

Word of Mouth

James L. Horton

Oregano, a restaurant in the suburban Connecticut town of Mallin, had built its clientele over 10 years of good food and service. The two owners had come to the US from Italy 20 years before and had spent their life savings in opening the establishment. They had done well but were not wealthy. Oregano paid for itself but because it did not have a liquor license, cash flow and margins came from food. Since Oregano emphasized higher quality ingredients and careful preparation, its profitability was lower, and Oregano could not charge Manhattan tariffs for its meals. Oregano was the principal source of income for both owners. A catering business was profitable but small and had not grown because the restaurant demanded most of their attention.

Alberto Adamo and Rafaele Carmelo were upset one day when a customer tipped them off to a negative review on Yelp.com. Their Yelp reviews had been at least three out of five stars. This one was one star and included an obscenity:

This place was supposed to be great. This place was supposed to be the best food in town. This place was supposed to be worth the 100 + dollars I dropped on two apps and two entrees.

Stuffed Artichoke - looked and tasted like it was made the day before and wrapped in plastic wrap only to be heated in the microwave for service. Stuffing was bland and overall kinda weak...a majority of the bottom leaves were not tender enough to eat.

Raw Seafood Sampler - Our initial impression, "Fuck, this thing is peuny" (sic). Two oysters, two clams, four small pieces of crab at two stinky shrimp. Not enough seafood and the shrimp were literally stinky, ya know old. I stopped chewing half way through and spit the shrimp into my napkin. (I know, that is disgusting and extremely poor manners, but I knew I would vomit if I swallowed).

Lamb - Was OK, served with fig and walnut risotto which was decent, but needed salt and pepper to make the dish. Who is there (sic) target demo(?) The (sic) geriatric folks from Stamford??? Give it some flavor.

My normal complaint is that restaurants are too ordinary...Oregano was below ordinary. Try Harder!

Neither Adamo nor Carmelo knew the diner who was listed as a local Mallin resident, but they were angry. It might have been an off-night for the restaurant,

or the commenter was a complainer. Adamo called up the diner's list of reviews. There were 54 in all, so he was a frequenter of restaurants. Many of his choices were five stars and most were three. Oregano's single star stood out. Carmelo browsed through the list of restaurants the diner gave five stars. He noted Le Rendezvous in Greenwich. Carmelo had dined there nine months ago, and he thought the food indifferent at best. But then, he marked an Ethiopian restaurant two communities away that he had sampled a year ago and thought terrific. The diner had given it four stars out of five. Interestingly, the diner said nothing about service. Most of Oregano's three-star reviews were for slow service, a problem the co-owners had addressed with the wait staff. The wait staff took constant retraining because of turnover, and they had fired poor performers quickly. There was also a complaint about inconsistency from frequent diners – a condition of how busy the kitchen was.

While reservations were good and the restaurant was doing two turns at lunch and three turns at night, Adamo and Carmelo did not want to deal with a decline, should they get more negative reviews. They checked other review locations on the internet -- Google's average for Oregano was four stars out of five, Opentable.com an average of four out of five (with one blast at a bad waiter.), Zagats.com, a 90 percent rating with an opinion that the restaurant was tired. Other sites with fewer reviews were in the same vein.

The question was what to do. They could not afford to upgrade ingredients more than they had. They trusted their chef, Fred Hampson, a graduate of the Culinary Institute of America and their pastry chef, Adrianna Hetherington, who had worked at top-ranked restaurants in Manhattan. The restaurant was a long, narrow room with a raised section in back. There wasn't space to spread tables out beyond the seating they had, although in the summer they put up umbrellas and tables on the sidewalk outside. They could not afford to expand the restaurant into the already too small parking lot to one side of the building, and the other side and back of the building were pressed against lot lines, so there was nowhere to go, other than to leave for another location, a risky proposition neither wanted to take. Trying harder made little sense. They were already on duty 14 hours a day, although they alternated days to keep from burning out.

They discussed their concerns with Hampson who made several suggestions for improving flow through and from the kitchen. All were easily done and resulted in better coordination and marginally faster service. Hetherington suggested a new range of desserts, which they gave her permission to test. Still, the bad review rankled, and it remained prominent on Yelp.com.

Adamo thought it might make sense to review their web site although it was professionally done and elegant. Carmelo considered approaching friends and asking them to review Oregano on Yelp.com to help push down the one-star review. Then the two of them decided to talk to a marketing agency owner who worked in Mallin to get his insights. The owner was a frequent diner at Oregano

and knew them well. He conducted business lunches at Oregano several times a month.

They explained their dilemma to the agency owner who said he too had concerns. The last time he had been at Oregano, a waiter had been rude and the food was tepid when it reached the table. He had chalked the experience up to a busy lunch trade at the restaurant that day, although his client didn't notice the deficiency. In fact, the client suggested they return to Oregano the next time the client was in Mallin. The agency owner said he was ready to try another restaurant down the block from Oregano to see if it was a better experience. The agency owner also said Oregano was becoming tired and needed to change its menu and service.

Adamo and Carmelo reviewed the menu with Hampson and Hetherington and considered changes. It was not easy. The current stock of ingredients went into several dishes and change meant a new list of foods with consequent storage and cooling problems. They were already tight on space in the cooking area. Then there were new dishes. Adamo and Carmelo wanted to keep northern Italian authenticity. They looked through hundreds of recipes to find an initial list of 50 that seemed to work together and could be made profitably and quickly. Hampson prepared them all, and they taste-tested them over a period of weeks with friends of the restaurant and the agency owner. Twenty survived and went on the new menu with 20 older items being removed.

Adamo and Carmelo next turned to décor. There wasn't much they could do, but they called in the original interior designer and had her review the space. She suggested adding plants near the entrance, decorative wall sconces that fit with the modern feel of the restaurant and changed seating. Seating was too expensive. They turned down that idea but put in the plants and the sconces.

Adamo and Carmelo then asked the marketing agency owner what he could do to help re-launch the restaurant and to get better reviews.

#

Questions for discussion:

1. Write a strategy and tactics for the re-launch of the restaurant. Budget is an issue. Adamo and Carmelo will have to do most of the implementation.
2. Were Adamo and Carmelo too sensitive about one bad review?
3. Should Adamo and Carmelo be monitoring reviews constantly online?
4. How can they tell if a bad online review is hurting their business?