

# American Express buys restaurant reservation service Resy

May 15 2019, by Ken Sweet

---



In this July 18, 2016, file photo, American Express credit cards are photographed in North Andover, Mass. American Express is buying the online reservation startup Resy, the companies announced Wednesday, May 15, 2019, the latest move by AmEx to establish and maintain a foothold for its card members in some of the world's most desired restaurants. (AP Photo/Elise Amendola, File)

American Express is buying the online reservation startup Resy, the companies announced Wednesday, the latest move by AmEx to establish and maintain a foothold for its card members in some of the world's most desired restaurants.

AmEx and Resy, founded in 2014, declined to disclose the terms of the deal. However, in early 2017 Resy announced it raised \$13 million from a group of investors that included Airbnb, valuing the company at around \$70 million.

New York-based Resy is an online reservation management service. It allows diners to make reservations and also serves as a platform for restaurants to manage their upcoming reservations. While OpenTable has a bigger market share, Resy often works with more exclusive restaurants that are harder to get into or serve higher-spending clientele.

AmEx's purchase comes as the credit card industry has shifted its marketing tactics in the last several years. Credit card companies want to be thought of as avenues to "experiences," as the industry likes to say, such as travel and dining, concerts and Broadway shows. Instead of redeeming credit card points for a blender, AmEx and Chase say they want you to get a ticket to Paris. Hopefully the customer will then use that same credit card to reserve a Parisian hotel and dine. If you do want a blender, they do offer them though .

While AmEx has long had an established presence in the travel industry—partnering with airlines like Delta, and hotel chains like Hilton and Marriott—its presence in dining is more in the background. It offers its Global Dining Collection to card members, where customers can get reservations at hard-to-get restaurants. AmEx says the top request on its concierge customer service line is for restaurant reservations.

AmEx is eager to hold onto its card members in a market where it now

competes directly with Chase's Sapphire Reserve and Citi's Prestige Cards. One way is to bolster its access to the restaurants where its card members want to dine.

This is AmEx's third acquisition of dining industry platforms in less than two years. In 2017 it bought Cake Technologies, a United Kingdom-based restaurant platform. In January, AmEx bought Pocket Concierge, which helps customers get reservations at exclusive restaurants in Japan.

© 2019 The Associated Press. All rights reserved.

Citation: American Express buys restaurant reservation service Resy (2019, May 15) retrieved 26 June 2024 from <https://phys.org/news/2019-05-american-restaurant-reservation-resy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.