

Optimization and Expansion at OpenTable

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Challenges

- Some may argue that there are better ways to make reservations that don't take visitors away from restaurant's websites.
- Restaurant owners like the OpenTable software and diners have enormous range of dining choices.

What's OpenTable?

- What's OpenTable?
- OpenTable Features
- How The System Works?
- OpenTable Revenue
- OpenTable Success
- Competitors
- Challenges
- Future Visions & Goals

OpenTable Features

- Search over 100,000+ restaurants. Add to favorites and print out to save available tables at any restaurant.

How The System Works?

- Website, Hardware & Software**
- OpenTable allows restaurant owners to build their websites for managing guest reservations and target a real marketing program.
- The website connects to the OpenTable reservation system.
- Restaurant owners receive a notification when a reservation is made.
- Reservations are made in real-time on the website.
- OpenTable is available on multiple devices (desktop, tablet, smartphone).
- OpenTable provides a secure way to manage reservations and restaurant business operations for all devices, including mobile devices.
- The website is designed to be user-friendly.

OpenTable History & Market Growth

History

- **1998**
The company incorporated in San Francisco as Eatyears.com
- **1999**
The name was changed to OpenTable.com
- OpenTable's initial strategy of paying online restaurant reviewers for links to its website and targeting national chains for fast expansion got the company into 50 cities.
- It was spending \$1 million a month and bring only \$100,000 in revenue.

OpenTable History & Market Growth

- Market Growth**
- OpenTable's revenue grew 41% in 2006.
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OpenTable Success

- Restaurant owners and staff members find the software easy to use.
- Restaurants want cost-effective ways to attract guests and manage their reservations, while diners want convenient ways to find available restaurants.

OpenTable Revenue

OpenTable revenue comes from two sources:

- OpenTable is an e-commerce company, customers don't buy software and install it on their computers but instead go online and get the software functionality through subscriptions.
- OpenTable doesn't sell goods but instead enable diners to make reservation.
- A monthly subscription fee of \$199 for software and hardware.
- A \$1 transaction fee for each restaurant guest seated through online reservation.
- The online reservation is free for diners.
- OpenTable revenue streams from fees instead of advertising.
- More than 50% of OpenTable's revenue comes from SaaS subscriptions.
- In Dec 31, 2007 and 2006 revenues were \$411 million and \$25.1 m Biam.
- Jan 2005 - Dec 2006 OpenTable revenue grew 41%.



9.8 Case Study



OpenTable™

Your Reservation is Waiting

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What's OpenTable?

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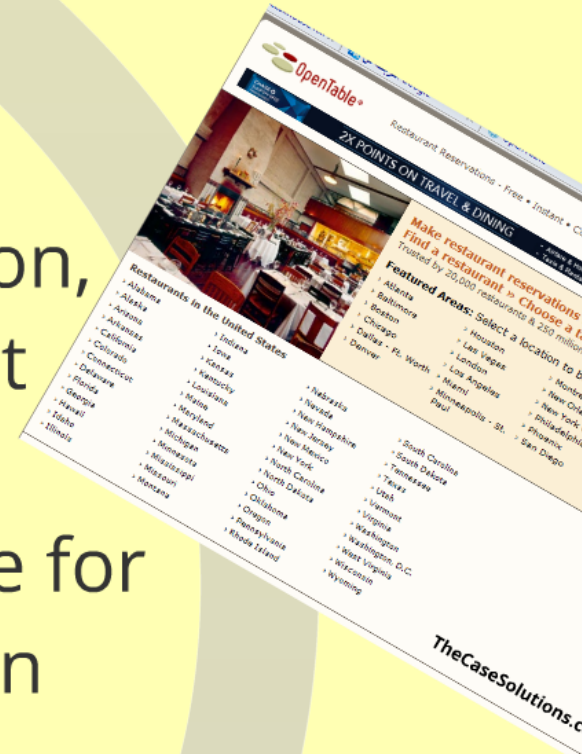
- Leading Supplier of reservation, table management, and guest management.

What's OpenTable?

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- Leading Supplier of reservation, table management, and guest management.
- World's most popular website for making restaurant reservation online.
- Reservations can be made at more than 15,000 restaurants.

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Restaurant Reservations - Free • Instant • Confirmed

Registered User? [Sign In](#)

CHASE
SAPPHIRE
RESERVE

2X POINTS ON TRAVEL & DINING

- Airfare & Hotels
- Taxis & Rental Cars
- Fine Dining, Fast Food & More
- No Foreign Transaction Fees

[LEARN MORE](#)



**Make restaurant reservations the easy way:
Find a restaurant » Choose a table » Book online**

Trusted by 20,000 restaurants & 250 million diners

Featured Areas: Select a location to begin

- > Atlanta
- > Baltimore
- > Boston
- > Chicago
- > Dallas - Ft. Worth
- > Denver
- > Houston
- > Las Vegas
- > London
- > Los Angeles
- > Miami
- > Minneapolis - St. Paul
- > Montreal / Quebec
- > New Orleans
- > New York City
- > Philadelphia
- > Phoenix
- > San Diego
- > San Francisco Bay Area
- > Seattle
- > Toronto / Ontario
- > Vancouver / BC
- > Washington, D.C.

Restaurants in the United States

- > Alabama
- > Alaska
- > Arizona
- > Arkansas
- > California
- > Colorado
- > Connecticut
- > Delaware
- > Florida
- > Georgia
- > Hawaii
- > Idaho
- > Illinois
- > Indiana
- > Iowa
- > Kansas
- > Kentucky
- > Louisiana
- > Maine
- > Maryland
- > Massachusetts
- > Michigan
- > Minnesota
- > Mississippi
- > Missouri
- > Montana
- > Nebraska
- > Nevada
- > New Hampshire
- > New Jersey
- > New Mexico
- > New York
- > North Carolina
- > North Dakota
- > Ohio
- > Oklahoma
- > Oregon
- > Pennsylvania
- > Rhode Island
- > South Carolina
- > South Dakota
- > Tennessee
- > Texas
- > Utah
- > Vermont
- > Virginia
- > Washington
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- > Wyoming

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