

Elite Restaurants Are Resorting To Discounts -- Under the Table

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It's the biggest lie you'll hear at a fancy restaurant these days, right up there with "this is low-fat" and "our celebrity chef cooked it himself."

"We don't do discounts."

High-end eateries have long disdained coupons and discounts, which conjure up images of early-bird specials and all-you-can-eat buffets. But battered by the continuing slump in the economy -- and the virtual disappearance of price-is-no-object expense-account meals -- some of the nation's most elite spots are being forced to get into the game.

HAUTE CUISINE, LOW BUDGET

• Restaurants are scrambling to fill more seats -- but are mortified that discounts will cheapen their image. So they are rolling out incognito price cuts. [Here's how they work.](#)



In recent months, restaurants such as Masraff's in Houston and La Cote Basque in New York have started offering price cuts, sometimes couched in such

euphemisms as "gift certificates." About six months ago, one well-known Sonoma, Calif., restaurant even began discreetly offering repeat customers a discount "club card." A growing number of the

most sought-after places, such as Olives in Boston, MK in Chicago and 21 Club in New York, are participating in national, Internet-based discount programs that let diners cut their tabs by as much as 30%.

The upshot: Paying full price these days is a last resort -- and chances are the person next to you is shelling out less for the same meal.

For image-conscious eateries, the trick is to slip in the discounts without the side order of humiliation that comes with announcing to the waiter -- and in effect, the entire restaurant -- that you intend to use a coupon. Many of the new discounts are designed so that diners don't have to mention it to anyone at all. One popular credit-card discount offering, iDine, is so discreet that the restaurant doesn't even realize at the time that you got a discount. Instead, a sizable refund simply appears on your card a few days after the meal.

Lori Carlis, a real estate agent in New York, calls herself a "coupon maven" -- but hates using them at restaurants. The anonymity of the new discounts is "fabulous," she says.

Stealth discounts have created a parlor game of sorts, as patrons look for ways to cash in by piling multiple markdowns on top of one another. A "double play," for example, might involve using a promotional coupon plus a discount offered through an online-reservations system such as Dinnerbroker.com. Some serious type-A diners have even tried to score a "triple play," using three discounts at once, though that is extremely difficult to do because many promotions have restrictions attached.

A recent meal at Provence, in New York's chic Soho neighborhood, shows how it works. First, we went online and bid for a gift certificate on eBay from a company called

Restaurant.com, which sells and auctions them for thousands of eateries. You sometimes can get \$25 or \$50 gift certificates for less than half price. Then, we booked a table through Dinnerbroker.com, netting an additional 20% discount.

Finally, we bellied up to the table and ordered codfish, sole meuniere, white wine and a scotch on the rocks. When the check came, we discreetly slipped the gift certificate in with the bill. Total savings: 40% off a \$125 tab.

Provence's owner, Michel Jean, was aghast when asked to comment on the double dip a few days later: "You want me to stay alive, or you want me to go into bankruptcy?" Still, he says discounting is necessary because his regular customers are watching their pocketbooks. "Who doesn't need help selling their early tables these days?" he asks.

Restaurateurs are responding to such pressures by borrowing tricks from airlines and hotels, such as selling off-peak seats for less and launching frequent-diner plans. Independent restaurants are also facing greater competition from rapidly expanding chains such as Olive Garden and Outback Steakhouse. The chains heavily advertise, forcing independent rivals to market their own offerings more aggressively.

But the discounts are subtle, and that is by design. The staff at Saddle's in Sonoma -- which recently launched the club card -- is getting special training to be poker-faced when diners redeem an offer. "Our policy is to be very discreet," says general manager Bill Blum.

The bargains come in a variety flavors -- some through credit cards, some through the Internet and some issued directly by restaurants. Particularly generous deals are available on Dinnerbroker.com, which lets you shave from 10% to 30% off the

tab at places like 21 Club by booking online. In the past six months, the number of participating restaurants has jumped 50%.

The only program that makes you pay to participate is iDine, the highly discreet program that reimburses your credit card. Membership in iDine costs \$49 a year, though it can be worthwhile for people who dine out regularly. In recent months, it has signed on several well-known new members, including Striped Bass in Philadelphia.

Gift certificates offered by Restaurant.com can be bought one of two ways. The Web site sells them for half price (so a \$50 one costs you \$25). Or, you try to get them for less by bidding for them on eBay -- search for "gift certificate" or a restaurant name. The company says it is selling 10 times as many gift certificates as it did last year. This month, Dinnerbroker says it will start selling its own version of gift certificates.

But isn't a "gift certificate," when sold at a discount and used like this, essentially a glorified "coupon"? That is a question of taste. "We've always hated that word," says Steve Savad, an executive at Restaurant.com.

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THE DEAL	HOW IT WORKS	THE CATCH
Dinnerbroker.com	Book online at one of about 250 restaurants (eg: Aubergine in Los Angeles). Restaurants automatically take 10% to 30% off your check -- you don't even have to ask.	To get most deals, you need to book at off-peak times, like before 7 p.m. or after 9:30. But there's no shame factor: Even if the restaurant fails to honor the discount, you don't need to confront the waiter; Dinnerbroker will cut you a check later.
Restaurant.com	Buy a discount "gift certificate" (a \$50 certificate costs you only \$25) for one of 3,000 eateries on Restaurant.com -- or bid for one on eBay.com. After dinner, just slip the certificate in with payment.	The "gift certificate" euphemism reduces the stigma of using what is, essentially, a coupon. Warning: Some come with restrictions, so read the fine print online.
iDine.com	Buy a \$49 annual membership at iDine.com. Then eat at one of about 7,000 participating places (such as Olives in Boston). A couple days after the meal, a 20% discount will show up on your credit card.	iDine deals don't kick in if you used other discounts -- no double-dipping. Also some restaurant permit the discounts only at off-peak times.
Frequent-Diner Programs	Restaurants are increasingly doing this to encourage repeat business. Remi in New York's theater district hands diners a coupon for 15% off the next visit; Saddle's Steakhouse in Sonoma, Calif., gives regulars a 10%-off "club card."	These deals can be very low profile, so you may need to call the restaurant and ask if one exists.
Mailing/E-Mail Lists	Places like Morton's Steakhouses and Fiamma and Ruby Foo's in New York are increasingly relying on direct-mail campaigns and e-mail blitzes to promote deals. To get on a list, contact the restaurant and ask to be included.	Once they have your contact info, be prepared for a deluge: Some restaurants alert you to practically every menu change.
The "Prix-Fixe" Phenomenon	"Prix-fixe" meals -- where appetizer, entree, and dessert are all offered for one price -- are an increasingly popular way of discreetly discounting fancy food.	Selection can be limited to a few items or just one -- and it's usually the humbler dishes, not truffles and foie gras.