**Dineout Pain Problems and Solutions**

**Goal:**To identify potential growth problems for Dineout in the next 2 years that will prevent growth by 10x. (Assumed growth in terms of revenue)

**About Dineout**

Dineout is an online table booking platform that has been established with the purpose of aiding its users in discovering the best and most suitable restaurants near them and to help them in easily booking reservations.

**Dineout Revenue Model**

The platform charges an annual subscription rate from their restaurant partners (Inresto) and also from the customers (Dineout Gourmet passport). Revenue is also gained through each transaction executed on the platform (Dineout Pay, and Bill paid on Dineout), although it varies according to every restaurant and the cities where they are set up.

**Dineout Revenue Model (Formula)**

f[(No of restaurants subscribing to Inresto \* Avg value of yearly subscription plan), (No. Of Dineout Pass users \* Avg price of Dineout Pass), (No of Dineout pay users \* Avg value for Dineout pay), (No of users paying through Dineout app \* Avg. bill size\* commission%) ]

**Dineout problems:**

**B2C Business**

**Users reduction**

* **Reducing quality standards as Dineout scales:**As Dineout scales and onboards new users it’ll be difficult to manage the quality standards of the restaurants and the service the user gets in the restaurant, which might decrease the user satisfaction. (1)
* **Increasing competition:** Although online table reservation is a comparatively less competitive market there are players like Eazydiner and Zomato that have entered the space and already have a significant user base. (2)
* **Delivery/ Takeaway:**Continuing the earlier point on competition, both Zomato and Easydiner have options for delivery which Dineout misses out due to its brand image and vision.(3)
* **External Circumstances (Eg. Covid):**Not so frequent but yet very impactful, circumstances like these can bring serious halt to Dineout operations and impact revenue.
* **Users not paying through Dineout app:**Lesser users use this function as there is no incentive for them to use it (apart from one’s that have explicit discount using “Dineout Pay”). (4)

**B2B Business**

* **Highly competitive:**Restaurants management system software market is very competitive and the barrier to entry is very low. These companies offer wide range of solutions at different price points (5)

**Partnerships**

* **Restaurants - Difficulty onboarding/retain restaurants:**on a high level there are two kinds of restaurants on Dineout, High end (fine dining, luxury, etc) which have high margins and others are casual dining restaurants with comparatively lower margins. These casual dining restaurants take a big hits when giving the discounts hence would want to opt out of discounting deals with Dineout (6)
* **Payments:**having limited partnerships with banks results in lesser conversion as not everyone will have a particular bank’s credit/debit card (7)

**Solutions**

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| **#** | **Problem** | **Solution** |
| **1** | Reducing quality standards as Dineout scales | Dineout could establish SLA standards for restaurants it’s partnering with, and it could reevaluate it’s partnership with the restaurants over a time period |
| 2 | B2C: Increasing competition | Dineout has a first mover advantage and already has established annual programs like GIRF which it can leverage to gain new customers as well as partner with new restaurants. It should also focus on having exclusive partnerships with restaurant chains |
| 3 | Delivery/ Takeaway | Dineout app could incorporate a sub brand for delivery service as well which is covered under the same dine out membership plan. This could provide massive value to it’s users and wouldn’t require a lot of effort as it already has many restaurants listed. Further, this source of income can provide safeguard during times like covid |
| 4 | Users not paying through Dineout app | A gamification solution that focuses incentivizing users when paying through the app could help solve this problem, further providing a service where the bill is auto generated in dine out app so users don’t have to wait for the bill to arrive would encourage users to pay through app |
| 5 | B2B: Highly competitive | The current restaurant management system is highly competitive, Dineout stands out from the rest because it has a very strong B2C platform whose customers are also the target audience for these restaurants. Dineout could give insights based on customers activities on the platform. Eg: customers could be looking for live music, discounts, pool tables, etc. This would help restaurant take better decisions |
| 6 | Restaurants - Difficulty onboarding/retain restaurants | This partnership problem could be solved by leveraging more partnerships. So while dining out people look for something more, Eg: live performances, comedies, food/beverages brands, etc. so having partnerships with such companies/brands will shift focus from discounts to value which is what a low margin restaurant would want |
| 7 | Payments | Currently there aren’t many partnerships with card companies, Dineout could look at partnering with more banks and other form of payments like Simpl, LazyPay, etc. |