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THE WAIT IS OVER

...OR AT LEAST MORE TOLERABLE: HOW NEW VIRTUAL-QUEUE APPS ARE CHANGING RESTAURANTS, DMVS, AND MORE

BY SARAH TURCOTTE

What chefs Michael Chernow and Daniel Holzman wanted when they opened their 39-seat New York eatery the Meatball Shop in 2010 was to create a comfortable local joint for Lower East Siders. What they got? A 150-person line waiting in the February freeze. The Meatball Shop was a bona fide hit, and that presented an unexpected dilemma: "Locals weren't going to tolerate waits like that," says Chernow. To keep hungry neighbors happy, he had hostesses take phone numbers and call folks when a table was ready. That plan worked but was inefficient—and didn't keep patrons from pestering the hosts or dining elsewhere.

Then, in the fall of 2011, Chernow got a cold call from Wes Adams, a designer, and Michael Eng, a developer, about an app they were launching. Called WaitAway, it allows hostesses to input a customer's name and number into an iPad or laptop, which then sends a text when a table is ready. Upon getting the message, the prospective diner can return to the restaurant or respond that she changed her mind. It was just what Chernow needed. He signed up, and within a month, walkaways were down by 30%.

WaitAway wasn't the first wait app to hit the market; it wasn't even the first Chernow looked into. More than a dozen exist, underscoring the extent to which a solid wait strategy is critical to building repeat business. "Americans equate waiting to wasting time," says Richard Larson, an MIT professor whose study of waiting earned him the moniker Dr. Queue. Taking reservations is an ages-old wait-management strategy, and vibrating pagers became so popular after debuting in the 1990s that in 2005, restaurant point-of-sale system provider Micros acquired JTech, the largest producer of them, for an undisclosed sum. But app-based systems are arguably the best solution yet, because of their ability to keep businesses informed and in control while making the people waiting for service not feel like they're actually waiting.

Having a list is a luxury for any restaurant, but as Chernow will attest, it's not always a good thing. Mismanage waits and the crowd will disperse for keeps. Reservation policies are on the wane, because unless a restaurant takes a credit-card down payment, it can lose money if patrons flake. Pager systems help with organization but are pricey—units cost about $50 each, and people often leave with them—and have limited range. "We're in a lot of malls and want people to walk around to enjoy their

PHOTOGRAPH BY BRIAN FINKE

wait," says David Gordon, COO of the perennially bustling Cheesecake Factory chain. "But we've had to add repeaters for customers to get pager range."

Wait-app systems stemmed from the realization that everybody already has a pager of their own—their phone—that isn't bound by range and that can provide added information. Many of the apps target the service industry, which provides a wealth of opportunity: Online reservations service OpenTable made $140 million via its deals with more than 17,000 restaurants in 2011, and its market is limited to establishments that take reservations.

Nearly all wait apps share two features: They send text messages when tables are ready, and they provide access—either via an app or a web client—to a real-time visualization of the virtual line so customers can see how far back they are. "Expectation is a huge factor in determining whether a person will wait," explains Larson. "If someone expects to wait 15 minutes and it grows to 30, he'll be furious. If he knows where he stands, he's more likely to stay."

Beyond those basic functions, apps differentiate themselves with a variety of features and business models. Some companies focus on the core offering of text notification. WaitAway, like many other apps, uses Twilio, a platform that sells phone numbers and facilitates IP calling and texting. WaitAway purchases a number for each of its clients and then charges a subscription fee ranging from $19 per month (which includes 150 texts) to $129 for an unlimited plan.

Other companies—like BuzzTable, which in 2011 received $25,000 from the Entrepreneurs Roundtable Accelerator, and Nosh List, a project by Craig Walker, who previously oversaw Google Voice—give away texts for free, instead charging for analytics and marketing features. (BuzzTable costs $49 a month; Nosh is still determining its price.) "The wait-list app is our incentive," says Warner Siebert, CEO of BuzzTable. "Our focus is on helping restaurants with operations. We can show clients they're overquoting wait times by 45 minutes; or that a customer has visited 12 times in a month, so the owner can go meet that person."

As the Meatball Shop's retention numbers prove, the apps work. The challenge is in persuading a hidebound industry to utilize a new tool. "Restaurants are notoriously slow to adopt technology," says hospitality consultant Clark Wolf. "We know they usually lose money on reservations, but look how many still do it." If eateries do come around, there's no guarantee they'll go for a turnkey solution—Cheesecake Factory has been testing a text-based system, but it developed proprietary software. And other places are finding privacy-minded clients reluctant to give out phone numbers. Doug Crisafulli, JTech's director of marketing and product development, says several chains left JTech pagers in favor of texts only to later return to the hardware. (Tellingly, in 2012, JTech rolled out a wait app called Spinnaker, which Crisafulli says is intended to complement pagers as a text-marketing and guest-feedback utility.)

But restaurants are only a fraction of the waiting economy. That's why some app makers are aggressively expanding into other industries. QLess was one of the earliest developers in the space; it now counts Harrah's, Toyota dealerships, and the Kansas DMV among its satisfied clients. WaitAway's creators saw the value in diversification and have been moving in that direction as well. "We don't see why anyone should have to waste time in a line anywhere," says Adams, "and moving beyond restaurants is a natural progression."

Of course, being in restaurants helps with that progression. Recently, the curators of New York's Children's Museum of the Arts began using WaitAway to manage visitors. They learned of it while waiting for a table at the Meatball Shop.

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BALTIMORE
1 HOUR

CHARLOTTE, NC
1 HOUR

DANBURY, CT
1 HOUR

CHEEKTOWAGA, NY
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