

# The Center for Hospitality Research

Hospitality Leadership Through Learning

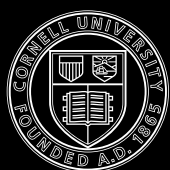
## Restaurant Daily Deals: The Operator Experience

Cornell Hospitality Report  
Vol. 12 No.16, December 2012


by Joyce Wu, Sheryl E. Kimes, Ph.D., Utpal Dholakia, Ph.D.

20<sup>th</sup>  
1992 - 2012  
**ANNIVERSARY**

All CHR reports are available for free download,  
but may not be reposted, reproduced, or distributed without the express permission of the publisher.



Cornell University  
School of Hotel Administration



Cornell Hospitality Report  
Vol. 12, No. 16 (December 2012)

© 2012 Cornell University. This report may not be reproduced or distributed without the express permission of the publisher.

Cornell Hospitality Report is produced for the benefit of the hospitality industry by The Center for Hospitality Research at Cornell University.

Robert J. Kwortnik, *Academic Director*  
Jennifer Macera, *Associate Director*  
Glenn Withiam, *Director of Publications*

Center for Hospitality Research  
Cornell University  
School of Hotel Administration  
489 Statler Hall  
Ithaca, NY 14853

Phone: 607-255-9780  
Fax: 607-254-2922  
[www.chr.cornell.edu](http://www.chr.cornell.edu)

## Advisory Board

Niklas Andréen, *Group Vice President Global Hospitality & Partner Marketing, Travelport GDS*

Scott Berman, *Principal, Real Estate Business Advisory Services, Industry Leader, Hospitality & Leisure, PricewaterhouseCoopers*

Raymond Bickson, *Managing Director and Chief Executive Officer, Taj Group of Hotels, Resorts, and Palaces*

Stephen C. Brandman, *Co-Owner, Commune Hotels & Resorts*

Raj Chandnani, *Vice President, Director of Strategy, WATG*

Eric Danziger, *President & CEO, Wyndham Hotel Group*

Benjamin J. "Patrick" Denihan, *Chief Executive Officer, Denihan Hospitality Group*

Chuck Floyd, *Chief Operating Officer—North America, Hyatt*

RJ Friedlander, *CEO, ReviewPro*

Gregg Gilman, *Partner, Co-Chair, Employment Practices, Davis & Gilbert LLP*

Susan Helstab, *EVP Corporate Marketing, Four Seasons Hotels and Resorts*

Paul Hineman, *Executive Director, National Restaurant Association*

Steve Hood, *Senior Vice President of Research, STR*

Jeffrey A. Horwitz, *Chair, Lodging & Gaming Group and Head, Private Equity Real Estate, Proskauer*

Kevin J. Jacobs, *Executive Vice President & Chief of Staff, Head of Real Estate, Hilton Worldwide*

Kenneth Kahn, *President/Owner, LRP Publications*

Keith Kefgen, *Chief Executive Officer, HVS Executive Search*

Kirk Kinsell, *President, The Americas, InterContinental Hotels Group*

Mark Koehler, *Senior Vice President, Hotels, priceline.com*

Radhika Kulkarni, *VP of Advanced Analytics R&D, SAS Institute*

Gerald Lawless, *Executive Chairman, Jumeirah Group*

Steve Levigne, *Vice President, U.S. Strategy & Insights, McDonald's Corporation*

Mark V. Lomanno, *Executive Board Member, newBrandAnalytics*

David Meltzer, *Chief Commercial Officer, Sabre Hospitality Solutions*

William F. Minnock III, *Senior Vice President, Global Operations Deployment and Program Management, Marriott International, Inc.*

Mike Montanari, *VP, Strategic Accounts, Sales - Sales Management, Schneider Electric North America*

Shane O'Flaherty, *President, Global Inspections and Ratings, Forbes Travel Guide*

Brian Payea, *Head of Industry Relations, TripAdvisor*

Chris Proulx, *CEO, eCornell & Executive Education*

Cyril Ranque, *SVP, Global Market Management, Expedia, Inc.*

Umar Riaz, *Senior Executive, Accenture*

Carolyn D. Richmond, *Partner, Hospitality Practice, Fox Rothschild LLP*

Susan Robertson, *CAE, EVP of ASAE (501(c)6) & President of the ASAE Foundation (501(c)3), ASAE Foundation*

Michele Sarkisian, *Senior Vice President, Maritz*

Janice L. Schnabel, *Managing Director and Gaming Practice Leader, Marsh's Hospitality and Gaming Practice*

Trip Schneck, *Managing Partner, District Hospitality Partners*

K. Vijayaraghavan, *Chief Executive, Sathguru Management Consultants (P) Ltd.*

Adam Weissenberg, *Vice Chairman, US Travel, Hospitality, and Leisure Leader, Deloitte & Touche USA LLP*

# The Center for Hospitality Research

Hospitality Leadership Through Learning

## Thank you to our generous Corporate Members

### Senior Partners

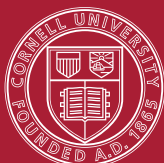
Accenture  
ASAE Foundation  
Carlson Rezidor Hotel Group  
Hilton Worldwide  
National Restaurant Association  
SAS  
STR  
Taj Hotels Resorts and Palaces

### Partners

Davis & Gilbert LLP  
Deloitte & Touche USA LLP  
Denihan Hospitality Group  
eCornell & Executive Education  
Expedia, Inc.  
Forbes Travel Guide  
Four Seasons Hotels and Resorts  
Fox Rothschild LLP  
HVS  
Hyatt  
InterContinental Hotels Group  
Jumeirah Group  
LRP Publications  
Maritz  
Marriott International, Inc.  
Marsh's Hospitality Practice  
McDonald's USA  
newBrandAnalytics  
priceline.com  
PricewaterhouseCoopers  
Proskauer  
ReviewPro  
Sabre Hospitality Solutions  
Sathguru Management Consultants (P) Ltd.  
Schneider Electric  
Thayer Lodging Group  
Thompson Hotels  
Travelport  
TripAdvisor  
WATG  
Wyndham Hotel Group

### Friends

4Hoteliers.com • Berkshire Healthcare • Center for Advanced Retail Technology • Cleverdis • Complete Seating • Cruise Industry News • DK Shifflet & Associates • ehotelier.com • EyeforTravel • The Federation of Hotel & Restaurant Associations of India (FHRAI) • Gerencia de Hoteles & Restaurantes • Global Hospitality Resources • Hospitality Financial and Technological Professionals • hospitalityinside.com • hospitalitynet.org • Hospitality Technology Magazine • HotelExecutive.com • International CHRIE • International Hotel Conference • International Society of Hospitality Consultants • iPerceptions • JDA Software Group, Inc. • J.D. Power and Associates • The Leading Hotels of the World, Ltd. • Lodging Hospitality • Lodging Magazine • LRA Worldwide, Inc. • Milestone Internet Marketing • MindFolio • Mindshare Technologies • PhoCusWright Inc. • PKF Hospitality Research • Questex Hospitality Group • Resort and Recreation Magazine • The Resort Trades • RestaurantEdge.com • Shibata Publishing Co. • UniFocus • Vantage Strategy • WIIWH.COM



Cornell University  
School of Hotel Administration

# Restaurant Daily Deals:

The Operator Experience

by Joyce Wu, Sheryl E. Kimes, and Utpal Dholakia

---

## EXECUTIVE SUMMARY

A survey of 273 restaurateurs who have offered daily deals presents a mixed picture regarding the deals' success and the operators' attitudes on past and future deals. About half of the restaurateurs, a substantial majority of which were independents, had offered at least one deal, most of them through Groupon or LivingSocial. These operators reported that about 40 percent of the deal purchasers were new customers, meaning that there was substantial cannibalization of existing customers. However, 35 percent of the first-time deal customers returned to the restaurant without a further incentive. Although many restaurant operators said revenues increased, the number that said they made money on the deal was about the same as those who reported losing money. Additionally, a comparison of deal buyers' attitudes with the restaurateurs' view of the deal buyers found that the operators misjudged their guests in some regards but were correct on others. The operators underestimated deal buyers' likelihood of returning to the restaurant without a subsequent deal, and missed a key characteristic of the deal buyers, which is that they want to be opinion leaders, or "market mavens." This aspect of deal buyers can be important for future sales. Given the consumers' attitudes, the best strategy to bring back deal buyers is to offer them a first-class experience so that they can see a restaurant's full value proposition.



---

### ABOUT THE AUTHORS

A native of the Lone Star State, **Joyce Wu** is an analyst at Nomura Group. She came from Texas to start her undergraduate career in the School of Hotel Administration at Cornell University. While at the school, Joyce served as the president of the Student Committee for Continuous Improvement and stayed involved in a women's finance organization, a business fraternity, and a consulting club. She was also a teaching assistant for some core courses. Joyce cultivated an interest in finance while taking courses in this area after interning at a global bank during her junior summer. Joyce has started her first year after graduation at Nomura in its investment banking division in New York City.



**Sheryl E. Kimes**, Ph.D., is Singapore Tourism Board Distinguished Professor of Asian Hospitality Management at the Cornell University School of Hotel Administration, where she has also served as interim dean (sek6@cornell.edu). In teaching restaurant revenue management, yield management, and food and beverage management, she has been named the school's graduate teacher of the year three times. Her research interests include revenue management and forecasting in the restaurant, hotel, and golf industries. She has published over fifty articles in leading journals such as *Interfaces*, *Journal of Operations Management*, *Journal of Service Research*, *Decision Sciences*, and *Cornell Hospitality Quarterly*. She has served as a consultant to many hospitality enterprises around the world, including Chevy's FreshMex Restaurants, Walt Disney World Resorts, Ruby's Diners, Starwood Asia-Pacific, and Troon Golf.

**Utpal Dholakia**, Ph.D., is William S. Mackey, Jr. and Verne F. Simons Distinguished Associate Professor of Management at the Jesse H. Jones Graduate School of Business at Rice University. He has a master's degree in psychology, and a Ph.D. in marketing from the University of Michigan, a master's degree in operations research from the Ohio State University, and a bachelor's degree in industrial engineering from the University of Bombay. His research interests lie in studying motivational psychology of consumers and online marketing issues such as virtual communities and online auctions. He also studies relational aspects of consumer behavior. He has published in a number of marketing and management journals, and consults with firms in financial services, energy, health-care, and other industries.



The authors would like to acknowledge the kind assistance of *Nation's Restaurant News* and *Restaurant Hospitality*. Without their help, this research would not have been possible.

# Restaurant Daily Deals:

## The Operator Experience

by Joyce Wu, Sheryl E. Kimes, and Utpal Dholakia

**D**aily deals, such as those offered by Groupon and Living Social, have proven to be controversial. Some restaurant operators praise their merits, while others decry their perceived negative impact on revenue and are concerned about the type of customers the deals attract. Although individual deal making companies may come and go, the concept of group deals seems likely to continue. The purpose of this study was to explore restaurants' experience with daily deals and to ascertain restaurant operators' opinions of customers who purchase daily deals. In addition, we wanted to compare operator opinions about customers' attitudes with those of the daily deal customers themselves, based on a recent study on customer use of restaurant daily deals.<sup>1</sup>

---

<sup>1</sup> Sheryl Kimes and Utpal Dholakia, "Restaurant Daily Deals: Customers' Responses to Social Couponing," *Cornell Hospitality Report*, Vol. 11, No. 20 (2011), Cornell Center for Hospitality Research.

We conducted the comparison of the two surveys because we believe restaurateurs will benefit from understanding more about the customers who buy these deals, as well as to examine attitudes regarding restaurant promotions. In particular we wanted to determine whether restaurant operators truly understand the types of customers who purchase daily deals, so that the restaurateurs can design and manage their promotions as effectively as possible. By having a better understanding of daily deal customers, operators can make better and more informed decisions on how to design their promotions.

### Advantages and Disadvantages of Daily Deals

To say that daily deals are controversial is an understatement. On the one hand, daily deals have been said to create new customers, increase revenue and profit, and provide greater exposure for restaurants. On the other hand, restaurant operators have expressed concern about the cost of daily deal promotions, cannibalization of existing, full-paying customers, the potential displacement of full-paying customers during busy periods, and the consequences of daily deals customers' poor tipping behavior on employee morale.<sup>2</sup>

### The Deal on Daily Deals

Promotions and coupons have been widely studied by academics, but since daily deal sites are still fairly new, the research on deals is limited. In addition to the study we already mentioned, the studies that we identified are listed below.<sup>3</sup>

In the earlier study, Kimes and Dholakia analyzed daily deal customers' reaction to restaurant deals.<sup>4</sup> Approximately

<sup>2</sup> *Ibid.*

<sup>3</sup> Utpal Dholakia, "What Makes Groupon Promotions Profitable for Businesses?" Rice University Working Paper (2011): [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1790414](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1790414), viewed July 7, 2011; Utpal Dholakia and Gur Tsabar, "A Start-Up's Experience with Running a Groupon Promotion," Rice University Working Paper (2011): [http://papers.ssrn.com/col3/papers.cfm?abstract\\_id=1828003](http://papers.ssrn.com/col3/papers.cfm?abstract_id=1828003), viewed July 8, 2011; Kimes and Dholakia (2011), *op.cit.*; Utpal Dholakia, "How Businesses Fare with Daily Deals: A Multi-Site Analysis of Groupon, LivingSocial, OpenTable, Travelzoo, and BuyWithMe Promotions," Rice University Working Paper (2010): <http://ssrn.com/abstract=1863466>, viewed November 23, 2010; and Gabriele Piccoli and Chekitan S. Dev, "A Global Study of Internet-Enabled Flash Sales and Private Sales," *Cornell Hospitality Report*, Vol. 12, No. 5 (2012), Cornell Center for Hospitality Research Report.

<sup>4</sup> Kimes and Dholakia, *op.cit.*

one-third (31%) of the respondents had purchased a daily deal from a restaurant. We found that daily deal purchasers tended to be younger, be married, have a higher income, and live in an urban or suburban area. About half (47%) of the daily deals purchased were for casual restaurants with another third (32%) for quick-service or fast-casual restaurants. Only 22 percent of respondents said that they were new customers at the restaurant in question. About 44 percent of respondents were already frequent customers and the remaining 34 percent had been to the restaurant before but did not consider themselves to be regulars. Customers were pleased with their daily deal experiences, stated that they would return to the restaurant even at full price, and were likely to recommend the restaurant to their friends and family.

Kumar and Rajan developed a model to assess the profitability of a daily deal, which they applied to three different small businesses.<sup>5</sup> They found that all three businesses lost money from offering their deal, primarily due to cannibalization. However, this calculation did not include overage, that is, additional customer spending on top of the deal amount.

In a comparison of customers who used daily deals and those who favored traditional coupons, Kumar and Rajan stated that the type of customers attracted by daily deals had low value and were bargain-seekers, although they presented no empirical data to support those assertions. They concluded that the profit potential for traditional coupons was high because of cross-selling, but they saw the profit potential of social coupons as low.

Discussing this study in an article in *Sloan Management Review*, Kumar and Rajan made three suggestions for avoiding the pitfalls they observed in social couponing.<sup>6</sup> The first was to view customer visits as an opportunity to upsell and cross-sell additional services. Second, they suggested that companies be strategic about offering discounts,

<sup>5</sup> V. Kumar and Bharath Rajan, "Social Coupons as a Marketing Strategy: A Multifaceted Perspective," *Journal of the Academy of Marketing Science*, Vol. 40 2012, pp. 120–136.

<sup>6</sup> V. Kumar and Bharath Rajan, "The Perils of Social Coupon Campaigns," *Sloan Management Review*, Summer 2012, pp. 13–15.

and, finally, they suggested tactics for reducing the possibility of cannibalization of existing customers.

Jing and Xie studied how companies can use group-buying sites as a mechanism to have their customers market the company to other customers.<sup>7</sup> Essentially, they found that in situations where there was a moderate difference in product knowledge between “expert” customers and “novice” customers, companies can use the associated discount to “hire” informed customers to work as “sales agents” to encourage novice customers to join the group. They also found that group-buying promotions did not work as well in situations where there was a large gap in knowledge between expert and novice customers (for example, with high tech or new products) or a small gap in knowledge levels (for example, a well-established company).

### Research on Traditional Coupons and Promotions

Let’s look at some of the aspects of regular couponing that also affect daily deals. Among these are consumers’ response to coupons, impulsive purchase behavior, relational orientation, and “market maven” behavior.

**Coupon-responsive behavior.** Consumers who purchase daily deal offers may simply be the type of customers who seek to use coupons for their purchases. Research has shown that consumers who are value conscious are more likely to use coupons whenever possible.<sup>8</sup> Value conscious customers want to pay lower prices for a product or service given a certain level of quality. Such consumers, referred to as “coupon prone,” have a higher chance of redeeming a coupon because it makes them feel better about their purchase. They often use coupons as a sign of a good deal and may not even consider the actual extent of cost savings. We predict that operators will think that daily deal users are more coupon-responsive and value conscious than daily deal users view themselves.

**Impulsive purchasing behavior.** Daily deal users may also be more impulsive in their buying behavior than non-users. Impulsive buying is defined as a customer’s tendency to purchase things in a spontaneous manner without necessarily having a specific purpose for the item. At the same time, daily deal users may also be more conscious of their spending than non-users. To capture this spending consciousness, Rick *et al.* introduced a scale known as the

Tightwad–Spendthrift scale.<sup>9</sup> This ranks customers on an 11-point scale in which 1 = tightwad and 11 = spendthrift. We predict that operators will rate daily deal users as less impulsive shoppers and higher on the tightwad scale than daily deal customers consider themselves to be.

**Market maven.** Feick and Price examined market mavens, customers who consider themselves to be a good source of information about new products and services.<sup>10</sup> We predict that daily deal customers will be more likely to view themselves as market mavens than operators would.

**Relational orientation.** Daily deal users have been accused of being fickle and only loyal to the next deal. Offsetting that fickle tendency is customer loyalty. Customers with a higher relational orientation like to be loyal to companies that treat them well.<sup>11</sup> We predict that operators will believe that daily deal customers have a lower relational orientation than customers ascribe to themselves.

**Need for uniqueness.** A customer’s need for uniqueness reflects how strong a need a person has to be different from others. This is typically measured by the following three constructs: the need for similarity, counter-choice conformity, and unpopular-choice conformity. Similarity measures the strength of a person’s need to be like others, while counter-choice conformity and unpopular-choice conformity give an indication of how different a customer wants to be from others.

While research has indicated that the need for uniqueness is negatively associated with customer likelihood to purchase a daily deal,<sup>12</sup> we predict that operators will believe that daily deal customers want to be different from others.

### The Study

In this study, we wanted to compare the actual experiences of operators who had offered daily deals with their commonly claimed advantages and disadvantages. In addition, we wanted to compare operator perceptions of daily deal customers with how daily customers characterize themselves. Our belief that managers need to understand who their customers are and what they want is based on the idea that this knowledge will allow them to develop successful promotions. Without this knowledge, on the other hand, we anticipate that managers may design and manage their promotions in-

<sup>7</sup> Xiaoqing Jing and Jinhong Xie “Group Buying: A New Mechanism for Selling through Social Interaction,” *Management Science*, Vol. 57, No. 8 (2011), pp. 1354ff.

<sup>8</sup> Donald R. Lichtenstein, Richard G. Netemeyer, and Scot Burton, “Distinguishing Coupon Proneness from Value Consciousness: An Acquisition-Transaction Utility Theory Perspective,” *Journal of Marketing*, Vol. 54, No. 3 (1990), pp. 54-67; Valarie A. Zeithaml, “Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence,” *Journal of Marketing*, Vol. 52 (July 1988), pp. 2-22.

<sup>9</sup> Scott I. Rick, Cynthia E. Cryder and George Loewenstein, “Tightwads and Spendthrifts,” *Journal of Consumer Research*, Vol. 34, No. 6 (2008), pp. 767-782.

<sup>10</sup> Lawrence F. Feick and Linda L. Price, “The Market Maven: A Diffuser of Marketplace Information,” *Journal of Marketing*, Vol. 51, No. 1 (1987), pp. 83-97.

<sup>11</sup> Utpal Dholakia, “How Customer Self-Determination Influences Relational Marketing Outcomes: Evidence from Longitudinal Field Studies,” *Journal of Marketing Research*, Vol. 43, No. 1(2006), pp. 109-120.

<sup>12</sup> Dholakia and Kimes, *op.cit.*



correctly or make poor decisions about whether to offer a promotion.

To develop our data, we worked with *Nation's Restaurant News* and *Restaurant Hospitality* to distribute an online survey to a sample of their subscribers who were known to own, operate, or manage restaurants. Launched in October 2011, the survey drew a total of 273 completed responses. We then compared the results of this survey with that from our earlier study on customers' usage and perception of daily deals. This is not a matched survey, because we have two separate samples drawn at two different times. Moreover, the customers surveyed were not necessarily patrons of the restaurant operators who responded to the operator survey. Nevertheless, comparisons between the two surveys can prove enlightening.

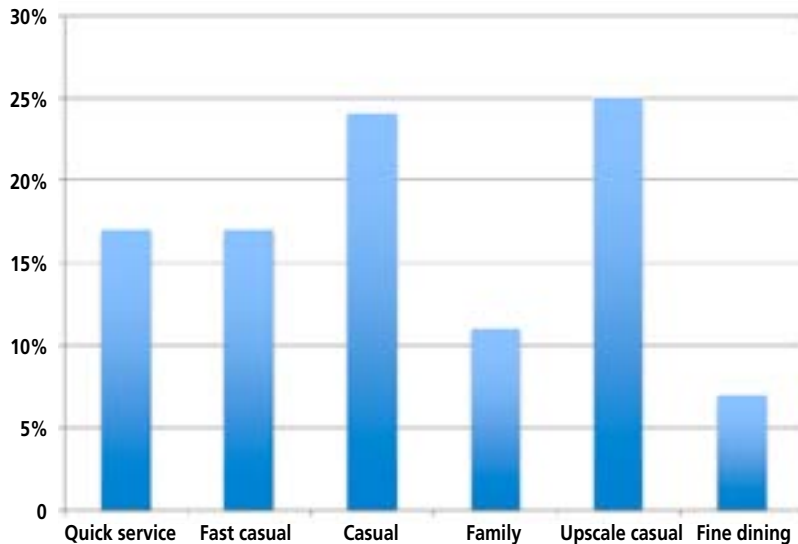
We first provide a demographic profile of the responding restaurant operators and then review the experience they reported with daily deals in the six months prior to our survey. Finally, we gauge the extent to which the operators' view of daily deal customers coincides with how daily deal customers characterize themselves.

### Restaurant Profile

A majority of respondents (59.2%) were connected with independent restaurants located in urban or suburban locations (85.7%), and were associated with restaurants that had a sales volume of less than \$3 million per year (Exhibit 1). Independent restaurant respondents were primarily owners (57.1%) or general managers (26.1%), while the majority of respondents from chain restaurants worked at the corporate (52.3%) or regional level (26.1%). Just over two-thirds of respondents (68.0%) operated quick-service, fast-casual, casual, or family restaurants. Only 7.0 percent were connected with fine-dining restaurants. The most popular cuisine offered was American, and the average check per person was under \$20 (Exhibit 2). About half of respondents had offered a daily deal at some point (49.4%), and 40.1 percent had offered a daily deal within the six months prior to the study.

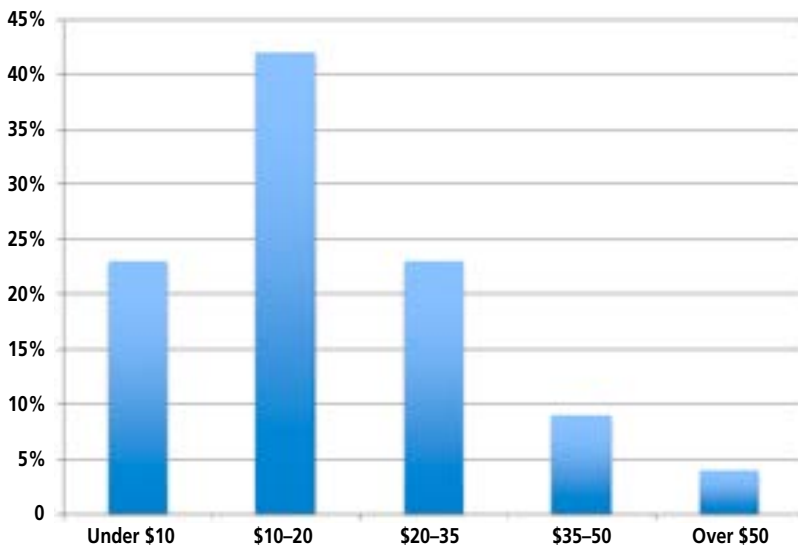
#### EXHIBIT 1

##### Respondents' industry segment



#### EXHIBIT 2

##### Distribution of restaurant respondents' average check



### Daily Deal Offers and Experiences

After profiling the restaurateurs, we will provide an overview of how operators structured their daily deals, discuss the operator experience with daily deals, and then review the perceived impact on performance.

**Characteristics of "daily deal operators."** A majority of respondents (58%) had offered one or two daily deals during

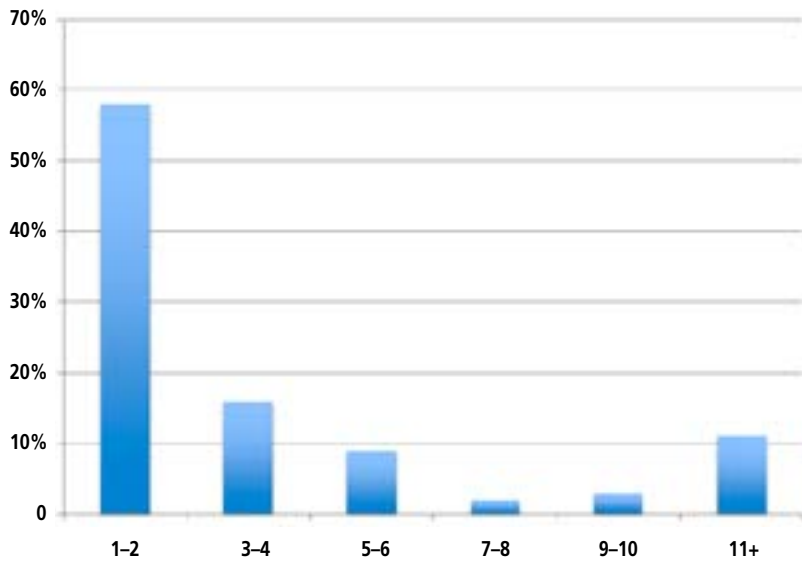
the previous year (Exhibit 3). Respondents who had offered a daily deal were significantly more likely to be in an urban or suburban area and to work with an independent restaurant.<sup>13</sup> Over half of respondents from independent restaurants (51.6%) had offered a daily deal, while only a third of respondents with chain restaurants (33.3%) had done so.

**Deal structure.** Three quarters of the deals were offered through Groupon (55%) and Living Social (22%) and were structured as a dollar promotion (74%) (Exhibit 4). The value of most deals was under \$50 (70%), and on average customers paid about half (49%) of the deal value. Operators shared an average of 40 percent of revenue obtained from

<sup>13</sup> A one-way ANOVA was used;  $p < 0.05$

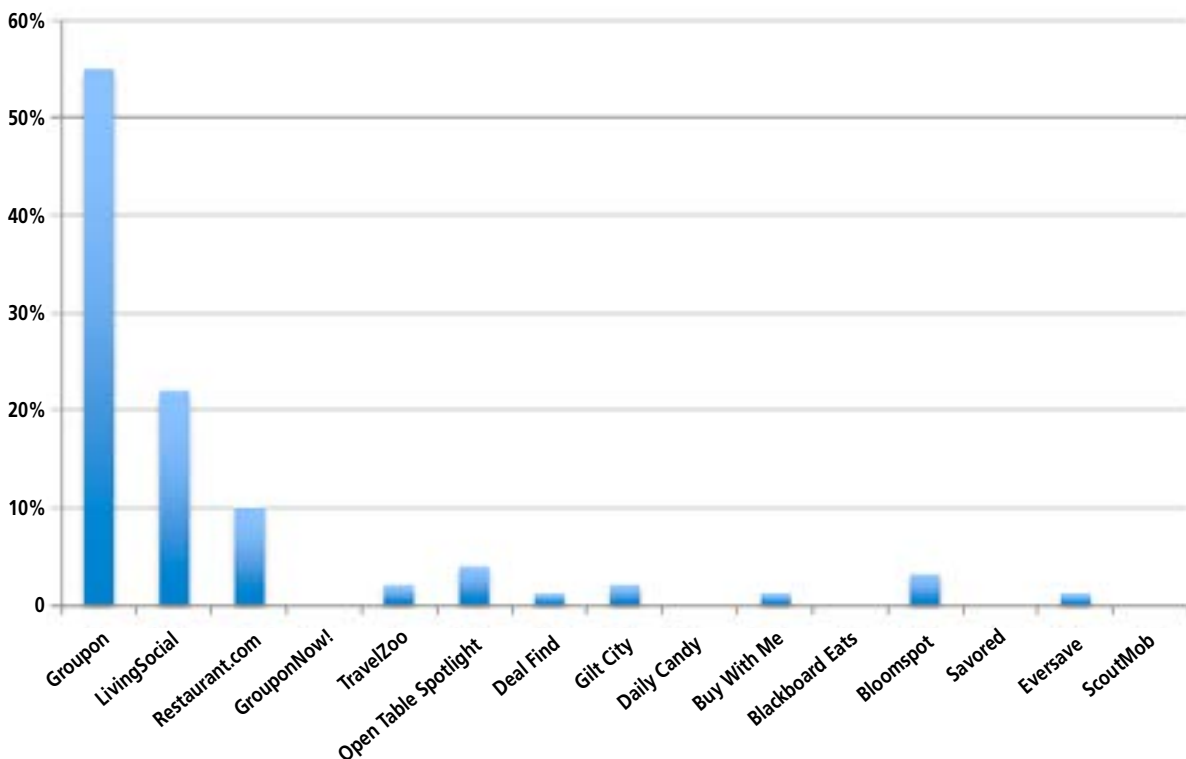
### EXHIBIT 3

Number of daily deals offered



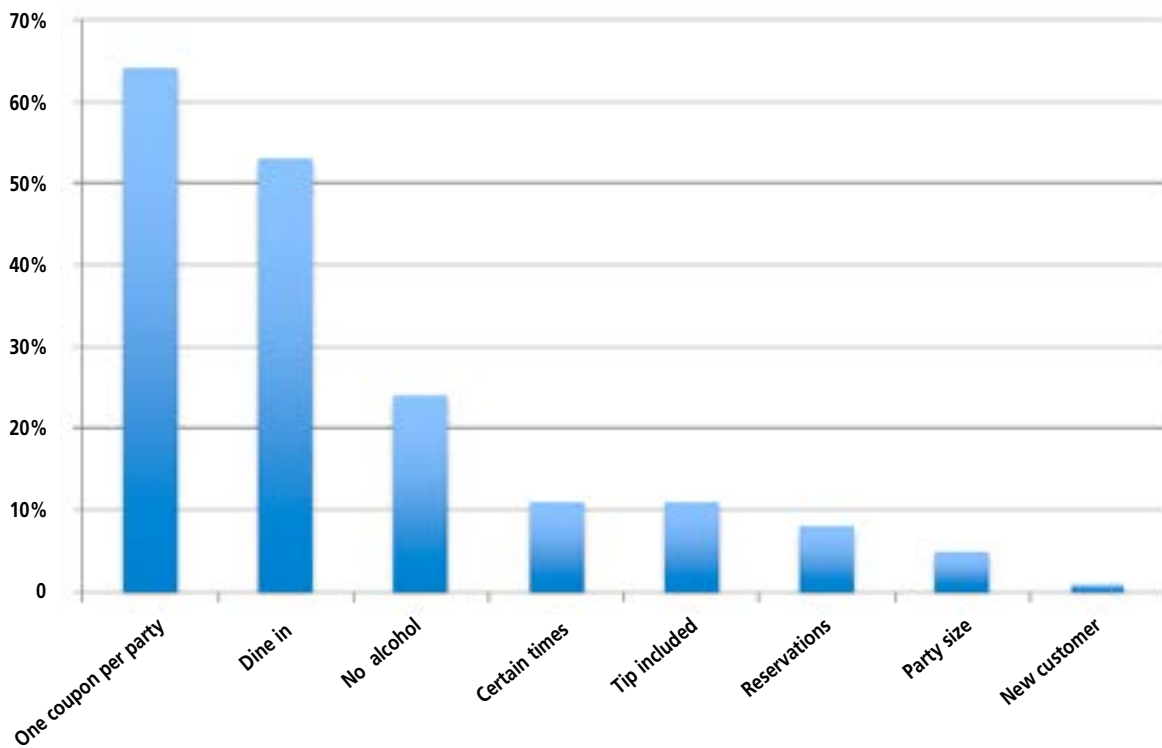
### EXHIBIT 4

Daily deal sites used



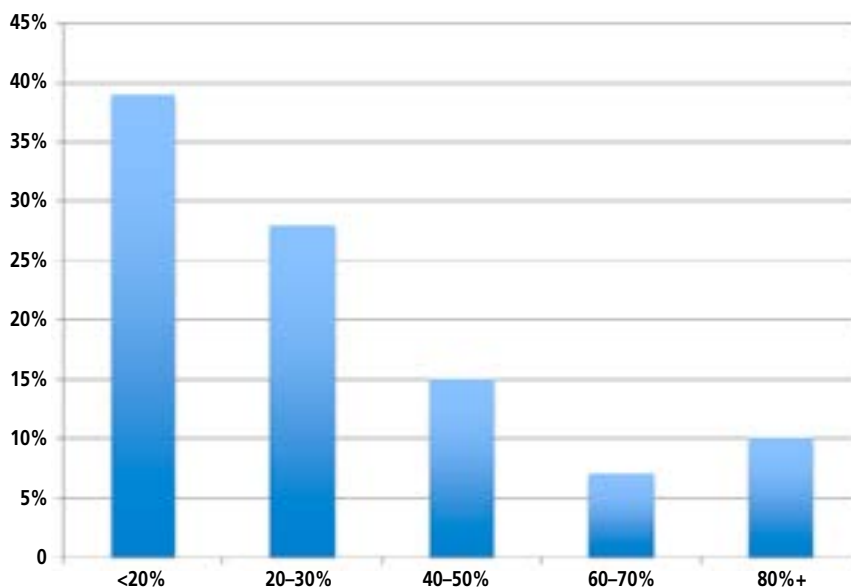
## EXHIBIT 5

### Daily deal restrictions



## EXHIBIT 6

### Average overage percentages



coupon sales with the daily deal promoter. As shown in Exhibit 5, the most popular restrictions were one coupon per party (64%) and dine-in only (53%). Typically, customers had less than six months to redeem their purchased coupon. Thirty-nine percent of the deals expired in three months or less, and 41 percent expired somewhere between three and six months.

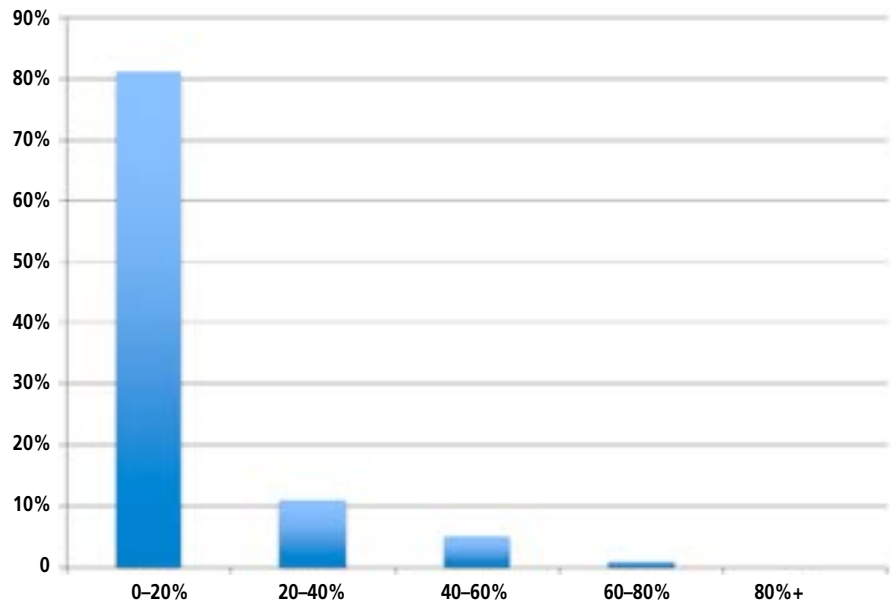
**Daily deal experience.** Respondents reported that about 40 percent of the daily deal users were new customers, and that 35 percent of them returned to the restaurant without a promotion. As shown in Exhibit 6, the average reported overage (the percentage spent over the daily deal value) was just under 40 percent. Most respondents experienced revenue increases of up to

20 percent. About 38 percent of respondents reported that they made money on the promotion and a similar percentage (39%) stated that they lost money. The remaining 23 percent stated that they broke even on the promotion (Exhibit 7).

Concerns have been raised about the tipping behavior of daily deal users. Of the 78 percent of respondents who indicated that tipping was customary at their restaurant, 51.3 percent reported that daily deal users tipped on the net amount of the check and 42.3 percent stated that daily deal users tipped on the full, non-discounted check amount.

**EXHIBIT 7**

**Daily deal revenue impact**



**EXHIBIT 8**

**The daily deal customer experience, comparison of restaurateurs' and customers' views**

<i>Statement</i>	<i>Operator</i>	<i>Customer</i>	<i>F</i>	<i>p-value</i>
Ordered same amount	2.98	2.80	1.249	0.265
Spent same amount	2.67	2.59	0.231	0.632
Treated like second class citizen	1.83	1.52	7.509	0.007*
Thought less of restaurant	2.52	1.29	111.221	0.000*
Would have gone without the deal	3.46	3.59	0.880	0.349
Will not return without the deal	3.20	2.60	13.824	0.000*
Satisfied with experience	4.05	4.10	0.568	0.326
Good value without deal	3.41	3.23	1.769	0.185
Would recommend restaurant to others	3.71	3.86	1.647	0.201
Will return without deal	3.21	3.48	4.580	0.033*

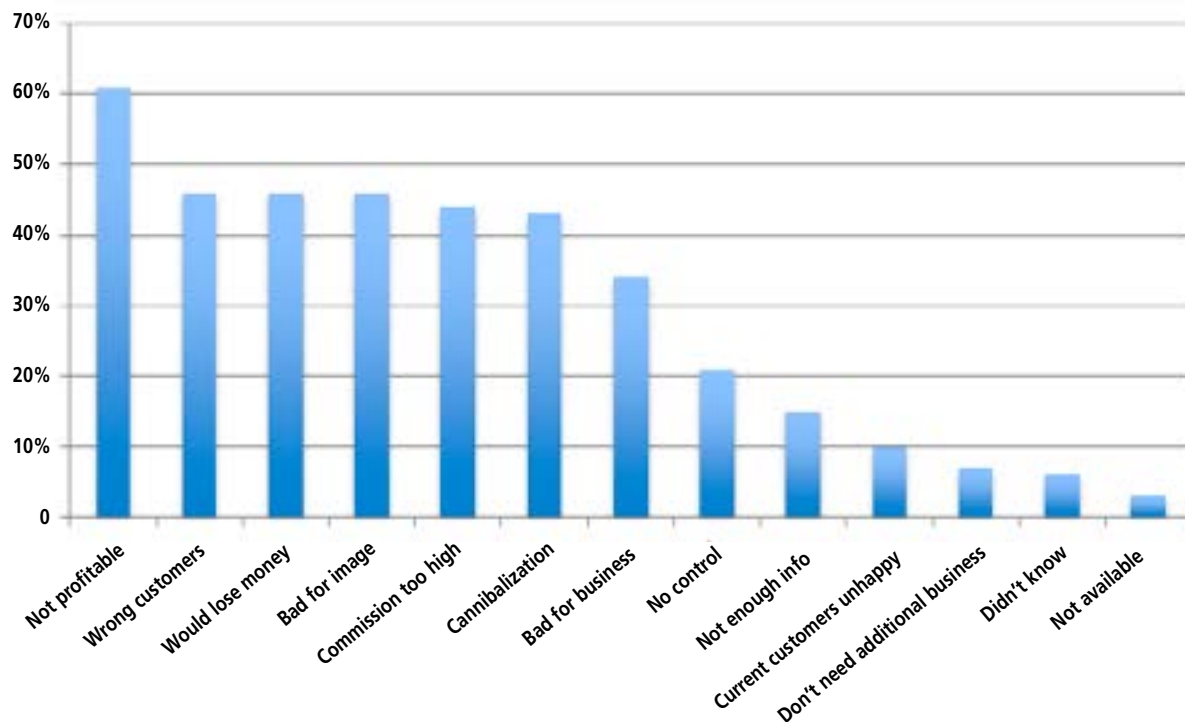
Note: One-way ANOVA results, averages based on a 5-point scale. Asterisk (\*) indicates significant at  $p < .05$ .

**The Daily Deal Customer Experience**

We presented respondents who had offered a daily deal with ten statements about their perception of the customers involved in daily deals (Exhibit 8), asking them to indicate their agreement (1 = strongly agree, 5 = strongly disagree). Because we had asked similar questions of customers in our earlier study, we were able to compare the restaurant operators' view of the customer experience with what the customers reported.

**Spending and ordering behavior.** Restaurant respondents indicated that daily deal users ordered about the same amount of food as other customers (average of 2.98 out of 5) but spent a bit less than other customers (average of 2.67 out of 5). These perceptions generally agreed with reports from the daily deal users, who said they ordered about the same amount of food as they usually did (2.80) and spent a bit less than usual (2.59).

## Reasons that operators had not offered a daily deal



**Service experience.** Operators who had offered a daily deal reported that customers were not treated as second-class citizens because of the daily deal (1.83) or that the deal caused customers to think less of the restaurant (2.52). Likewise, daily deal customers did not feel like they were treated as second-class citizens because of the daily deal (1.52), nor did they think less of the restaurant because of the deal (1.29). We note a significant difference here. Customers strongly indicated that they did not think less of the restaurant. However, although the restaurateurs had a similar view, they were not as definite regarding the customers' perception of restaurants that offer deals.

**Customer reliance on the deal.** Restaurateurs generally felt that daily deal customers would have come to their restaurant without the deal (3.46), but they were unsure of whether customers would return if a subsequent deal was not offered (3.20). While operators were correct in their belief that customers would have patronized the restaurant without the deal (3.59), they overestimated the impact of the deal on customer's return visit intentions. Daily deal users reported that they were likely to return to the restaurant even without a deal (2.60).

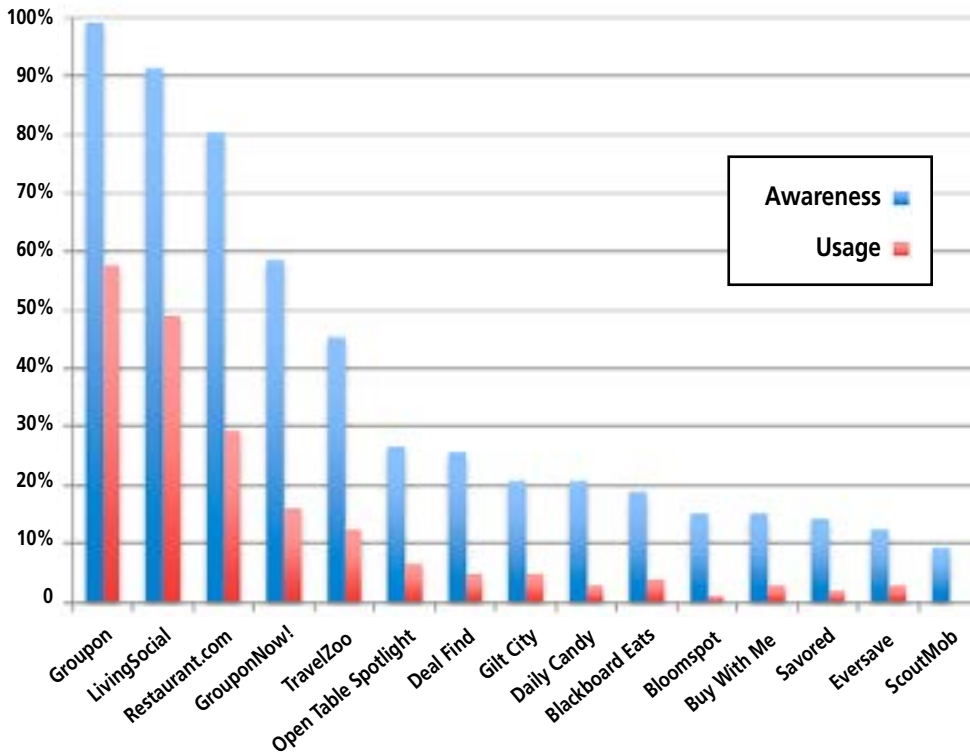
**Satisfaction.** Respondents felt that their daily deal customers were satisfied with their experience (4.05) and that daily deal customers would believe that their restaurant offered good value even without the deal (3.41). The daily deal customers' responses were quite similar (satisfied, 4.10; good value, 3.23).

**Intent to recommend.** Respondents correctly thought that their daily deal customers would recommend the restaurant (3.71), as customers agreed that they would recommend the restaurant (3.86). Daily deal customers were significantly more likely to say that they would return without another deal (3.48).

### No Deal

We asked the respondents who had never offered a daily deal why they had not done so. The top four reasons given were that daily deals were not profitable (61%), that daily deals attracted the wrong type of customers (46%), that they would lose money (46%), and that daily deals were bad for the restaurant's image (44%). Fewer than 10 percent of the restaurateurs who had not offered a daily deal said that they didn't need the additional business (7%), that they didn't know about daily deals (6%), or that daily deals were not available in their area (3%) (Exhibit 9).

Restaurateurs' awareness and use of daily deal sites



Overall Evaluation

**Split decision.** About 36 percent of respondents who had offered daily deals stated that they were likely to offer a daily deal again, while 36 percent said that they were unlikely to do so. The remaining 28 percent were unsure. On the positive side, the restaurateurs reported that they liked the fact that daily deals allowed them to stay up to date on social media and technology trends (3.81) and that the daily deal had provided good visibility for their restaurant (3.42). On the other hand, they did not like the commission they had to pay (3.71), and as we indicated above most believed that these customers were unlikely to return without the daily deal (3.21).

Awareness and Usage of Daily Deal Sites

We asked respondents to indicate their level of awareness and use of fifteen different daily deal sites (Exhibit 10). Nearly all respondents (99%) were aware of Groupon and Living Social (92%), while Restaurant.com (80%) and Groupon-Now! (58%) had fairly strong awareness percentages. Less

than half were aware of the other eleven daily deal sites. We also asked respondents which of these sites they had used. Groupon was the most frequently used (58%), followed by Living Social (49%) and Restaurant.com (29%). In addition, we asked non-daily deal users to indicate which daily deal sites they were aware of. A reasonably high percentage had heard of Groupon (65%) and Living Social (52%), and about half (49%) indicated that they were aware of Restaurant.com.

The Operators' View of Daily Deal Customers

As we indicated above, the restaurateurs were asked a series of questions regarding how they would describe daily deal customers, to allow a comparison with the consumers' responses to a similar study last year. The questions were divided into the following seven basic categories: buying impulsiveness, market maven tendency, relational orientation, need for uniqueness, value consciousness, and coupon proneness, as well as the Tightwad-Spendthrift scale. Restaurant respondents were asked to indicate their level of agreement on 23 different statements as measured on

## Scale items used for comparison of restaurateurs' and consumers' views of daily deal customers

Construct	Items
<b>Buying Impulsiveness</b>	Daily deal customers often buy things impulsively.
	Daily deal customers buy things according to how they feel at the moment.
	"Buy now, think about it later" describes daily deal customers.
	Sometimes daily deal customers are a bit reckless about what they buy.
<b>Tightwad-Spendthrift Scale</b>	Which of the following descriptions fits daily deal customers better (1 = tightwad, 11 = spendthrift)
<b>Market Maven</b>	Daily deal customers like helping people by providing them with information about many kinds of products.
	The friends of daily deal customers think of them as a good source of information when it comes to new products or services.
	Daily deal customers like introducing new brands and products to their friends.
<b>Relational Orientation</b>	When daily deal customers find a brand they like, they tend to remain loyal to it for a long time.
	Daily deal customers like to develop long-term relationships with products and brands they like.
	Daily deal customers are loyal to companies that treat them well.
<b>Value Consciousness</b>	When purchasing a product, daily deal customers always try to maximize the quality they get for the money they spend.
	When daily deal customers buy products or services, they like to be sure they are getting their money's worth.
	Daily deal customers always check prices at the grocery store to be sure they are getting the best value for the money they spend.
<b>Coupon Proneness</b>	Daily deal customers enjoy using coupons regardless of the amount they save by doing so.
	Daily deal customers are more likely to buy brands for which they have a coupon.
	Coupons have caused daily deal customers to buy products that they normally would not buy.
<b>Need for Uniqueness: Creative Choice Counter-conformity</b>	Daily deal customers often look for one-of-a-kind products or brands so that I create a style that is all my own.
	Daily deal customers are often on the lookout for new products or brands that will add to my personal uniqueness.
<b>Need for Uniqueness: Unpopular Choice Counter-Conformity</b>	Daily deal customers rarely act in agreement with what others think are the right things to buy.
	Daily deal customers have often violated the understood rules of my social group regarding what to buy or own.
<b>Need for Uniqueness: Avoidance of Similarity</b>	When products or brands daily deal customers like become extremely popular, they lose interest in them.
	The more commonplace a product or brand is among the general population, the less interested daily deal customers are in buying it.

Note: Cronbach's  $\alpha$  was measured for each category, and all were statistically significant.

a 5-point scale (Exhibit 11).<sup>14</sup> Comparative results for the operators and daily deal users are shown in Exhibit 12.

Buying impulsiveness is a consumer's tendency to buy spontaneously, unreflectively and immediately. Operators thought that daily deal customers were significantly more

<sup>14</sup> In the 11-point Tightwad-Spendthrift scale, 1 indicates a Tightwad (someone who has difficulty spending money) and 11 indicates a Spendthrift (someone who has difficulty controlling spending).

likely to purchase things impulsively (3.25) than daily deal customers viewed themselves (2.58).

**Market mavens.** Operators significantly underestimated the daily deal customers' desire to be opinion leaders. Daily deal customers were significantly more likely to consider themselves to be market mavens (3.36) than operators thought would be the case (3.14). In addition, in our earlier study, we found that customers who use daily deals are

### Comparison of restaurateurs' and consumers' views of daily deal customers

Construct	Operator	Customer	F	Significance	Possible Meaning
Buying Impulsiveness	3.25	2.53	10.61	0.000*	Daily deal customers are not as impulsive of buyers as operators think they are.
Tightwad-Spendthrift	4.26	4.98	45.73	0.000*	Daily deal customers are even more of 'tightwads' than operators think they are.
Market Maven	3.14	3.36	33.56	0.000*	Daily deal customers are more likely to recommend the restaurant to others than operators think they are.
Relational Orientation	2.84	3.81	225.94	0.000*	Daily deal customers are more loyal to companies that treat them well than operators think they are.
Value Consciousness	3.83	4.05	18.18	0.000*	Daily deal customers are even more value conscious than operators think they are.
Coupon Prone	3.82	3.34	34.98	0.000*	Operators overestimated how coupon-prone daily deal customers are.
Need for Uniqueness	2.83	2.68	7.57	0.006*	Daily deal customers are more likely to want to be like other customers than operators think they are.

Notes: Table presents one-way ANOVA results. Asterisk (\*) indicates statistically significant at  $p < 0.05$  level.

significantly more likely to be a market maven than customers who have not used a daily deal.<sup>15</sup> This makes daily deal customers a desirable type of customer since they are likely to recommend the restaurant to others and post reviews.<sup>16</sup> Restaurant operators can take advantage of this tendency by encouraging their daily deal customers to post reviews and recommend the restaurants to others.

**Loyalty.** Operators also underestimated the relational orientation of daily deal customers, who considered themselves to have a significantly higher relational orientation (3.81) than operators thought they had (2.83). This misunderstanding may lead operators to believe that daily deal customers are only coming to the restaurant because of the deal. As a consequence, the restaurant may fail to give the deal purchasers a first-class experience and thus miss a chance to encourage these new customers to return.

**Uniqueness.** Operators significantly overestimated the daily customers' need for uniqueness. The restaurateurs felt that daily deal users were more likely to want to be different (2.83), a significantly different assessment than daily deal customers' characterization of themselves (2.68). In short, daily deal customers like to be treated like any other customer, and restaurants should act accordingly.

<sup>15</sup> Kimes and Dholakia, *op.cit.*

<sup>16</sup> For a discussion of how reviews drive lodging business, see: Chris K. Anderson, "The Impact of Social Media on Lodging Performance," *Cornell Hospitality Report*, Vol. 12, No. 15 (2012), Cornell Center for Hospitality Research.

**Coupons and value.** Operators believed that daily deal users were significantly more likely to be coupon prone (3.82) than daily deal customers considered themselves to be (3.47). Operators also significantly underestimated the customers' value consciousness (operators, 3.83; customers, 4.05). Looking at the Tightwad-Spendthrift scale, we found that daily deal customers leaned more toward the tightwad end (average of 4.26 out of 11) than operators thought (average of 4.98 out of 11). This difference is statistically significant.

#### Advice for Operators

Operators were mixed in their feelings about daily deals. Even though a substantial number of operators reported that their revenue increased as a result of the promotion, about one-third said they would not offer a daily deal again and cited the lack of return business and the deal's high cost. Conversely, a similar percentage of operators said they would definitely offer a daily deal again and mentioned the increase in visibility for their restaurants. An overview of the key findings of this research and implications for restaurant operators are presented in Exhibit 13.

The most popular types of daily deal are those offered by restaurants. About one-third of the respondents to our recent customer survey had purchased a daily deal, many of them for restaurants.<sup>17</sup> We see no reason that this type of promotion will disappear in the near future, regardless of the

<sup>17</sup> Bob Goldin, "Daily Deal Watch: Restaurant Diner Use, Attitudes & Intentions" Technomic Press Release, August 27, 2011.



## Summary of findings and implications

Key Findings	Implications
Operators were mixed in their feelings about daily deals.	Carefully assess the potential profitability of any promotions that you are considering.
40 percent of daily deal customers were new to the restaurant.	Plan how to convert these new customers into repeat customers.
60 percent of daily deal customers were existing customers.	Consider restricting deal usage to new customers. Structure deals in such a way as to maximize overage.
Operators underestimated the loyalty of daily deal customers.	If daily deal customers are treated well, they're likely to return since they like to build long-term relationships with companies.
Operators underestimated the likelihood that daily deal customers would recommend their restaurant to others.	Encourage daily deal customers to post reviews and to tell their friends and family about their experience.
Operators underestimated the value consciousness of their customers.	Both daily deal customers and regular customers are more value conscious than operators think they are. Be sure to focus on delivering value for the price paid.

fate of individual companies.<sup>18</sup> The key issue for operators who decide to offer a daily deal is how to profitably structure and manage their daily deals. The survey results provide some interesting insights that help address this question.<sup>19</sup>

**New customers.** Daily deals offer restaurants a way to attract new customers. Operators reported that 40 percent of their daily deal customers were new to the restaurant. Similarly, in our earlier customer study, 56 percent of the daily deal users were new to the restaurant or had been to the restaurant infrequently.

The challenge is to convert these new customers into repeat customers. Since the operators who had offered a daily deal reported that 35 percent of the daily deal customers returned without a promotion, one could infer that simply providing good value and excellent service wins the day. Indeed, in our earlier study, a high percentage of daily deal customers said they were likely to return without a discount. To further spur that return, some companies (for example, CoPilot) provide technology that helps operators quickly recognize high-spending daily deal customers and reward

them with a token for their next visit (perhaps a free slice of pizza or free glass of wine).

**Cannibalization.** The restaurateurs' concerns about cannibalization had considerable basis in fact, since they reported that 60 percent of the customers who purchased a deal had visited the restaurant at least once. Our earlier customer study had a slightly lower cannibalization percentage, but nevertheless some 44 percent of respondents who had purchased a daily deal were already regular customers. We see at least three strategies to address the cannibalization issue:

- *Restrict deals to new customers.* This strategy is difficult for a restaurant to execute because restaurants cannot always control who purchases the deals and may not even know who all of their regular customers are. However, the common practice of making the deal valid only for off-peak times may sort out new customers from the regulars.
- *Structure deals in such a way that overage is maximized.* For example, if the average check per person is \$40, a promotion of \$10 for \$20 value is likely to lead to more overage than a promotion that costs \$20 for a \$40 package.
- *Adopt strategies to encourage repeat business from daily deal customers.* This could involve a return-visit offer or might simply be a matter of demonstrating the restaurant's best service and value.

**Loyalty.** Operators significantly underestimated the loyalty of daily deal customers. Treating daily deal customers

<sup>18</sup> For example, see: Shayndi Rice and Shira Ovide, "Groupon Investors Give Up," *The Wall Street Journal*, August 20, 2012, p. A1 viewed November 28, 2012, at <http://online.wsj.com/article/SB10000872396390443989204577599273177326912.html>; and Dan Mitchell, "Living Social: Things Are Going to Get Worse," *Fortune Tech*, [http://tech.fortune.cnn.com/2012/11/29/livingsocial-things-are-going-to-get-worse/?iid=SF\\_F\\_River](http://tech.fortune.cnn.com/2012/11/29/livingsocial-things-are-going-to-get-worse/?iid=SF_F_River), viewed November 30, 2012.

<sup>19</sup> Also see: Chekitan S. Dev, Laura Winter Falk, and Laure Mougeot Stroock, "To Groupon or Not to Groupon: A Tour Operator's Dilemma," *Cornell Hospitality Report*, Vol. 11, No. 9 (2011), Cornell Center for Hospitality Research.

well and encouraging them to return will help drive repeat business.

**Recommending the restaurant.** Operators need to understand the daily deal customers' desire to be market mavens. The restaurateurs underestimated the likelihood that daily deal customers would recommend their restaurant to others. Since daily deal customers like to be the source of information for their friends, another strategy for recouping the cost of the deal is to encourage these customers to post reviews and to be sure to tell their friends and family about their experience at the restaurant. The resulting word-of-mouth can prove invaluable to helping the restaurant obtain greater exposure and revenue.

**Value consciousness.** One other mistaken impression among the restaurant operators is that they apparently do not realize how value conscious their customers are—both regular customers and those who purchase daily deals. For all customers, once again operators should focus on providing good value for the price paid.

### Remaining Challenges

While properly managed daily deals can prove profitable, a chief problem is how to measure a deal's profitability. Many operators do not have the analytical tools necessary to assess deal profitability. Without a thorough analysis, it is difficult for operators to determine whether they should offer such a promotion again.

As we indicated above, another major issue is that operators need to determine how to convert first time daily deal customers into regular customers. This can be done through targeted management practices aimed at recognizing daily deal guests and providing them with an incentive to return. In addition, even though daily deal customers said that they did not feel like they were treated like second-class citizens, it is essential to train your staff on the importance of providing good service to all guests. Research has shown that properly trained staff is one of the key drivers of a successful daily deal.<sup>20</sup>

<sup>20</sup> Utpal Dholakia. "Why Employees Can Wreck Daily Deals," *Harvard Business Review*, January 2011: <http://hbr.org/2011/01/why-employees-can-wreck-promotional-offers/ar/1>, viewed November 5, 2011.

If restaurant operators can effectively address these challenges and carefully structure the deal, then they are likely to profit from daily deal promotions. Although we found that many operators are still uncertain as to whether they will run another promotion, we want to underline the market maven concept. We found that daily deal customers are not necessarily the extremely price sensitive consumers that operators often perceive them to be. Instead, they are likely to continue purchasing daily deals to stay ahead of the curve and be the one who endorses products and services to others. Daily deal users who have had an excellent experience are just as brand loyal as existing customers, and they may well become long-term customers if restaurants effectively manage the daily deal promotion period. Operators should carefully weigh the benefits and costs of running a daily deal promotion, but should consider the significant potential for success of daily deals.

### Limitations of This Study and Directions for Future Research

Finally, we note this study's limitations. As with all surveys, the responses of both the operators and the customers were self-reported. It is possible that their actual experiences and attitudes are different than how they responded. In addition, both the operator and customer surveys used a self-selected convenience sample. We may have had different results from a truly representative sample. Finally, the study addressed just the restaurant industry, and only examined restaurants in the United States.

Future research should address the actual profitability of daily deals. It is possible that the operators' self-reports did not accurately reflect what actually happened financially—and as we said the measurements are often subjective. If POS data could be obtained for the spending and tipping behavior of both customer types (both those using a deal and those not using a deal), one could develop a more accurate assessment of the profitability of daily deals. In addition, if POS data are available on different types of daily deals and other promotions, it would be possible to assess the best way to structure a daily deal and to determine the relative profitability of different types of promotions. ■

# The Center for Hospitality Research

Hospitality Leadership Through Learning

# 20<sup>th</sup>

1992 - 2012

## ANNIVERSARY

## Celebrating 20 Years of Hospitality Research

Download our free research at:

[www.chr.cornell.edu](http://www.chr.cornell.edu)

489 Statler Hall · Ithaca, NY 14853

[hosp\\_research@cornell.edu](mailto:hosp_research@cornell.edu) · 607-255-9780



### Senior Partners

Accenture, ASAE Foundation, Carlson Rezidor Hotel Group, Hilton Worldwide, National Restaurant Association, SAS, STR, and Taj Hotels Resorts and Palaces

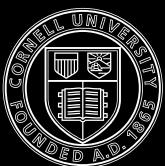
### Partners

Davis & Gilbert LLP, Deloitte & Touche USA LLP, Denihan Hospitality Group, eCornell & Executive Education, Expedia, Inc., Forbes Travel Guide, Four Seasons Hotels and Resorts, Fox Rothschild LLP, HVS, Hyatt Hotels Corporation, InterContinental Hotels Group, Jumeirah Group, LRP Publications, Maritz, Marriott International, Inc., Marsh's Hospitality Practice, McDonald's USA, newBrandAnalytics, priceline.com, PricewaterhouseCoopers, Proskauer, ReviewPro, Sabre Hospitality Solutions, Sathguru Management Consultants (P) Ltd., Schneider Electric, Thayer Lodging Group, Thompson Hotels, Travelport, TripAdvisor, WATG and Wyndham Hotel Group

### Friends

4Hoteliers.com • Berkshire Healthcare • Center for Advanced Retail Technology • Cleverdis • Complete Seating • Cruise Industry News • DK Shifflet & Associates • ehotelier.com • EyeForTravel • The Federation of Hotel & Restaurant Associations of India (FHRAI) • Gerencia de Hoteles & Restaurantes • Global Hospitality Resources • Hospitality Financial and Technology Professionals (HFTP) • [hospitalityinside.com](http://hospitalityinside.com) • [hospitalitynet.org](http://hospitalitynet.org) • Hospitality Technology Magazine • HotelExecutive.com • International CHRIE • International Hotel Conference • International Society of Hospitality Consultants (ISHC) • iPerceptions • JDA Software Group, Inc. • J.D. Power and Associates • The Leading Hotels of the World, Ltd. • Lodging Hospitality • Lodging Magazine • LRA Worldwide, Inc. • Milestone Internet Marketing • MindFolio • Mindshare Technologies • PhoCusWright Inc. • PKF Hospitality Research • Questex Hospitality Group • Resort and Recreation Magazine • The Resort Trades • RestaurantEdge.com • Shibata Publishing Co. • UniFocus • Vantage Strategy •

[WIIH.COM](http://WIIH.COM)



Cornell University  
School of Hotel Administration



# Cornell Center for Hospitality Research Publication Index

[www.chr.cornell.edu](http://www.chr.cornell.edu)

## Cornell Hospitality Quarterly

<http://cq.sagepub.com/>

### 2012 Reports

Vol. 12 No. 15 The Impact of Social Media on Lodging Performance, by Chris K. Anderson, Ph.D.

Vol. 12 No. 14 HR Branding How Human Resources Can Learn from Product and Service Branding to Improve Attraction, Selection, and Retention, by Derrick Kim and Michael Sturman, Ph.D.

Vol. 12 No. 13 Service Scripting and Authenticity: Insights for the Hospitality Industry, by Liana Victorino, Ph.D., Alexander Bolinger, Ph.D., and Rohit Verma, Ph.D.

Vol. 12 No. 12 Determining Materiality in Hotel Carbon Footprinting: What Counts and What Does Not, by Eric Ricaurte

Vol. 12 No. 11 Earnings Announcements in the Hospitality Industry: Do You Hear What I Say?, Pamela Moulton, Ph.D., and Di Wu

Vol. 12 No. 10 Optimizing Hotel Pricing: A New Approach to Hotel Reservations, by Peng Liu, Ph.D.

Vol. 12 No. 9 The Contagion Effect: Understanding the Impact of Changes in Individual and Work-unit Satisfaction on Hospitality Industry Turnover, by Timothy Hinkin, Ph.D., Brooks Holtom, Ph.D., and Dong Liu, Ph.D.

Vol. 12 No. 8 Saving the Bed from the Fed, Levon Goukasian, Ph.D., and Qingzhong Ma, Ph.D.

Vol. 12 No. 7 The Ithaca Beer Company: A Case Study of the Application of the McKinsey 7-S Framework, by J. Bruce Tracey, Ph.D., and Brendon Blood

Vol. 12 No. 6 Strategic Revenue Management and the Role of Competitive Price Shifting, by Cathy A. Enz, Ph.D., Linda Canina, Ph.D., and Breffni Noone, Ph.D.

Vol. 12 No. 5 Emerging Marketing Channels in Hospitality: A Global Study of Internet-Enabled Flash Sales and Private Sales, by Gabriele Piccoli, Ph.D., and Chekitan Dev, Ph.D.

Vol. 12 No. 4 The Effect of Corporate Culture and Strategic Orientation on Financial Performance: An Analysis of South Korean Upscale and Luxury Hotels, by HyunJeong “Spring” Han, Ph.D., and Rohit Verma, Ph.D.

Vol. 12 No. 3 The Role of Multi-Restaurant Reservation Sites in Restaurant Distribution Management, by Sheryl E. Kimes and Katherine Kies

Vol. 12 No. 2 Compendium 2012

Vol. 12 No. 1 2011 Annual Report

### 2012 Tools

Vol. 3, No. 4 The Hotel Reservation Optimizer, by Peng Liu

Vol. 3 No. 3 Restaurant Table Simulator, Version 2012, by Gary M. Thompson, Ph.D.

Vol. 3 No. 2 Telling Your Hotel’s “Green” Story: Developing an Effective Communication Strategy to Convey Environmental Values, by Daphne A. Jameson, Ph.D., and Judi Brownell, Ph.D.

Vol. 3 No. 1 Managing a Hotel’s Reputation: Join the Conversation, by Amy Newman, Judi Brownell, Ph.D. and Bill Carroll, Ph.D.

### 2012 Proceedings

Vol. 4, No. 7 2012 Cornell Hospitality Research Summit: Moving the Hospitality Industry Forward with Social Media and Technology, by Glenn Withiam

Vol. 4, No. 6 Fostering Ethical Leadership: A Shared Responsibility, by Judi Brownell, Ph.D.

Vol. 4 No. 5 Branding Hospitality: Challenges, Opportunities, and Best Practices, by Chekitan Dev, Ph.D., and Glenn Withiam

Vol. 4 No. 4 Connecting Customer Value to Social Media Strategies: Focus on India, by Rohit Verma, Ph.D., Ramit Gupta, and Jon Denison

Vol. 4 No. 3 The International Hospitality Industry: Overcoming the Barriers to Growth, by Jan Hack Katz and Glenn Withiam

Vol. 4 No. 2 The Intersection of Hospitality and Healthcare: Exploring Common Areas of Service Quality, Human Resources, and Marketing, by Brooke Hollis and Rohit Verma, Ph.D.

Vol. 4 No. 1 The Hospitality Industry Confronts the Global Challenge of Sustainability, by Eric Ricaurte

# Cornell Center for Hospitality Research

## Publication Index

[www.chr.cornell.edu](http://www.chr.cornell.edu)

### 2012 Industry Perspectives

Vol. 2 No. 3 *Energy University: An Innovative Private-Sector Solution to Energy Education*, by R. Sean O'Kane and Susan Hartman

Vol. 2 No. 2 *Engaging Customers: Building the LEGO Brand and Culture One Brick at a Time*, by Conny Kalcher

Vol. 2 No. 1 *The Integrity Dividend: How Excellent Hospitality Leadership Drives Bottom-Line Results*, by Tony Simons, Ph.D.

### 2011 Reports

Vol. 11 No. 22 *Environmental Management Certification and Performance in the Hospitality Industry: A Comparative Analysis of ISO 14001 Hotels in Spain*, by María-del-Val Segarra-Oña, Ph.D., Ángel Peiró-Signes, Ph.D., and Rohit Verma, Ph.D.

Vol. 11 No. 21 *A Comparison of the Performance of Independent and Franchise Hotels: The First Two Years of Operation*, by Cathy A. Enz, Ph.D., and Linda Canina, Ph.D.

Vol. 11 No. 20 *Restaurant Daily Deals: Customers' Responses to Social Couponing*, by Sheryl E. Kimes, Ph.D., and Utpal Dholakia, Ph.D.

Vol. 11 No. 19 *To Groupon or Not to Groupon: A Tour Operator's Dilemma*, by Chekitan Dev, Ph.D., Laura Winter Falk, Ph.D., and Laure Mougeot Stroock

Vol. 11 No. 18 *Network Exploitation Capability: Mapping the Electronic Maturity of Hospitality Enterprises*, by Gabriele Piccoli, Ph.D., Bill Carroll, Ph.D., and Larry Hall

Vol. 11 No. 17 *The Current State of Online Food Ordering in the U.S. Restaurant Industry*, by Sheryl E. Kimes, Ph.D.

Vol. 11 No. 16 *Unscrambling the Puzzling Matter of Online Consumer Ratings: An Exploratory Analysis*, by Pradeep Racherla, Ph.D., Daniel Connolly, Ph.D., and Natasa Christodoulidou, Ph.D.

Vol. 11 No. 15 *Designing a Self-healing Service System: An Integrative Model*, by Robert Ford, Ph.D., and Michael Sturman, Ph.D.

Vol. 11 No. 14 *Reversing the Green Backlash: Why Large Hospitality Companies Should Welcome Credibly Green Competitors*, by Michael Giebelhausen, Ph.D., and HaeEun Helen Chun, Ph.D.

Vol. 11 No. 13 *Developing a Sustainability Measurement Framework for Hotels: Toward an Industry-wide Reporting Structure*, by Eric Ricaurte

Vol. 11 No. 12 *Creating Value for Women Business Travelers: Focusing on Emotional Outcomes*, by Judi Brownell, Ph.D.

Vol. 11 No. 11 *Customer Loyalty: A New Look at the Benefits of Improving Segmentation Efforts with Rewards Programs*, by Clay Voorhees, Ph.D., Michael McCall, Ph.D., and Roger Calantone, Ph.D.

Vol. 11 No. 10 *Customer Perceptions of Electronic Food Ordering*, by Sheryl E. Kimes, Ph.D.

Vol. 11 No. 9 *2011 Travel Industry Benchmarking: Status of Senior Destination and Lodging Marketing Executives*, by Rohit Verma, Ph.D., and Ken McGill

Vol. 11 No. 8 *Search, OTAs, and Online Booking: An Expanded Analysis of the Billboard Effect*, by Chris Anderson Ph.D.

Vol. 11 No. 7 *Online, Mobile, and Text Food Ordering in the U.S. Restaurant Industry*, by Sheryl E. Kimes, Ph.D., and Philipp F. Laqué

Vol. 11 No. 6 *Hotel Guests' Reactions to Guest Room Sustainability Initiatives*, by Alex Susskind, Ph.D. and Rohit Verma, Ph.D.

Vol. 11 No. 5 *The Impact of Terrorism and Economic Shocks on U.S. Hotels*, by Cathy A. Enz, Renáta Kosová, and Mark Lomanno

Vol. 11 No. 4 *Implementing Human Resource Innovations: Three Success Stories from the Service Industry*, by Justin Sun and Kate Walsh, Ph.D.

Vol. 11 No. 3 *Compendium 2011*

Vol. 11 No. 2 *Positioning a Place: Developing a Compelling Destination Brand*, by Robert J. Kwortnik, Ph.D., and Ethan Hawkes, M.B.A.

Vol. 11 No. 1 *The Impact of Health Insurance on Employee Job Anxiety, Withdrawal Behaviors, and Task Performance*, by Sean Way, Ph.D., Bill Carroll, Ph.D., Alex Susskind, Ph.D., and Joe C.Y. Leng



[www.chr.cornell.edu](http://www.chr.cornell.edu)