10 tips to connect with Australian Diners in 2014

As reported in:
Industry Analysis: Top Ten Trends in 2014

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“Over the last 5 years, the restaurant industry has transformed. It will never be the same again…”

Stevan Premutico, CEO Dimmi
As Australia’s leading provider of online reservations for restaurants we get to dig deep into the trends, insights and fads that are most impacting our industry. The Dimmi Dining Index 2014 is the single largest undertaking of its kind in the country. For six years we have intimately monitored the health of the industry & shifting dining patterns by tapping into the most valuable resource of all – the customer. Millions of bookings and millions of dining experiences have provided us with extraordinary insights that we can now share with you in this report. We aim to help ensure that you remain at the forefront of innovation, changing consumer patterns & emerging trends.

The Australian dining landscape has transformed over the past five years - from fine dining to share plates, from asking our mates to researching online, to reading a critic opinion to comparing hundreds of reviews. The industry has changed, radically. The good news is that after a tough couple of years, the industry is starting to recover. The Australian Restaurant Industry was up 5.7% on 2013 which is a positive sign - WA continued to grow well and VIC came back after a very tough year. Spend has remained relatively flat but at least it hasn't fallen off another cliff as with previous years.

There is clearly a significant shift online and I hope that we are starting to bridge the gap between our industry and our digitally savvy diners. There were over 200 million searches on Google last year by customers searching for restaurants. We used to ask our mates, now we ask Google. The other major trend that we are seeing is the significant growth & importance of connecting with our customers through Social Media Channels and in particular the boom in Mobile. 42% of all restaurant searches now take place from a mobile device but only 22% of restaurants actually have a mobile friendly website. Customers are looking for accessibility, they are looking for immediacy and they are finding it in the palm of their hand.

We started providing online reservations for the restaurant industry in 2009 and since then have successfully seated over 8 million diners across 2500 restaurants. We’ve created the largest booking network in the country to help our restaurants generate bookings through major partners including the likes of Google, TripAdvisor, Urbanspoon, Qantas, Telstra, Gourmet Traveller, TimeOut and many others. This Booking Network promotes our restaurants to an active network of diners searching for restaurants & has generated over $33 million in incremental revenue for our restaurant partners in the past 12 months alone.

We dig deep, share new trends, get under the covers of changing consumer dining patterns, reveal fascinating insights and provide tips on how you can best take advantage of these opportunities.


Stevan Premutico
Founder

stevan@dimmi.com.au
“It is great to see that demand is holding up across most of the country even if average spend is soft”

John Hart

CEO, Restaurant & Catering Australia
#1 The Australian restaurant industry shows growth after a tough 2013

The Australian Restaurant industry has grown by 5.7% on last year. This is similar when compared to growth in the Retail Sector (up 6%). The national average spend has declined significantly over the past 4 years but remained steady for 2014 at $53.

More importantly the number of Australians dining out has continued the upward trend that was seen in 2013. We are spending around the same amount per visit but we are eating our more frequently.

WA enjoyed the best growth rate at nearly 19%, followed by SA at 10.4%. VIC bounced back from 2012/13 with overall growth of 7.8% but QLD had negative growth of -7.8%.

Average Spend fluctuated between the states with ACT dropping over $5 spend per head, WA dropping just over $3 spend per head and the remainder of the states making modest gains in customer spending habits.
“The dining public is so fickle that you really need them to be able to action a booking for the split-second that your restaurant happens to be top of mind for them. This might be as they read something in a paper, or have a conversation with a friend. Mobile bookings allow this to happen - we get a lot of them!”

Anna Pavoni, Ormeggio, Sydney
Are you ready to take advantage of the mobile boom?

The Australian mobile subscriber base is now over 84%. Mobile access is now a part of everyday life and Australian diners are increasingly using mobile technology to make their restaurant bookings. In the past year alone we have seen a 40% rise in restaurant bookings through mobile devices. Today about 4 in 10 bookings are now being made using a mobile device.

It’s not just the bookings that are influenced by the high penetration of mobile accessibility. Australians are using their mobile devices to search for restaurants more than ever before with mobile traffic accounting for over 42% of all restaurant searches. For restaurants, this means that if you are not connected for mobile, you will be invisible to over 40% of the dining population!

The impact of increased mobile usage has changed the way that Australian diners search and book restaurants. We have seen 172% year on year growth in short lead bookings (12 hours or less) and 47% of all online bookings are now made within 24 hours of the dining time. Booking availability is becoming a crucial factor in the way Australian diners choose where to eat. Diners have shifted their booking patterns to shorter lead times and having the availability to book when they choose will be a key consideration in where they decide to eat out.

TOP TIPS
• Ensure you have a mobile friendly website. If you don’t, get a Dimmi Pocketsite
• Ensure you are accepting bookings during service. This is when people are thinking about food and want to make a booking
“Being at the top of Google is critical. It can quite literally make or break a business and is arguably for many businesses, more important than all of the other channels of business combined.”

Robert Beerworth
Managing Director, Wiliam
#3 Are you connected to the marketing channels that matter?

Potential guests are searching for restaurants online more than ever before. Over the past 12 months there have been over 200 million restaurant searches across Google. The Dimmi Global Distribution Network (GDN) which includes partnerships with Australia’s leading food and travel websites, Google, TripAdvisor, Urban Spoon, Qantas and Gourmet Traveller last year generated more than $33m in incremental revenue for restaurants. It is time to get connected.

Every month over 17 million diners are searching for somewhere to dine through Google. We used to ask our friends where to go. Now we ask Google. There is a massive opportunity to increase your online presence and show potential guests what you have to offer. ‘Word of mouth’ used to be one of the industry’s strongest influencers in gaining new business but this has been superseded by online reviews as more and more potential patrons search online for their dining recommendations.

**TOP TIPS**

- Get connected and promote your restaurant through the Dimmi Global Distribution Network (GDN)
- Ensure you manage your content on these channels (great photos, up to date menus)
- better online ratings equals more bookings
“People want value for money, and even with fine dining, degustation and fine wines, you can still get that.”

Guillaume Brahimi – Guillaume
Sydney Morning Herald, 30th July 2014
#4 Average spend has dropped $5 but is now stable. How do you fare?

Since early 2011 we’ve been asking Australian diners for their feedback and one thing we track very closely is where, when and how much they are spending? We’ve tracked spend per head since the inception of the Dimmi Dining Index and while the previous 3 years have seen a significant decline in the average bill, the past year this has been comparable to 2012/13 – good news!

One of the most critical considerations for diners in 2014 is value for money. Get everything else right but miss the mark on value and you may have lost a customer for life.

The low market (less than $55 per head) dropped by nearly 2% when compared to 2012/13 and the mid-market ($55-$85 per head) dropped just shy of 1%.

The premium market (> $85 per head) saw a 1% rise compared to 2013 which combined for an over-all total increase Australia wide of 0.2% in spend per head. The average price that diners paid in 2013/14 was $54.70 per head when looking at the total spend country wide.

The ACT had by far and away the highest average spend at $64.44 and South Australia also had a markedly higher spend than the rest of the states at $59.18 per head. Across the nation 9 of the top 10 spend per head suburbs were in regional areas which indicated that restaurant guests from non-suburban areas are prepared to spend well and are customers that we should be reaching out for.

**TOP TIPS**

- Understand your competitive set and eat there often so you can see how you compare
- Pay attention to the Value for Money indicator in your Dimmi Score Report and ensure you are above your competitive set (as well as improving month on month)
- Use promotions to fill quiet days or periods (eg, run an express lunch)
- Understand that value is king in 2014
“We have just decided to upgrade to the Dimmi Pro (ResDiary). The biggest driver is “the future” and the ever increasing demand for online inquiries and convenience of hand held devices, it is literally jump on-board or miss out on market share.”

Martin Pirc,
Punch Lane, Melbourne
#5 No Shows and Cancellations: What are we missing?

It is part and parcel of the industry but ‘No Shows’ and ‘Cancellations’ affect your business’s bottom line week in and week out. There are and always will be those with legitimate reasons for not showing up or failing to cancel but the majority of these could be avoided with a little more consideration.

It is good business sense to confirm reservations on peak evenings. This is often just the 2nd experience that your soon to be dining customer has with your establishment (the 1st being the original booking) and is a great opportunity to connect with a new patron or to welcome back a returning guest. The confirmation gives you and your guests a sense of security. It encourages a commitment to turn up on the day or to at least let you know that they can’t make it as soon as they are aware.

As you can see, South Australians show the most care in managing their reservation etiquette and New South Wales patrons are the least likely to inform you of their sudden need to be elsewhere. Ensuring that all your bookings are confirmed is one step that can alleviate part of the ‘No Show’ and ‘Cancellation’ conundrum, as well as plugging that hole in your pocket at the end of the night.

All reservations made through Dimmi confirm the booking with your guest and send an automatic reminder 24 hours prior to the booking. Should they still fail to materialise for their booking we’d suggest that you note down on their profile in Dimmi ResDiary Pro that they failed to notify you and should they book in future you can redouble your efforts to confirm that they will be arriving.

TOP TIPS

- Use your customers profile in ResDiary to your advantage – if they ‘No Show’ make a note so that your staff will know re-confirm the booking should they decide to book again.

- Check your SMS confirmations from ResDiary to check for any updated booking information.

- Activate your SMS reconfirmations to save you time and money. Rather than calling to check if your diners will be attending, issue a simple reconfirmation across all bookings and the job is done for you in a matter of minutes – not hours.
“We see our customers as invited guests to a party, and we are the hosts. It’s our job every day to make every important aspect of the customer experience a little bit better”

Jeff Bezos, CEO, Amazon
#6 Customer Reviews: Real feedback that really matters

Early on we realised how powerful real customer feedback could be and we set out to provide the Australian restaurant industry with an accurate insight into your customers evaluation of their dining experience. Only Dimmi is able to provide you with verified real reviews from customers that actually dined with you. We couple these with expert reviews to provide the Australian dining public the most comprehensive look at your establishment.

With the rise of social media, more and more of your potential and returning diners rely on their social circles and reviews as a trusted source for recommendations. With Dimmi you have your social, real user and expert reviews all in place and that is a powerful tool in helping customers choose.

Over the past 4 years Dimmi has enabled the Australian dining public to provide over 400,000 qualified reviews, reviews from customers that have sat on your chairs, eaten your wares and paid you at the end of their meal. One thing is clear, value for money is king.

Through customer feedback we have been able to track a large range of guest experiences and across the nation during 2013/14 we’ve seen a rise in a number of integral customer measurements. Across the board we’ve seen a rise in ‘Likely to Refer’, ‘Food and Drink’, ‘Service’, ‘Atmosphere’ and ‘Value’ which bodes well for the industry as a whole as the Australian dining public are happier than ever before.

**TOP TIPS**

- Unfortunately negative reviews are a part of life. Next time you get one, jump on the phone and invite the customer back in – knock their socks off and you will have a customer for life.

- Take the time to personally respond to reviews on Dimmi (positive & negative ones) to show prospective customers that you care – it goes a long-way. You can respond in private or publicly as you see fit.

- Share your Dimmi reviews with your staff. These customer insights show how your business is perceived and an invaluable tool in gauging how your clients enjoy the fruits of your labour.

- Ensure the Dimmi Score Report is integrated into your monthly management meetings so you can measure customer satisfaction.

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**How we rated in 2014**

![Graph showing how Dimmi rated in 2014](image)
#7 Connecting better with diners in 2014

The manner in which restaurants market themselves has changed drastically over the past 5 years. What used to be word of mouth, email and Yellow Pages has evolved into online reviews and social media across a broad range of platforms. Mobile technology has been at the forefront of this change in marketing channels and the restaurant industry has been a willing, albeit slow, participant in the shift. It’s been a fundamental change and one that needs to be embraced to ensure that you are reaching as many potential customers as possible.

Across Australia 96% of restaurants now have a website (finally!) and 69% have a presence on Facebook. Restaurants with Twitter accounts sit at 29%. 22% have mobile friendly websites and only 7% of restaurants have an Instagram profile.

![Marketing tools Australian Restaurants use in 2014](image)

Engaging with your current and future diners through social media and mobile responsive websites can lead to much larger potential customer exposure and is more cost effective than the older traditional types of marketing. Be where you diners are.

42% of restaurant bookings are from mobile devices but only 22% of restaurants have a mobile friendly website. That is a big scary disconnect. We’ve seen tremendous growth in the number of bookings at restaurants that have a mobile site compared to those that have yet to adopt a M-site. Mobile presence equals more bookings!

**TOP TIPS**

- If you don’t have a mobile friendly site, have Dimmi activate one for you.
- Pick which social channels you want to be active on and focus on the ones where you know your customers hang out
- Instagram is untapped – learn to master it!
- Check out the top 10 chefs on twitter and see how they work their magic
- Use tools like HootSuite to automate your post and manage multiple accounts
“Many restaurants are in heavy demand on Friday and Saturday, but are very quiet early in the week. Yield Management offers the opportunity to move customers from periods of heavy or over-demand to quiet times of the week when the restaurant may be operating below break-even — doing this will provide a welcome and significant boost to profitability”

Tony Eldred,
Eldred Hospitality (Melbourne)
#8 It’s time to get serious about yield management

Over the past 4 years we’ve closely monitored the times that diners are choosing to sit down for a meal in Australian restaurants. The biggest shift over the past 4 years has been a move towards early dining, particularly the 5pm-7pm period. This most likely indicates a more family orientated approach to dining at this time, enabling an early get-away when needed. It’s a win-win for restaurateurs as it enables a more even spread of patrons across the evening period. Dinner (7pm-10pm) has shown a decline of 12.75% over the same period indication that the dining public are choosing to dine earlier.

The key dining time is still 7:30 pm with 26% of all reservations, while the entire dinner period (7pm-10pm) accounts for 44.7% of all bookings. Brunch bookings are the most social of all dining times with an average booking size of 4.11 people.

TOP TIPS

- Use an electronic diary like ResDiary to manage your tables more effectively (whether you are busy or quiet). Get the most out of your capacity every night.
- Use tools such as the Dimmi Flash Specials to drive customers to quieter nights – make sure you can control the inventory so you can balance your offers.
- Early dinner slots and family focused times can help create new business for your restaurant.
“We notice bookings go through the roof when the mercury rises in Sydney. People love to be by the water and enjoy those long lunches.”

Judy McMahon, Catalina, Sydney
#9 Understanding how weather affects dining patterns in different states

There are so many factors that influence when and where Australian diners choose to eat out, whether it is sporting events, elections, school holidays, sweltering summer days or long rainy periods it is sometimes difficult to judge how to best approach it. We’ve watched the weather closely and its impact on bookings in Victoria and New South Wales over the past 12 months and noticed some interesting observations.

Victorians don’t mind the cooler weather when dining and really embrace their dining options when the rain begins to fall. But find a very hot and dry day and Victorians prefer to keep a lower profile on the restaurant scene. Patrons from New South Wales can’t seem to wait for those long sunny days and we see a massive spike in bookings when the thermometer hits the 30’s with over 17% more guests dining on these day. But come any heavy rains and New South Wales diners are not as adventurous as their Victorian counterparts.

**TOP TIPS**

- Understand weather patterns and special events that could influence footfall in your area and market accordingly

- Market via social channels based upon weather (e.g., it’s raining outside, come in and get a hearty warming stew or if the sun is shining perhaps a refreshing cocktail. Don’t wait for the phone to start ringing – it won’t!)
“People have busy lives and we need to make sure that when someone decides to eat out later that day, we are there for them”

Sally Galletto
Lucio’s Italian Restaurant, Sydney
What’s next?

The 1 pax table:
Over the past 12 months we’ve notice a rise in the single diner booking. It is definitely part of the rise in business travel post GFC but also part of the rise in the travel market. Nearly 4 out of every 10 single diner bookings are made by women (39%) and this percentage is increasing year on year. These single diners spend higher on average than their group dining compatriots and 5pm-7pm is their most popular dining time. One diner growth is currently double that of regular booking and will become a market that we cannot ignore.

The insta-booker:
With the Australian populations world leading adoption rate of mobile devices, more and more Gen Y’s and soon to be Gen Z’s will be looking for online solutions for impromptu decisions that provide immediate results. Coupled with the trend in dining towards shorter lead in booking times there will be a need for more open availability of reservations. Having online accessibility for potential customers to book even during service will be a key factor in driving business and satisfying the current and next generation of Australian diners.

Ladies and Gentlemen:
Women now book more often than men (57% to 43%) and they are also increasing their spend per head faster than men. We’ve seen a 2% rise in spending by women over the past 12 months with men spending a little less than the previous year. While men still spend on average a little more than women, the gap is narrowing fast.

TOP TIPS

- Single diners are a growing market. They spend more than per head than any other booking size and regularly return to the same restaurant. Your staff should be aware that single diners matter more and more.
- People are making decisions about where to dine with less lead-in time than ever before and using mobile technology to do it. The greater your online availability, the stronger the chance of having these diners book with you.
View the full infographic at www.dimmi.com.au/dadi
Top 20 things to note

- **Mobile technology** is changing the way your customers book. 42% of all online bookings are now made on a mobile device. Ensure you have a mobile friendly website.
- Each month there are over 17 million searches for restaurants through Google. Ensure you are connected!
- Maintain your restaurants online presence through social and network channels
- 25% of all bookings are made on the same day
- 45% of all bookings occur within 48 hours before dining
- Pre-dinner bookings (5pm-7pm) have risen 10% in the past 5 years
- Dinner bookings have decreased by 12% over the same period
- The average lead time for reservations is 1.26 days (20% shorter for mobile devices)
- Short lead time (last minute) bookings have grown 172% year on year
- 28% of all bookings are made when restaurants are typically closed
- **Online availability** allows your guests to book 24 hours per day, 365 days per year
- Over the past 4 years Dimmi has gathered direct feedback from over 400,000 diners from around the country. The best way to improve your offering is to listen.
- There is an upward trend in all aspects of the Dimmi Dining Scores across the nation (8.29 Satisfaction score nationally)
- Females account for 14% more bookings than males and tend to dine earlier
- Tuesday is still busiest day for people making reservations and the best day to send an EDM
- Good yield management of online bookings will encourage your diners to fill your slower periods
- Your most frequent bookers are probably your best advocates, get to know them well
- Be across changes in the market and adapt (such as catering for single diners)
- Our tips in each section are a guide that we hope can make a difference to enhance your business. You won’t be able to do them all at once and they might not all suit but perhaps pick a task per week and see if you can see the difference.

View the full infographic at