

**RESTAURANT
SCIENCES**



Executive Summary

Restaurant Internet Marketing Study

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Study Overview

[Restaurant Sciences](#), a provider of restaurant industry data and analytics, released its 2012 Restaurant Internet Marketing Study (RIMS). More than 50 different aspects of online presence were examined in-depth for every establishment in the sample of more than 2,000 restaurants and bars throughout the continental United States. The Restaurant Sciences RIMS has an average Margin of Error of just under 3%, and is by far the most complete view of the US restaurant industry's online presence and functionality.

The March 2012 RIMS study looks at each restaurant's website, mobile website, Facebook page and social media channels such as Foursquare, Twitter, Yelp, Google Places, and Bing Local. For the websites, mobile websites and Facebook pages, RIMS examined in detail the availability of:

- Menus
- Online gift and eGift Certificates
- Online Ordering
- Credit Card acceptance information, including Amex and Discover
- Email, Newsletter or similar enrollment vehicles
- Blogs
- Facebook and Twitter links (on both web/mobile sites)
- Localization functionality
- And more

Restaurant Universes

The study analyzed online data from many different types of restaurants including FSR, QSR, Drinking, Chain, Independent (Indie), Urban and Non-Urban. In addition to analyzing data from restaurants in these categories, Restaurant Sciences also categorizes data by United States geographic regions: the Northeast, South, Midwest and West. Restaurant/Bar Universes from the study are categorized as following:

- FSR (Full Service Restaurant) – restaurants that provide table (waitperson) service in a family, casual, upscale-casual or white-tablecloth dining setting. The restaurant may be part of a chain, an indie or a bar.
- QSR (Quick Service Restaurant) – restaurants that provide counter service only and may include fast-casual chains or indies.
- Drinking – a bar, nightclub or casino that serves alcoholic beverages.
- Chain – a restaurant or drinking place that is part of a common ownership comprising at least four locations.
- Indie –no more than three locations operating under this name.
- Urban – location falls within a US Census 2000 Urbanized area boundary: generally an area exceeding 1000 persons per square mile density.
- Non-Urban – location does not fall within a US Census 2000 Urbanized area boundary; generally an area significantly less than 1,000 persons per square mile density.
- NE (Northeast) - locations within the following areas: Connecticut (CT), Maine (ME), Massachusetts (MA), New Hampshire (NH), New Jersey (NJ), New York (NY), Pennsylvania (PA), Rhode Island (RI) and Vermont (VT)
- South – locations within the following areas: Alabama (AL), Arkansas (AR), Delaware (DE), Washington DC, Florida (FL), Georgia (GA), Kentucky (KY), Louisiana (LA), Maryland (MD), Mississippi (MS), North Carolina (NC), Oklahoma (OK), South Carolina (SC), Tennessee (TN), Texas (TX), Virginia (VA) and West Virginia (WV)
- MW – locations within the following areas - Illinois (IL), Indiana (IN), Iowa (IA), Kansas (KS), Michigan (MI), Minnesota (MN), Missouri (MO), Nebraska (NE), North Dakota (ND), Ohio (OH), South Dakota (SD) and Wisconsin (WI)
- West – locations within the following areas – Arizona (AZ), California (CA), Colorado (CO), Idaho (ID), Montana (MT), Nevada (NV), New Mexico (NM), Oregon (OR), Utah (UT), Washington (WA) and Wyoming (WY)

Survey Topics

The study analyzes the restaurants' overall online presence delving into five key online areas including:

- Website Presence and Functionality,
- Mobile Site Presence and Functionality
- Facebook Presence and Functionality,
- Google Place and Bing Local Presence and Depth
- Facebook, Twitter, Yelp and Foursquare Metrics

Key Findings (see actual RIMS Study for empirical results)

- Chains are twice as likely to have a website as independents
- Chains are many times more likely to provide online eCommerce functionality for ordering food, purchasing Gift Cards or eGift Certificates, downloading coupons or promotions, etc. (provisioning data are provided for each specific application)
- Chains are nearly ten times more likely to have a mobile website than independents
- Both chains and independents are remiss about providing consumers any indication of what credit cards they accept, or even if they accept credit cards at all
- Independents are holding their own with consumer Facebook engagement
- Independents are much more engaged with customers on Twitter than are chains

Study Summary

This study shows that restaurants compared to other business still have a long way to go in utilizing Internet marketing to its fullest extent. This adoption varies across different types and categories of restaurants. Comparing chain restaurants to independents, we see and quantify a glaring gap in the adoption of internet marketing. Chains have more resources to apply to building and optimizing a website, mobile site, Facebook page, or Twitter account and can do so for many stores at once. Independents, on the other hand, have to spend as much time in accomplishing the same tasks, but have less time and money available to do so. We believe

this particular challenge is one of the reasons for the stunning adoption gap between chains and independents.

It was surprising to see that although almost all chains have websites, many independent restaurants still have no web presence. Lack of web presence in today's digital world has extended negative consequences, not only from the point of view of not attracting consumers searching online but, in addition, many online sites, including location-based-services, social media and menu aggregators, use an existing website to gather and pass along information they find. Restaurants without a web presence are not able to benefit from this online amplification. The next step in optimizing online presence is the establishment of a mobile website, as Google reported that 64% of consumers searched for restaurants from their mobile phones over Valentine's weekend 2012. Here again, the chains are light years beyond the independents, with about half of chains having adopted some form of optimized mobile website as compared to the almost non-existent mobile presence for independents.

Most eCommerce applications such as online ordering, online gift certificates and online reservations are still not prevalent on websites across the industry and have even more limited presence on Facebook. More prevalent is the use of online coupons or promotions by chains, with independents again falling behind in this practice.

Both chains and independents have a strong Facebook presence, with some independents opting to have a Facebook page before having a webpage. As noted above, unfortunately this is a strategy that does not optimize online search.

Online search can be a cost effective way to create awareness for a restaurant, but most restaurants are not taking advantage of, or even claiming as their own, the Google Places or Bing listings that have already been created by Google and Microsoft for restaurants and bars. This is most likely due to lack of awareness on the part of restaurants of the existence of these sites and of the search benefits that can be gained with relatively little effort. Consumers, however, are way ahead of restaurant owners in utilizing these sites, and often post restaurant reviews.

There was one area in which independent restaurants bypassed the chain's internet marketing use and that was in the use of more localized social media, such as Foursquare, Yelp and Twitter. Perhaps because independents do not have a corporate structure that utilizes one website or Facebook page to represent all the stores in the chain, they are better able to leverage localized online marketing. This area should continue to grow as more experience with these applications is gained over time.

Overall, the study quantifies several interesting stories, some of which do not conform to the most recent beliefs about internet marketing within the restaurant industry.

- What is the current state of online presence for independents and chains?
- Which industry segments have the most websites? How does this differ by US Census Region?
- Which website features are under-utilized?
- What percent of restaurants that have a website or mobile website don't even post a menu?
- Which industry segment is less likely to include a menu on their desktop or mobile site?
- How are restaurants and their guests interacting with Facebook?
- Which industry segment is most behind in mobile trends?
- What features are best represented on mobile sites?
- Which online place, Bing or Google, garners the most customer interaction?
- How are customers engaging on various social media sites?

The full study provides detailed metrics for 50+survey dimensions and there is even a correlation analysis that demonstrates a relationship between certain variables. We examine each of the features on a website or mobile website against the numerical statistics for Facebook, Twitter, Yelp, and Foursquare.

This study is a snapshot of the adoption of internet marketing in the restaurant industry at this point in time. We expect to see a continued growth in adoption as marketing increasingly moves online and as technologies are refined and made more available through easier adoption and reduced financial investment. We have highlighted a gap in adoption between chains and independents that we suspect may widen over time. Now identified, we look forward to tracking in follow-up studies.

Closing Summary

In closing, RIMS provides a comprehensive and insightful look into the US restaurant industry's online habits and message delivery. The study provides in-depth analysis on how restaurants are connecting with consumers online and analyzes the uses of mobile and social media marketing. RIMS segmented results by geography and/or by industry segment (FSR, QSR, Bar), chain versus independent, or urban versus non-urban and enables users to narrow down results.

The interactive interface allows users to focus on any number of the more than 50 data points in the study. The complete data set and interactive application is available for purchase for \$395. The study has an overall margin of sampling error of plus or minus 3 percentage points.