

TECHNOLOGY

Insight by Zonal, Powered by CGA

Reservations and no-shows

Exclusive analysis of the scale and causes of no-shows in restaurants, pubs and bars after lockdown—plus insider views from industry leaders

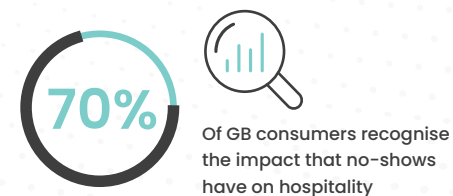
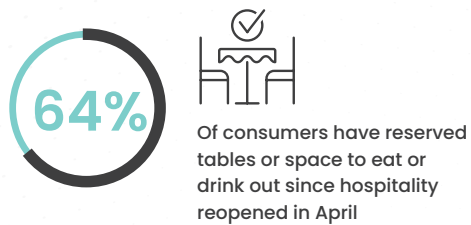
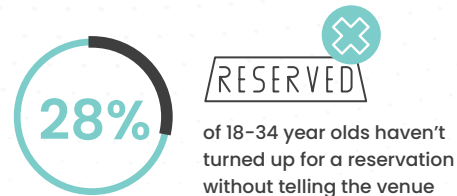
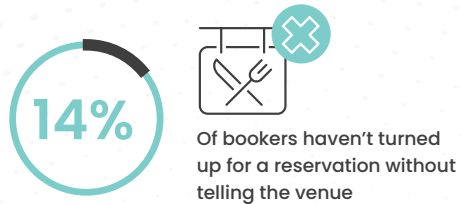


GO Technology Report, September 2021



#ShowUpForHospitality

No-shows cost the hospitality industry £17.6bn per year.



Who, where and why: Understanding no-shows



One in seven (14%) consumers in Britain admit to failing to honour reservations since hospitality reopened in April. Who and where are these no-shows, and why aren't they fulfilling their bookings?

Who?

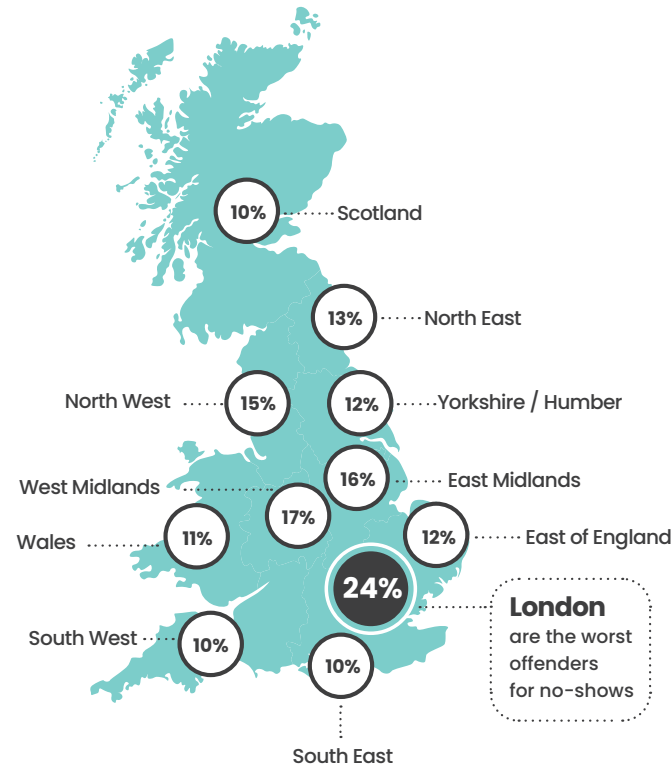
There is a strong correlation between no-shows and age, with younger adults far more likely to fail to turn up for bookings. More than a quarter **28%** of 18 to 34 year-olds admit to being no-shows, compared to just **1%** of those aged 55 or over.

This is partly because younger adults are more frequent bookers. Nearly three quarters (**73%**) of 18 to 34 year-olds say they have made a reservation since April—well above the national average of **60%** and older age groups like 65+ (**52%**). As well as planning in advance, younger adults are more inclined to stay spontaneous in their trips out, making them more likely to change plans at the last minute.

Younger adults' over-indexing on no-shows may also be because they have a higher frequency of visit to pubs, bars and restaurants. Regular visitors are more likely to be no-shows, partly because they have busy schedules. Two thirds (**64%**) of 18 to 34 year-olds who didn't turn up for bookings eat out weekly—far higher than the **29%** of the general population who do so.

Where?

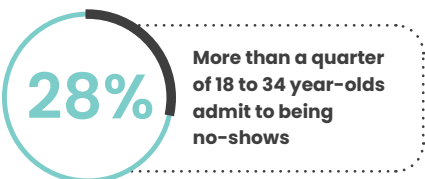
Consumers in London are the worst offenders for no-shows. Nearly a quarter (**24%**) admit to not turning up for bookings without informing a venue—far higher than the national average of **14%**. This is probably because London has Britain's highest concentration of restaurants, pubs and bars, and the most frequent users of them. As this data shows, consumers in the Midlands also over-index on no-shows, while southern regions and Scotland have the most reliable guests.



Why?

Consumers cite a wide range of reasons for not fulfilling reservations. While changed plans and other people's decisions remain the top factors, COVID and safety concerns have added extra grounds: nearly one in five (**18%**) has not turned up because someone in their group fell ill with COVID symptoms, while nearly as many (**17%**) didn't feel reassured enough about safety to visit. The recent 'pingdemic', which has substantially increased the number of people isolating at short notice, is likely to have pushed these numbers higher in July and August.

Other factors will be familiar to most operators as particularly frustrating causes of no-shows—like being put off by the weather (**14%**) or simply forgetting about a booking (**16%**).



No-shows: the top ten reasons

1. I had a change of plans (**19%**) / Someone else in the group cancelled (**19%**)
3. Someone fell ill with COVID-related symptoms (**18%**)
4. The venue was unable to reassure me (**17%**)
5. I forgot about my booking (**16%**)
6. I decided it was too expensive (**15%**)
7. The weather put me off (**14%**)
8. The venue didn't contact me to remind me (**13%**)
9. I booked a few venues for the same time (**13%**)
10. I was too nervous to visit (**12%**) or I arrived at the venue and didn't feel comfortable (**12%**)

Three solutions: Consumers' views on deposits, reminders and cancellations

1. Deposits

Deposits and no-show fees can incentivise consumers to honour their bookings. Just over half (**55%**) say they are willing to pay a no-show fee if they didn't turn up for their reservation, while nearly as many (**51%**) would be happy to pay a deposit to secure a booking. However, not everyone welcomes them. 18 to 24 year-olds are particularly reluctant, and **24%** and **28%** less likely to accept no-show fees and deposits.

People are more inclined to pay deposits for larger groups and bigger occasions than for informal drinks and meals. Well over half would pay a deposit for a special occasion (**65%**) or a special day (**63%**), but fewer would do so for casual occasions (**41%**). There is also a notable gap between those willing to pay a deposit for a table indoors (**54%**) and one outdoors (**49%**)—perhaps because unpredictable weather makes cancellations of open-air bookings more likely.



2. Reminders

Reminding people about their reservations can also help to reduce no-shows. Among consumers who haven't fulfilled a booking because they forgot about it, more than a third (**36%**) say they would be more likely to show up if the venue reminded them.

The timing of reminders is crucial. Just over a quarter (**28%**) would like to be reminded on the day of a booking, while half prefer a few days in advance (**38%**) or a week ahead (**11%**). And, as with deposits, reminders don't suit everyone. One in six (**17%**) don't want to be contacted by a venue again after booking—and it is this cohort that is perhaps most likely to not turn up.

3. Cancellations

Making it quick and easy for people to cancel bookings is a third way to cut no-shows. More than half (**58%**) now prefer to cancel digitally, either via websites (**21%**), text messages (**19%**), apps (**10%**) and email (**7%**). Perhaps surprisingly, two in five (**39%**) still prefer to cancel a booking with a phone call—though this number is much higher among older demographics, with younger ones far more likely to cancel online.

No-shows: The COVID effect

Periods after COVID lockdowns have seen a surge in reservations, as consumers seek to guarantee space in venues—partly for safety reasons, and partly because capacity has been limited. But GO Technology research suggests this hasn't made no-shows more likely: in fact, the opposite is true.

One in eight (**12%**) consumers says they are more likely to no-show than they were before the pandemic—but more than three times as many (**41%**) are less likely to do so. This may be connected to media coverage about the scale and impacts of no-shows in hospitality, and a recognition that the sector has faced huge challenges over the last year and a half. Among those who are less likely to be a no-show, half (**49%**) cite a desire to support venues as much as possible.

More than two thirds (**70%**) recognise the impact of not showing up for a booking—though this figure is much higher among older age groups like 65+ (**84%**) than younger ones like 18 to 24 year-olds (**52%**). It is a welcome sign that consumers realise that no-shows hurt businesses—though it doesn't necessarily follow that they behave accordingly.



Views from the leaders

Three industry leaders on the issue of no-shows and solutions



Our no-shows vary from location to location, but they're definitely higher than they used to be. The biggest problem is that they tend to come on the most important days, like Father's Day and weekends. And the effects have been heightened during the pandemic. We've had fewer tables, so they've become more valuable—and hospitality has been so fragile that every penny counts.

Sometimes no-shows are not intentional: people book a few options and simply forget about them. But we've steered away from deposits because we don't want to make booking journeys clunky or difficult. The hotel business has nailed it: you enter your card details when you book, and don't get charged unless you don't follow the terms—but there's a different mindset in restaurants. We're at a pivotal stage: we either accept that no-shows are part of life and adapt our booking regime, or we find ways of taking money in advance that don't make the booking journey harder. //



Rob – Operators Director, Upham Inns



When we came out of lockdown for the third time and things started to feel more normal, we had lots of bookings, but no-shows crept up too. With limited space people were desperate to get in and booking two or three places—we understand the reasoning, but it's the playing of the system and not cancelling that gets on the industry's nerves. No-shows have been spread far and wide, but it's periods like 5pm to 7pm where people seem to want to stay most flexible.

Things have calmed down a little bit now venues have more space, and the media and bloggers have helped to show just how damaging no-shows are. Taking deposits wasn't something we really wanted to do, but we've had to—and they're no bad thing if they help to change the culture. We still want spontaneity in hospitality and give people the option to just walk in. //



Vicky Liner – Marketing Director, Suburban Inns



No-shows massively affected us during restricted periods, and everyone I've spoken to in Leeds has faced the same thing. We'd be fully booked but then no-shows would happen and you've turned away three or four groups who could have taken the space. We'd be turning people away and then at the time the bookings were due to arrive, the bar would be empty due to no shows. It was a really gutting feeling for us, and a nightmare for staffing and forecasting.

We'd call people in advance to see if they were going to turn up, but it often didn't seem to make any difference. During the Euros we got everyone to pre-order food and drinks, and there weren't any no-shows except for COVID-related reasons. That system worked really well, though it was a big job to get prepared, and ate into the labour costs. As we recover from the pandemic I hope there's a big push towards solving the problem and finding ways to take money up front. If everyone did that then it would soon become the norm and no-one would get left behind. //



Jacob Georgallis – General Manager, Toast, Leeds

The view from CGA

“Consumers are embracing reservations like never before, because they want certainty about their eating and drinking out experiences—and bookings can be positive for operators too if they help them to plan better. But the flip side of no-shows has come into sharp focus since the pandemic: they’ve been a bugbear for years, and the sales and cost implications are especially painful now.

It’s much easier to identify the problem than find solutions, but reducing no-shows will be a big priority in the months ahead, especially as Christmas nears. Deposits can help, but there’s clearly still a barrier to acceptance among consumers, and they don’t suit all businesses. As spontaneity returns to hospitality, striking the right balance between reservations and walk-ins is going to be crucial.”

Karl Chessell, Business Unit Director – Hospitality Operators and Food, EMEA

The view from Zonal

“Bookings are a crucial part of the customer journey – so it’s important that operators continue to proactively find solutions that help customers manage their reservations. While the pandemic has prompted a new-found appreciation and understanding of hospitality among many consumers, there is still more to be done in encouraging them to always honour their booking or tell the venue in advance.

“Technology can support and streamline this process, enhancing communication between operators and guests that ultimately helps to strengthen loyalty and reduce the chances of no-shows occurring. As the sector emerges from the crisis, we believe a revitalised relationship between operators and their customers is key to a sustainable recovery.”

Henri Jooste, Strategic Product Manager, Zonal

About the data

This report is based on figures from Zonal and CGA’s GO Technology survey, a sample of 5,000 nationally representative British consumers. All figures are taken from the June 2021 edition of the survey.

For further information on GO Technology, please contact info@zonal.co.uk



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