | Comments are closed

print-banner

No, print is not dead. Far from it. Print marketing is still the backbone of any solid business plan. There is no better way to get in front of potential new customers, or to beckon existing ones toward new products and offers. Our team of printing specialists takes a hands-on approach to every project, maximizing resources at every stage of the planning and production process. From conceptualization, to design, to press, to finishing, to delivery; we remove all the guesswork, lost man-hours, headaches, and unpleasant surprises from what can sometimes be a thoroughly exasperating process.

Our ‘ insider’ knowledge allows us to slice substantial chunks of waste-related costs and time-consuming delays from your print management and communications work¬‚ ow. Through our partnership with a specialized network of offset lithography, digital imaging, large format, and screen printers, we are able to negotiate the best possible pricing on the most appropriate production methods. This allows us to make recommendations that are best for YOU.

Some of our Print Marketing Includes:

Corporate Identity Business Cards Stationery

Brochures Sell Sheets Presentations

Direct Mail Campaigns Product Price Lists Menus

Catalogs Flyers Postcards

Annual Reports Manuals Proposals

Presentation Folders Business Forms Newsletters

Announcements/Invitations Awards & Certificates Coupons

Greeting Cards Product Packaging Point Of Purchase

Labels, CD, DVD & Cassette Covers Boxes, Inserts, & Bags Banners, Signs & Posters

Table & Wall Displays Pens, Mugs, Notepads Calculators, Shirts, Hats

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