Restaurants experimenting with pay-in-advance tickets

August 20 2014, by Steve Johnson, San Jose Mercury News

With restaurant patrons increasingly jumping on the Internet to make reservations, some high-end eateries here and across the country are adding a new tech wrinkle: having their clientele pay for their meal in advance using an online ticketing system similar to what's used for sporting events and concerts.

Among those adopting the pre-paid concept is Coi, in San Francisco's North Beach district, which offers fare ranging from spiced eggplant soup with pole beans, charred okra, fermented chile and flowering cilantro to wild king salmon with crayfish bordelaise, lovage and fennel pollen.

For reservations as of Sept. 1, Coi's customers will buy a dinner ticket that costs $145 to $195 - depending on the time and day - plus tax and an 18 percent service charge. The ticket can't be exchanged for a different night and there are no refunds if the person fails to show up. But chef-owner David Patterson said his customers seem happy with the idea, which he believes will be a big boost to his business.

"We've gotten much busier and the problem with no-shows and last-minute cancellations has gotten a bit worse," he said. "It's expensive for the restaurant and also for the guests," because the added costs are passed onto his customers. Instead of dealing with reservation headaches, he added, "hopefully this will allow us to improve the quality of the restaurant because we'll be able to focus all of our attention on the people who actually come in."

Ticketing in advance is a new twist on the growing popularity of online restaurant reservations.

Since its inception in 1998, San Francisco-based OpenTable says it has seated more than 575 million dinners at more than 31,000 restaurants in all 50 states. Other websites also have popped up that arrange reservations for a fee at restaurants with last-minute cancellations or other openings. Among them is Table8, which charges $25 to find a table for four at 17 San Francisco eateries. It plans to soon connect customers with up to 30 Bay Area restaurants and operate in at least a dozen cities, said CEO Peter Goettner.

But ticketing takes the industry a significant step further.

The only other Bay Area restaurant known to be embracing the idea is Lazy Bear, located in San Francisco's Mission district. It charges $110 per person, plus tax and tip for such menu items as squab with Carolina gold rice grits, burnt cabbages, persimmon butter and chanterelles.

Owner-chef David Barzelay, who is moving the restaurant from what he called "a weird warehouse" to nicer quarters nearby, said he had been using a complicated lottery to decide who on his growing list of customers could get a table. But with that system, "it's pretty inconvenient for guests and there is a lot of uncertainty about whether they can get in." Having them pay in advance for a meal ticket on his website is much simpler for them and his staff, he said.

Coi and Lazy Bear are using a ticketing system created by Nick Kokonas at his Chicago restaurants, Next and Alinea.

Kokonas said he came up with the idea in 2011 after losing more than $260,000 on Alinea no-shows alone when he was taking reservations the old way. Now he said the concept - which he said makes most sense for

places with limited seating and food that's high in demand - is slowly catching on at restaurants across the country, which pay him $695 to lease his ticketing program plus a monthly fee of about $40.

Among those experimenting with the system are Trois Mec in Los Angeles and Elizabeth Restaurant in Chicago. In addition, "we are currently selecting 15 to 20 restaurants nationwide and a few overseas" to test it out, Kokonas said.

How widespread advance-pay ticketing will become remains to be seen.

"There are a lot of cities that have high-end restaurants where it would work well," said Mary Chapman of Technomic, which tracks the industry, noting that sales of fine-dining establishments grew 7.2 percent in 2013 compared to 2012. But while it's likely ticketing "will expand over time," she said, "my sense is that it's going to be limited."

Restaurant consultant Aaron Allen agreed, adding that, "with restaurants it takes a long time to educate them on these new technologies."

But Kokonas considers his ticketing idea part of an inevitable trend.

"I think that fear of technology - or change more generally - is common when any new method comes along," he said. "Not so long ago I had to call a travel agent to book airline travel. Doing so online felt less personal. Now I can't really imagine calling every time I want to book a hotel, airlines, sports ticket, theater ticket, etc."

HOW RESTAURANT TICKETING WORKS

Unlike traditional reservations, the ticketing concept requires customers to pay for their meal in advance. And if they fail to show up, they don't get a refund. Customers go the restaurant's websites to pick a day and

time for their meal, and pay for it then with a credit card. Some restaurants that have adopted the idea offer discounted prices for meals at non-peak times. At Coi in San Francisco, which is launching ticketing in September, prices vary from $145 to $195, depending on the time and day.

So far, Coi and Lazy Bear are the only San Francisco restaurants that have said they will be using ticketing. Chicago restaurateur Nick Kokonas hopes to have up to 20 other restaurants testing the system soon, but it's unclear if any will be in the Bay Area.

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