

South African Restaurant Industry Report: Overcoming the challenges of 2023

2022 saw South African restaurants receiving 3,5 million reservations, with 17,8 million diners seated at eateries across the country, according to data derived from bookings made using leading restaurant reservation platform, Dineplan.



Photo by [Fxabay](#)

This is despite economic headwinds putting pressure on household disposable income, with [67% of consumers](#) reducing discretionary spending. Now, with a looming global economic crisis and rising food and fuel costs, how will restaurants cope as consumer spending decreases?

Dineplan founder and director, Greg Whitfield, shares that restaurant reservation data and diner behaviour from previous years could inform the actions required for restaurants to overcome the challenges of 2023.

Here, he shares advice based on an analysis of the state of the South African hospitality industry:

1. Make online channels a priority

There has been a significant shift in the way diners make their restaurant reservations. Over the past four years, telephone bookings have declined by 21%, while online bookings have steadily increased, almost doubling in 2022.

This shift is likely driven by guests who value the convenience of online and app-based reservations making the process faster and more accessible for local diners and tourists alike.



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2. Reduce the no-show rate

In the restaurant industry, no-shows are a common issue, with an average of 20% of diners reserving a table but failing to show up without cancelling in advance. This can be costly for restaurant owners, leading them to take measures to reduce their no-show rate as much as possible.

Reservation platforms that make use of email and SMS booking confirmation and reminder systems can help lower no-show rates. Dineplan, for instance, recorded a no-show rate of 1.6% in 2022.

3. Request booking deposits

Another method used to reduce the impact of no-shows is the implementation of a booking deposit, which is becoming more common in South Africa, with a 120% increase in the past year. Interestingly, the average value of these deposits has decreased significantly.

A growing number of casual eateries are now also asking for small deposits to secure a table – a practice that used to be exclusive to fine dining establishments but is now becoming more common across restaurant types. This deposit is then deducted from the final bill when the guests dine at the restaurant.

4. Encourage positive guest feedback to prompt more bookings

Currently, only one in 17 guests choose to leave a review after their meal, but the feedback received is typically positive, with an average rating of 4.4 out of 5 stars. More positive reviews can only help to attract more diners to an establishment.



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5. Automate, but retain the human element

While local restaurants should leverage technology and marketing to stay ahead of their competitors and weather the storm, the focus should remain on the guest experience and making customers happy. By automating time-consuming tasks that are prone to human error, like phone bookings, confirmations and reminders, deposits, and more, restaurateurs are free to build personal relationships with their guests.

Diners also appreciate the convenience of self-service options when checking restaurant availability, making reservations, and submitting reviews online. However, they value the personal touch when it comes to their specific requests, such as dietary needs or seating preferences. Restaurants that remember their guests as regulars and provide personalised responses to their feedback are likely to see an increase in customer satisfaction and loyalty.

Whitfield concludes by saying, “The restaurant industry has consistently shown its resilience and ability to overcome a myriad of challenges, from economic recessions and daily power outages to a global pandemic. Armed with insights, I am confident that the industry will not only weather any future obstacles but succeed and emerge even stronger.”

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