



SURVEY

Member feedback on coronavirus impact

restaurant
association
of new zealand

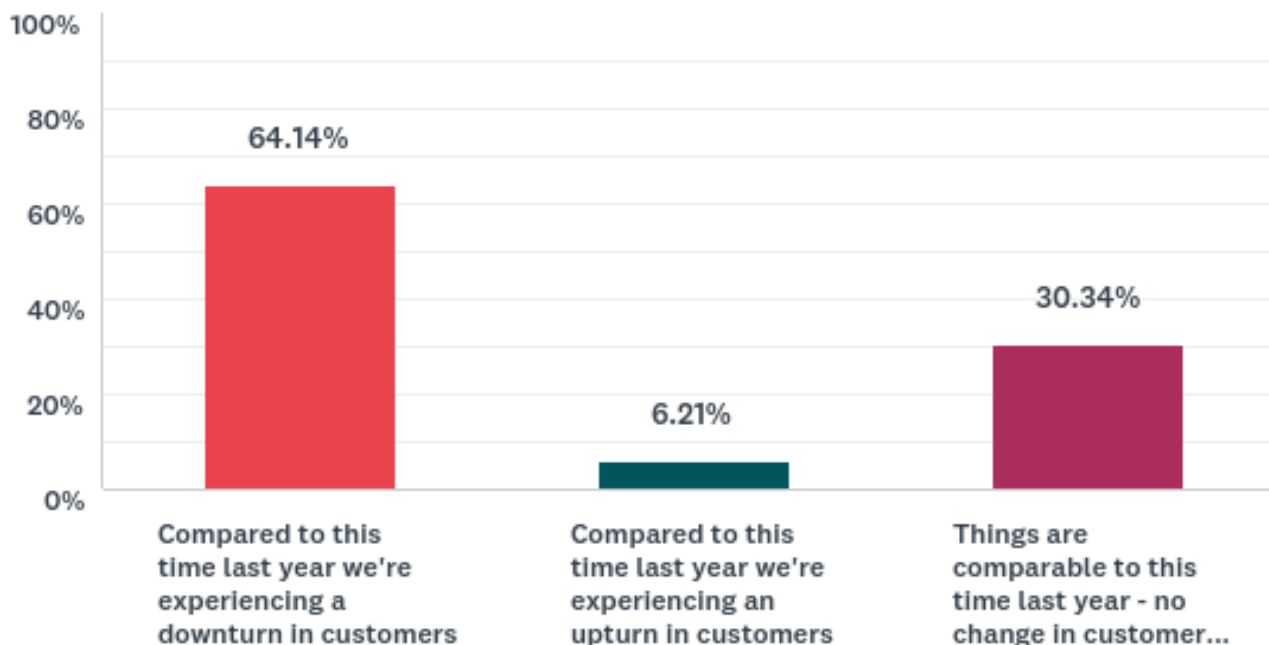
The year has certainly begun with many unexpected challenges, including drought in the North Island and severe weather conditions for parts of the South. Many city centre members have also been affected by infrastructure upgrades, which have had a devastating effect on business. And then news of the coronavirus COVID-19 hit. Currently the impact of this virus has become the main topic of conversation and since we first heard of this new strain of coronavirus in January it has rapidly snowballed from there.

Even before there were any confirmed cases of the virus in New Zealand, a combination of travel restrictions for tourists coming into New Zealand over some of the busiest times for Chinese tour groups, and New Zealanders choosing not to dine out as frequently, has had a devastating effect on the hospitality industry.

We are fielding a number of calls from business owners in desperate situations, asking for advice and have been vocally advocating on behalf of the industry, calling for the Government to recognise impact this has had on small businesses and calling for a Government financial support package. Therefore, the Restaurant Association has welcomed news that the Government will introduce a targeted wage subsidy for businesses. We are pleased to see government recognising the struggle the hospitality community are facing currently and the longer term strategy they are addressing as well.

Several surveys of Association members have shown the impact this has had on the hospitality industry, with 67 per cent of members saying they have noticed a downturn in customers. Some of the businesses hardest hit are reporting losses of up to 60 per cent. More than 60 per cent say that they believe the downturn for their business is a result of the travel restrictions and almost 70 per cent indicated that they had noticed less New Zealanders dining out.

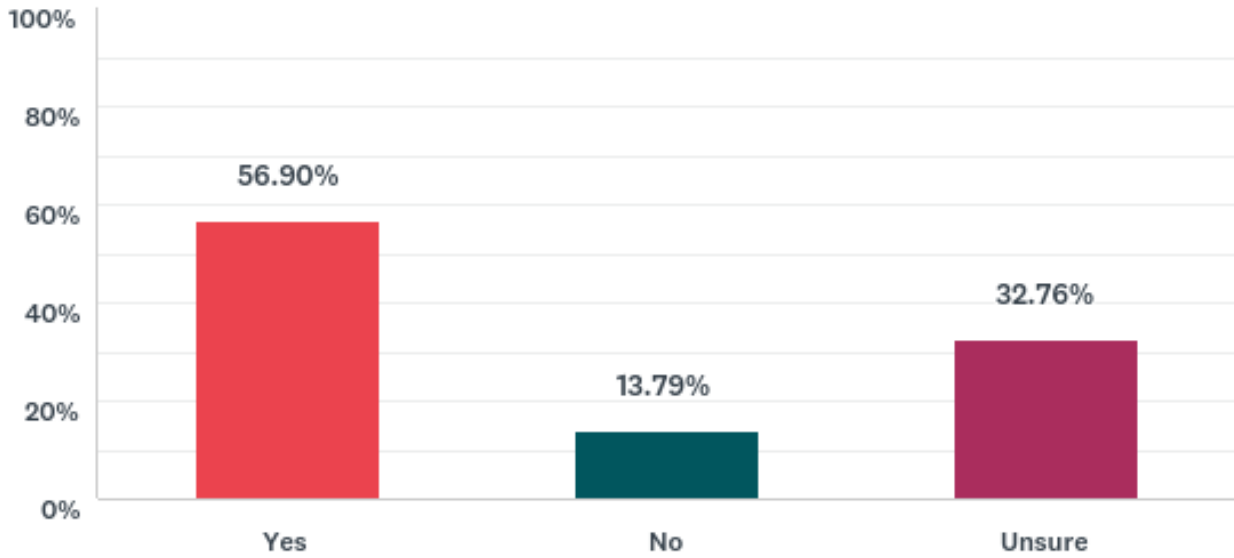
Q1. Is your business currently experiencing an upturn, or downturn in customers, or is it business as usual (compared to this time last year)?



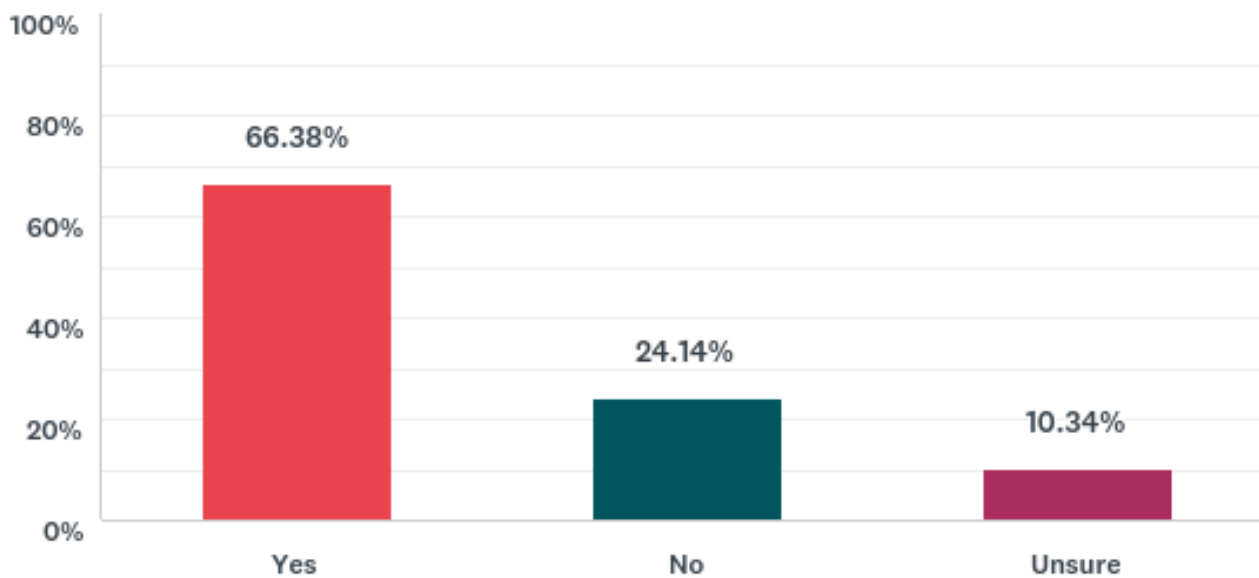
By what percentage is the downturn?

On average 25 per cent decrease in turnover.

Q2 If you are experiencing a downturn in business do you believe that this is a result of current travel restrictions in place as a result of the international coronavirus outbreak?



Q3 If you are experiencing a downturn in business have you noticed less New Zealand customers dining out?



MEMBER FEEDBACK:

I think there is a downturn in tourist numbers across the board for a number of reasons, however coronavirus is definitely adding to decrease in tourist numbers.

The only impact we are seeing is on our accommodation at this stage. We are an out of the way location and I believe that as pressure is lower on mainstream accommodation leaving them with vacancies that would not otherwise be there. We are feeling the impact that way rather than directly.

My friends have family coming back to live in NZ right now instead of July as planned. To escape the risk for their children.

This is devastating for our business here in Queenstown after a poor winter season and a sluggish summer to date. On the end of this, we are going to be hit with an increase in minimum wage!

We usually get business from returning Chinese students and new ones usually bring their families too. We are not seeing any of these.

We don't cater to or go looking for customers from the country concerned with the virus so have had no change in numbers.

Losing booked customers who are emailing to say they are changing plans to visit NZ due to virus.

Hawke's Bay predominantly domestic tourism. Except cruise boats.

Normally during Chinese New Year we see lots of travellers, but it was definitely less this year.

I'm a mobile vendor and had a couple of Chinese New Year events get cancelled as a result. But events you never know where you stand anyway, as it might have been quieter than advertised or something else...

Since the outbreak of the Coronavirus we have not seen a drop in our sales week on week, however we are experiencing a lower turnover compared to last year which I believe is due to the saturation of the Hospitality Market in Christchurch rather than the Coronavirus itself.

Pre-committed Group have cancelled. The lead time is usually up to 2 months. We are not receiving any March Pre-bookings, but we have recently received some for after Easter in late April and May. When questioned why, the response a week ago was that the Chinese government have yet to ban travel in April & May.

Seems to be business as usual. We don't get many independent travellers from Asia, so we haven't been affected so far.

I survived birdflu, swine flu, and no doubt will survive corona virus.

I am looking at changing the theme of my restaurant to a lower priced version and something different from other restaurants. The first reason for this was the current political and economic environment that I cannot see changing in the farming sector till elections. Also the need to push this through quickly is coming from the coronavirus by seeing several trades around our area suffering from export and import restrictions which will inevitably affect my business very very soon. And with no slow down of those affected or vaccination in sight it is playing a major role in my decision making to bring cheaper dining options in sooner!!

We have noticed cancellations go up with customers saying their flights have been cancelled due to Coronavirus.

I think there is still disruption ahead of us, the importance of correct information from both Government and all Media outlets will be vital.

I have had several business partners who have been affected, a week long meeting package for this week was cancelled late notice due to Coronavirus, and as we are in corporate are expecting to see effects on our International Incentive groups as well as Chinese Tourist market.

Much less Chinese tourists.

No impact on my business from coronavirus.

International visitor numbers at 'feeder hotels' in close proximity to our biz, are down on the same time last year - hence we too are experiencing less 'foot-traffic'.

At this stage I believe we are unaffected but we will watch and wait.

We are experiencing no significant changes in business other than that of the seasonal changes, end on summer. There has been little to no mention of the virus, and our business is not solely dependant on the tourist trade, as we have spread our business over many layers of customers.

We are in rural NZ and have not yet seen an impact or downturn except for a couple of cancellations from overseas visitors in our accommodation. We have mainly a domestic market at this time of year and we are a weekend destination venue. City people seem happy to still travel to us on weekends.

We depend on Tourist from Asia and we are not seeing them coming through.

The threat is turning into reality. may be that Corona is a nothing but in economical terms it is becoming very obvious.

Less Chinese students and their families.

it is very tough at the moment especially since we compete against an industry where so many do not pay their staff correctly.

We are a formal restaurant so people book ahead lots of cancellations directly related to coronavirus travel restrictions and fears eg we had 20 guests cancel/no show the Saturday. The first case was confirmed.

As we are a formal restaurant we get booked in advance and we have had cancellations last minute and in advance due to Coronavirus.

We need Government support for keeping staff.

We also have a boutique cinema and the numbers have dropped in that business as well. Both businesses feed off each other and both are quiet.

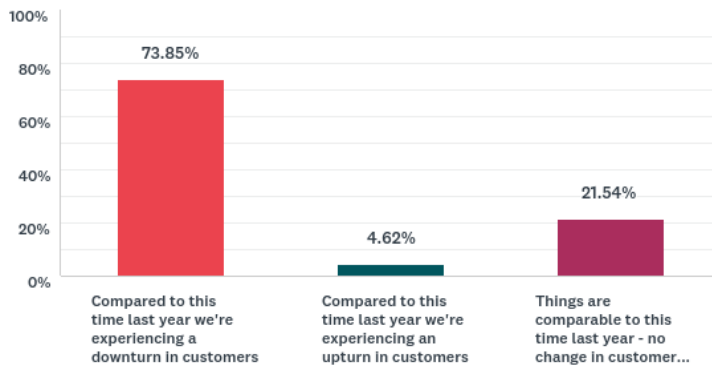
This year has been down on our previous best 2years but we had a further 20% drop last week compared to the prior 3 weeks. Business slowed overnight after last weekend when people went crazy emptying supermarket shelves.

We also believe the floods in the South Island, the White Island eruption have had significant effect on tourism in NZ.

We need some standard formal public notice from RA for all the member restaurants to display to remind people with good hygiene habits and not dine in the restaurant if they have flu symptoms...

AUCKLAND

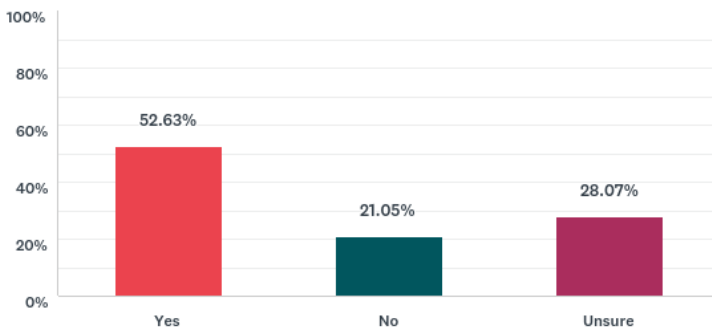
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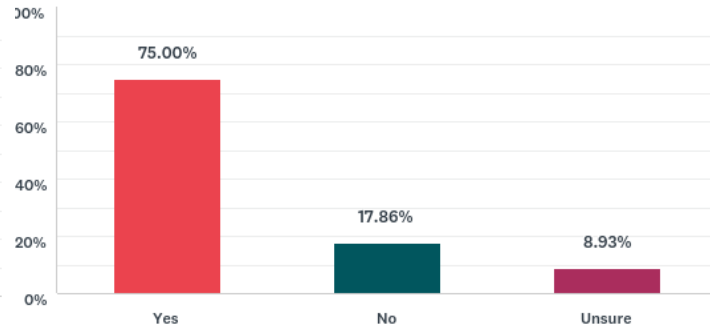
By what percentage is the downturn?

Ranges from 10 – 50 per cent - on average 25 per cent decrease in turnover.

Q2 If you are experiencing a downturn in business do you believe that this is a result of current travel restrictions in place as a result of the international coronavirus outbreak?



Q3 If you are experiencing a downturn in business have you noticed less New Zealand customers dining out?



AUCKLAND MEMBER FEEDBACK:

Many of our regular customers are worried about the spread of coronavirus and are staying away. We generally have significant numbers of Asian customers. These numbers are noticeably less since the first NZ coronavirus case.

Takeaways not affected as much. What is more concerning than the virus is the economic impact. The media are now adding a recession to the fear so customers will reduce spending and coupled with staying at home more, its going to be seriously affecting business.

We have had a few group booking cancellations (corporate) stating coronavirus impact - clients from overseas no longer travelling. Local customers still coming in regularly

Downturn is just due to more competition. We do not appear to have any affect from the corona virus outbreak.

We depend on Tourist from Asia and we are not seeing them coming through

We are a formal restaurant so people book ahead lots of cancellations directly related to coronavirus travel restrictions and fears. eg we had 20 guests cancel/no show the Saturday the first case was confirmed

As we are a formal restaurant we get booked in advance and we have had cancellations last minute and in advance due to Coronavirus.

We need govt support for keeping staff Tax cuts and force smart pay to drop surcharge for touch less eftpos payments

This year has been down on our previous best 2years but we had a further 20% drop last week compared to the prior 3 weeks. Business slowed overnight after last weekend when people went crazy emptying supermarket shelves

We need more assistance not just delay paying tax as is in the current offer.

Always quite after school starts and now university is starting. Just a

seasonal fluctuation.

There are definitely less people out on the streets and going out to cafes and restaurants both locals and tourists

Ok, word needs to go out, be positive, this is just a common cold, 106,000 people have virus 56,000, have recovered, 40,000 have it, world population is 7.7 billion, media, needs to look on the positive side and stop scaring people

We need support for rent from landlord, tax cut from government, and reduction franchise fee from head office, but it looks no one care us these hardworking small business owner, this is really really sad!

There are less people coming to Waiheke Island.

Less Asian customers.

The hysteria this has caused is RIDICULOUS. As if it's not already hard enough. This could potentially be the finish of us.

We are expecting some help from the Government.

At the moment we are very busy, no impact from corona at this stage, healthy forward bookings too

I think there are different factors involved less tourists around, less money, more competition, less culture.

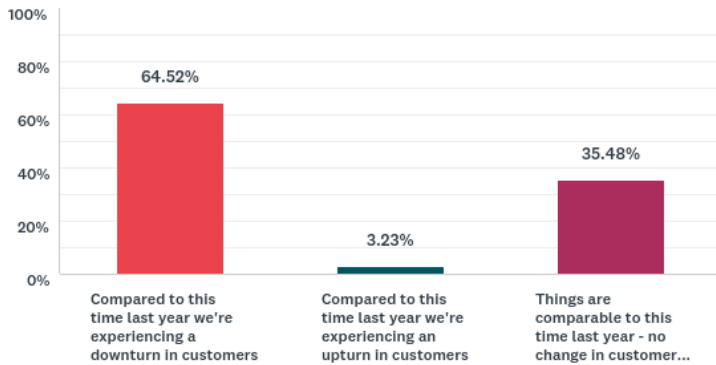
We have mainly European customers and food represents only 35% of our business. We are noticing a downturn during lunchtimes 7 days, but evenings are slightly down compared to last year. I think customers still want to socialise with friends, family and workmates but are avoiding "unnecessary" socialising. I think this could change very swiftly for us if Covid 19 became as big an issue as it is in some places overseas.

We are on Dominion Road in Auckland, we've lost our regular Chinese clientele and almost all tourists.

We are a vineyard restaurant in a rural location in Auckland.

WELLINGTON

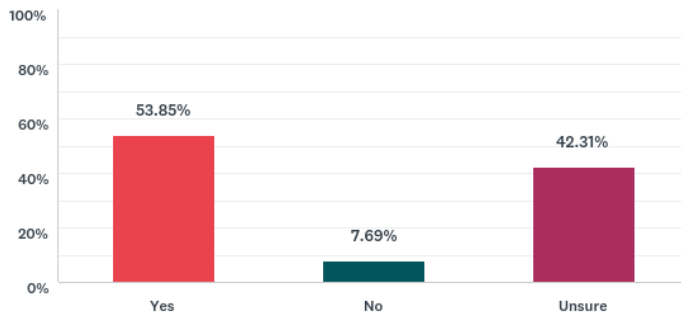
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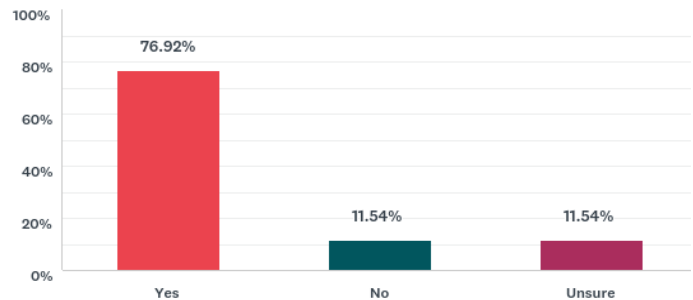
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WELLINGTON MEMBER FEEDBACK:

It's our first year so we're a little in the dark some other operators in the area are saying they are quiet but we seem to be steady.

We are going into the winter season where we always slow down a bit and the outbreak of coronavirus has just started to affect travel. So it will be interesting to see the effects in another months time. It's hard to say at this time whether we will be affected or not. Time will tell though! As a whole since Uber Eats we have seen a small decrease in diners actually going to a restaurant which is such a shame as they don't get to have the full experience and the food quality isn't as good when it's been driven around the city.

Looking for guidance on how to prepare. We have taken down all our magazines, reinforced hand washing and coughing etiquette.

Corona virus is affecting biz confidence which is low and in turn affects our revenue. I dont think people are scared of getting the virus in wellington. We still have tourists dining with us but they are obviously on trips planned pre corona virus. We are getting less locals/NZers

The threat is turning into reality. may be that Corona is a nothing but in economical terms it is becoming very obvious.

We also have a boutique cinema and the numbers have dropped in that business as well. Both businesses feed off each other and both are quiet.

Early days for suburban Lower Hutt, so even though there appears to be a slight downturn in the last week its too early to say.

We had a catering event today for 50 people booked in. The day before the customer cancelled all the food but kept tea and coffee. We asked them why (actually suspicious they were getting food from somewhere else) here's their response: Unfortunately we need to cancel all the food for this order – "a call has been made and I'm sure you can understand the health and safety risk with Coronavirus. If you could please confirm that we can cancel this without charge that would be appreciated". we asked if this was the case across the business (a large govt dept) and received this response 'No announcement has been made at all, this specific session includes attendees travelling from Auckland so we have made the call not to risk it on this occasion'.

People have fears to dine out, especially Chinese restaurant. we still need to pay all the rent and wages even there's a big downturn, and you cannot cut the working hours of those full time employees as there's already too quiet.

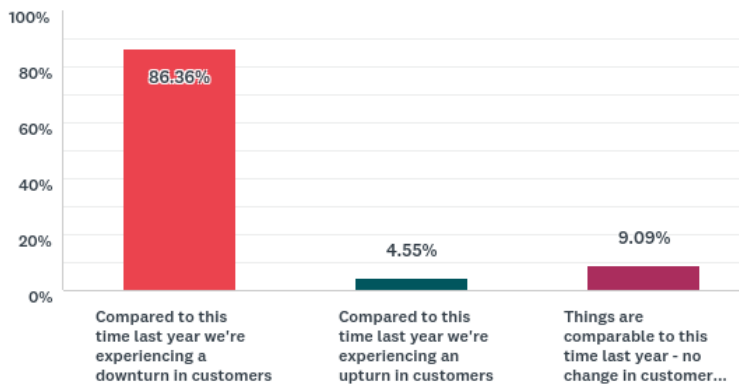
I get the feeling that everyone is just holding their breath, and maybe preparing for the worst. People are definitely using the hand sanitiser we have on our cafe counter.

Fear abounds. Misinformation is rife. Anyone who coughs or sneezes is looked on a sick. Quite crazy really.

I wish I could tell you more. But I am concerned about our business.

CANTERBURY

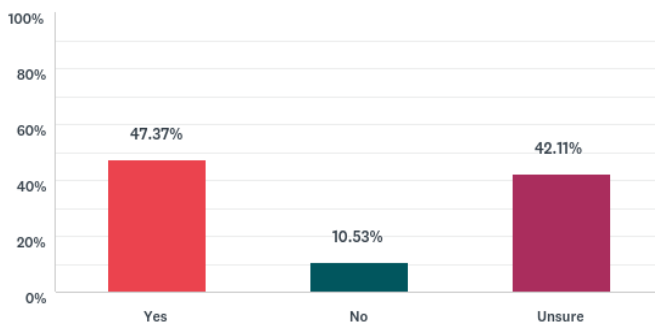
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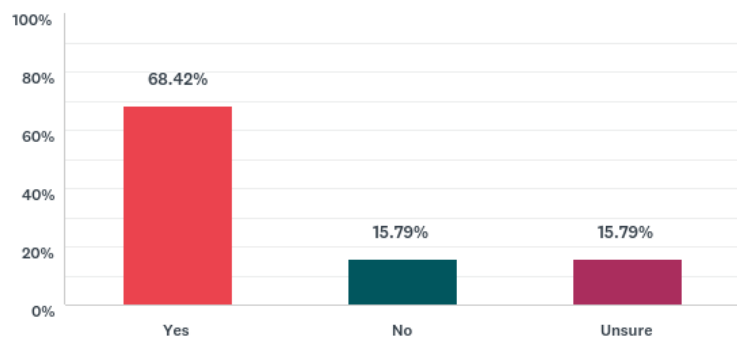
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Q3 If you are experiencing a downturn in business have you noticed less New Zealand customers dining out?



CANTERBURY MEMBER FEEDBACK:

I do not feel the downturn is necessarily due to the virus although there are less tourists.

I think less people are travelling in general and this is still peak tourist season which gets us the cream to survive the winter.

I not sure it's the virus itself that is the main problem. I'd suggest that the negative hype around it is actually more damaging.

You should look into what is happening in the current hospitality market in Christchurch.

We have noticed a trend downwards over the past 4 months.

We need some standard formal public notice from for all the restaurants to display to remind people with good hygiene habits and not dine in the restaurant if they have flu symptoms...

We had several group bookings (10 ppl and more) cancelled due to health concerns, specifically Corona virus.

Less tourists from anywhere.

Please stop minimum Wage rise from April.

People are unsure if it is safe to be in groups or mingling in close confines. A lot of more senior customers who had booked for group celebrations are also cautious, if one pulls out they all get cold feet and cancel.

I don't think in Christchurch we have felt the full effect of the outbreak yet. Our sales have stayed consistent at the level they were before the outbreak. Perhaps if coronavirus makes its way down here we may feel the effects. Also will be hard to quantify the effect over the coming months, as this is when we usually see a drop in our sales as tourist numbers naturally follow the end of summer trend and decline.

SOUTHERN LAKES (Queenstown)

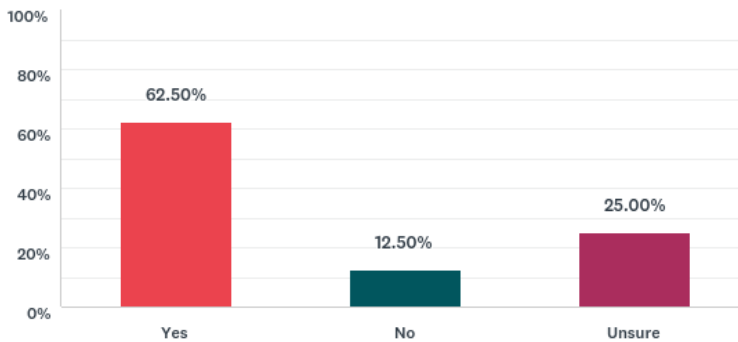
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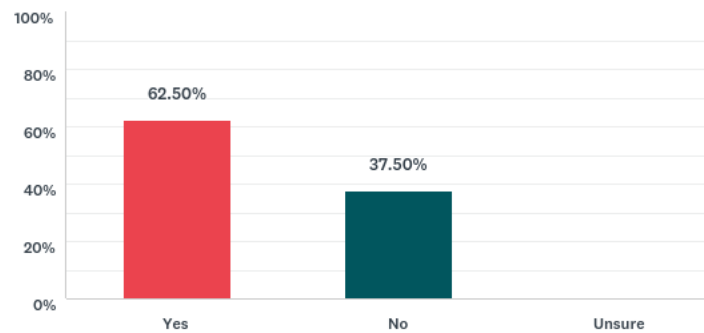
By what percentage is the downturn?

Ranges from 5 – 55 per cent - on average 30 per cent decrease in turnover.

Q2 If you are experiencing a downturn in business do you believe that this is a result of current travel restrictions in place as a result of the international coronavirus outbreak?



Q3 If you are experiencing a downturn in business have you noticed less New Zealand customers dining out?



SOUTHERN LAKES MEMBER FEEDBACK:

At this point in time our restaurants are trading the same as this period last year.

There was already a downturn before the virus. Not sure why Australian fires, general economics ?? Not sure if it is worse since virus.

People are generally avoiding going out. We need substantial tax breaks and/or tax cuts. We are struggling. By no means are we rolling over, we are doing everything possible to make things work but by the looks of it things will worsen before they get better. Permanent closure for many of our greatest and most loved NZ restaurants is on the horizon if Govt doesn't act fast!

Mainly we have lost our international tourists however less NZ customers are dining because they have lost their customers so therefore our overall local economy is suffering. There simply is not enough funds to support our community. We are going through the process of letting go of staff & restructuring our offerings to avoid going further into debt or having to go into liquidation.

I dont feel the restrictions have hit us that badly, however the negative media has stopped most international travelers from visiting

WAIKATO

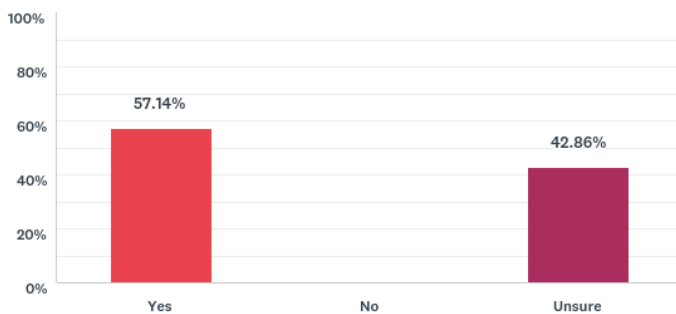
Q1. Is your business currently experiencing an upturn, or downturn in customers, or is it business as usual (compared to this time last year)?



By what percentage is the downturn?

On average 15 per cent decrease in turnover.

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