

# Predicting restaurant survival: A picture can provide the answer

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A picture is worth a thousand words... and to restaurant owners and investors it could be worth their livelihood. New research in the journal *Management Science* finds that consumer-posted photos can serve

as a strong leading indicator of restaurant survival above and beyond reviews, company, competition and macro factors.

"The informativeness of photos we find to be more valuable than the aesthetics of photos, and photo content (e.g., food, outside, interior) and helpful votes on the photos are both positively related to [restaurant survival](#)," says Mengxia Zhang of Western University.

The study, conducted by Zhang and Lan Luo of the University of Southern California, used analytics tools to examine features from more than 755,000 photos and more than 1.1 million reviews posted on Yelp between 2004 and 2015 for nearly 18,000 U.S. restaurants.

"Our models can significantly increase survival prediction accuracy for better-informed [capital investment](#)/lease decisions on restaurants. Online platforms can also utilize our method for premium business intelligence. Furthermore, our findings regarding consumer-posted [photos](#) can provide foresight to managers and investors in terms of survival likelihood for up to three years," says Luo, an associate professor of marketing at the Marshall School of Business at USC.

**More information:** Mengxia Zhang et al, Can Consumer-Posted Photos Serve as a Leading Indicator of Restaurant Survival? Evidence from Yelp, *Management Science* (2022). [DOI: 10.1287/mnsc.2022.4359](https://doi.org/10.1287/mnsc.2022.4359)

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