

New deal site offers steep restaurant discounts

January 12 2011, By ANDREW VANACORE , AP Business Writer

(AP) -- Foodies have a new way to snag reservations at posh urban eateries - and enjoy them at a steep discount.

A six-month-old Web service called VillageVines is elbowing its way into the growing crowd of discount sites that offer everything from haircuts to yoga sessions for as much as half off.

VillageVines, modeled on a competing service called OpenTable, offers a 30 percent discount on restaurant tabs - alcohol included - at up-scale destinations around the country. Subscribers to the service pay \$10 to make a reservation, and the discount is discretely applied to the check.

Unlike Groupon, which offers one-time daily deals, and other services like it, VillageVines has built a roster of more than 250 restaurants that will honor the [discount](#) for as many meals as you like.

The catch is that the restaurants get to pick when.

That helps restaurateurs fill tables at odd hours - 5 p.m. on a weeknight, say - when they might otherwise be empty. So only those willing to be flexible with their meal times can get cheap eats.

Or at least cheaper. VillageVines has decided to focus on high-end fair. New York's Le Cirque, where you can spend \$120 on a white truffle appetizer, was among the first to sign up. In any case, with the \$10 charge for making a reservation, the bill has to be at least \$33.33 for a

subscriber to break even.

Jeffrey Buben, who owns Vidalia and Bistro Bis in Washington, D.C., likes the service because it is lower-risk than a Groupon-type offer - which sometimes floods retailers with discount-armed customers - and because it functions as a kind of customer-loyalty program. Buben says his regulars aren't as picky about when they eat, and shifting them to off hours frees up tables for walk-ins during busier times.

The service has attracted investors as well. The magazine publisher Hearst Corp., and venture capital firms GrandBanks Capital and High Peaks Venture Partners, said this week they are buying an unspecified stake for \$3 million.

OpenTable's experience suggests the investment could pay off. OpenTable Inc. went public last year, and its stock jumped almost 60 percent on its first day of trading.

Of course, VillageVines co-founder Ben McKean knows the OpenTable case well. He helped manage its initial public offering when he worked for Merrill Lynch.

But he says there's room for VillageVines too. "There's really only one player in the market right now: OpenTable," he says. "There's a huge amount of room for growth."

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