



WELLINGTON SURVEY

Member feedback on coronavirus impact

1 MAY, 2020

restaurant
association
of new zealand

The announcement from the Government indicating a move to Alert Level 3, which allowed the reopening of hospitality establishments through restricted takeaway and pick up services, was generally welcomed by the industry. The fact that so many were considering reopening and adapting their business models to accommodate the new rules is testament to the innovative and resilient nature of those that work in hospo.

Whilst this move to be able to reopen was seen as a positive step, we were still acutely aware of the fact that this will not work for all businesses. Alert Level 3 is good news for those that offered a takeaway or delivery service before lockdown and that have a road side frontage able to manage pick ups. However, even for those businesses we are aware that it will at best allow them to break even.

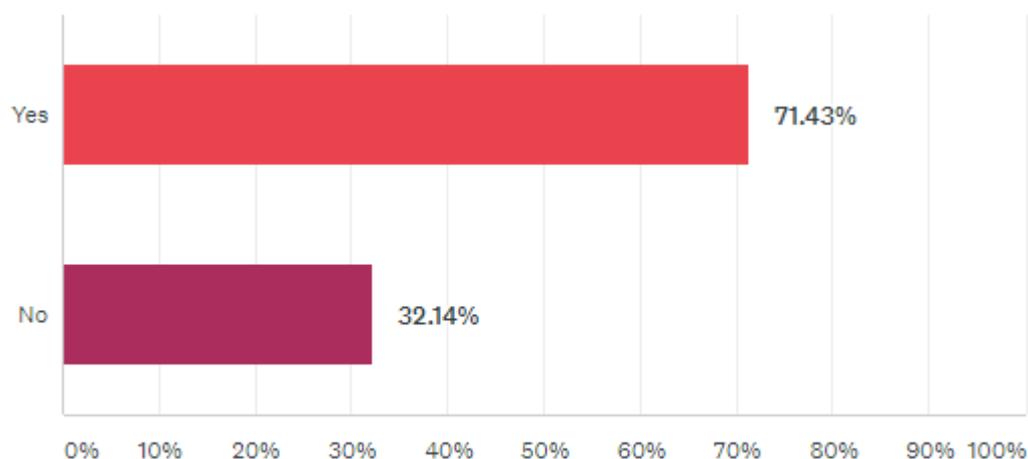
This latest survey sought to find out how many businesses did reopen at Level 3, and how business has been for those operators. The survey results indicate that almost 67% reopened, predominantly for takeaways (92%), however 60% have included delivery and 12% are offering meal kits.

Unfortunately, 89% of the survey respondents indicated that they have experienced a downturn in customers, despite reopening, with just 4.8% saying they have had an upturn in customers compared to this time last year.

In addition the survey has show a jump in the number of employers that are considering the need to undergo a restructuring process in their business in the future – 75% saying over the next 30 days they anticipate the need to restructure to reduce the number of staff overall (or are in the process of this).

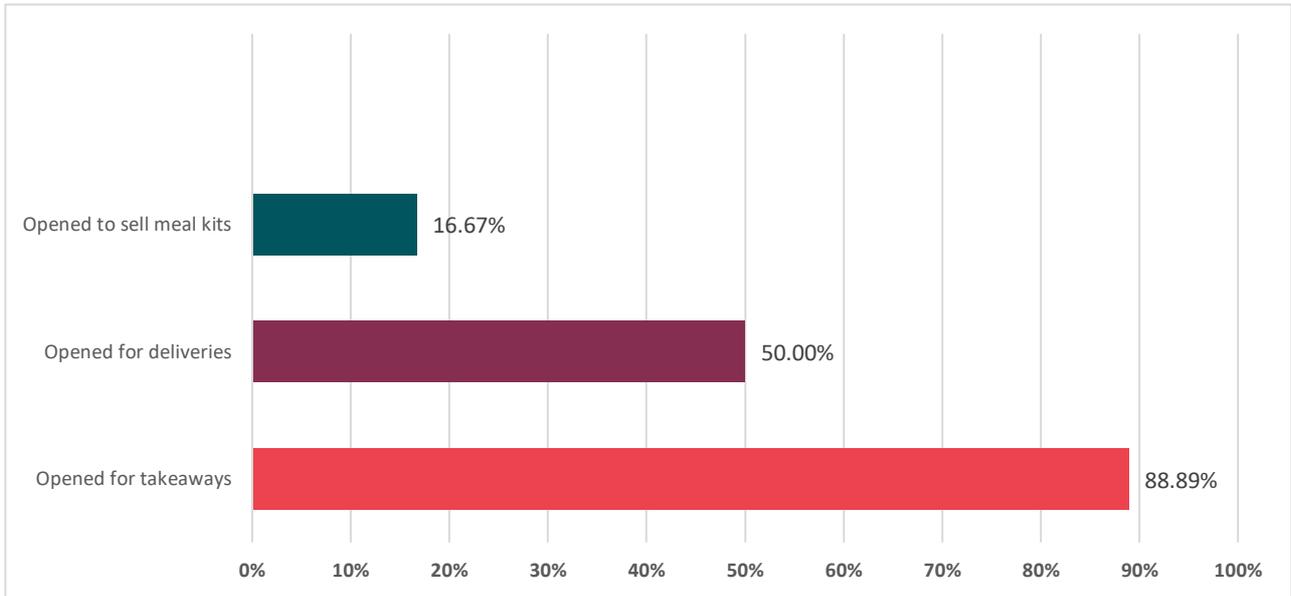
Q1. When New Zealand moved to Level 3 on Tuesday, did you open your business at this Level?

National average for Yes = 66.83%



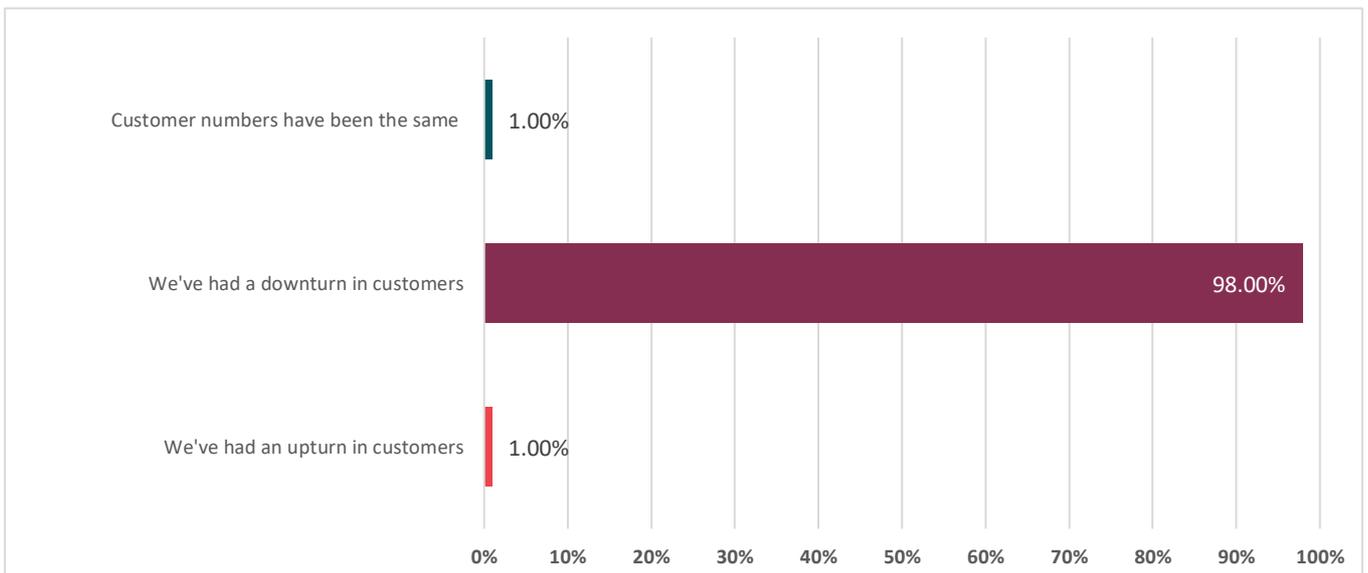
Q2 In what capacity did you reopen your business this week (choose all that apply)?

National average = Opened for Takeaways = 82% / Opened for Deliveries = 60% / Opened to sell meal kits = 12%



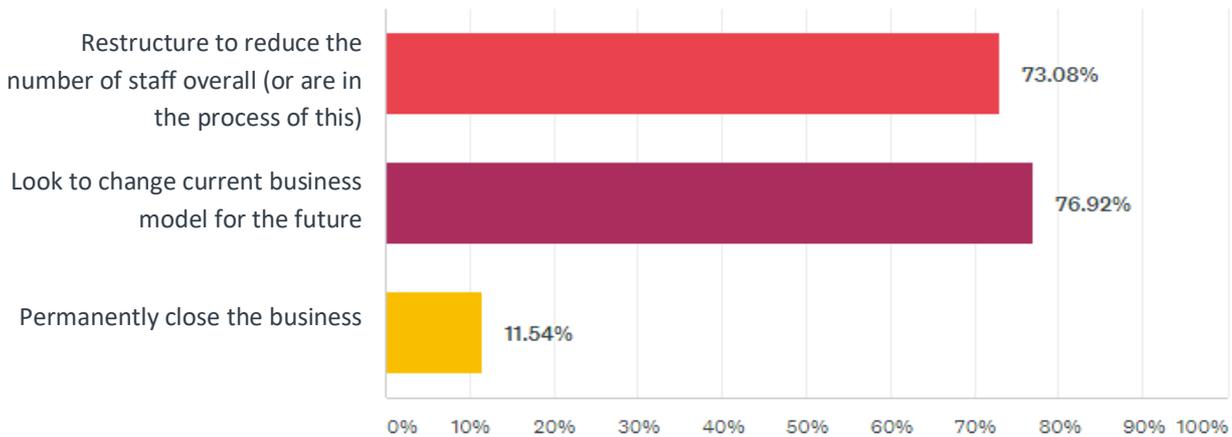
Q3 If you started operating again this week, has your business experienced an upturn or downturn in customers, or customer numbers have been around the same (compared to the last week of April last year)?

National average = Customer numbers same = 2.4% / Downturn = 89.6% / Upturn = 4.8%



Q4. Looking ahead over the next 30 days, do you anticipate you will need to take any of the following actions? (please check all that apply)?

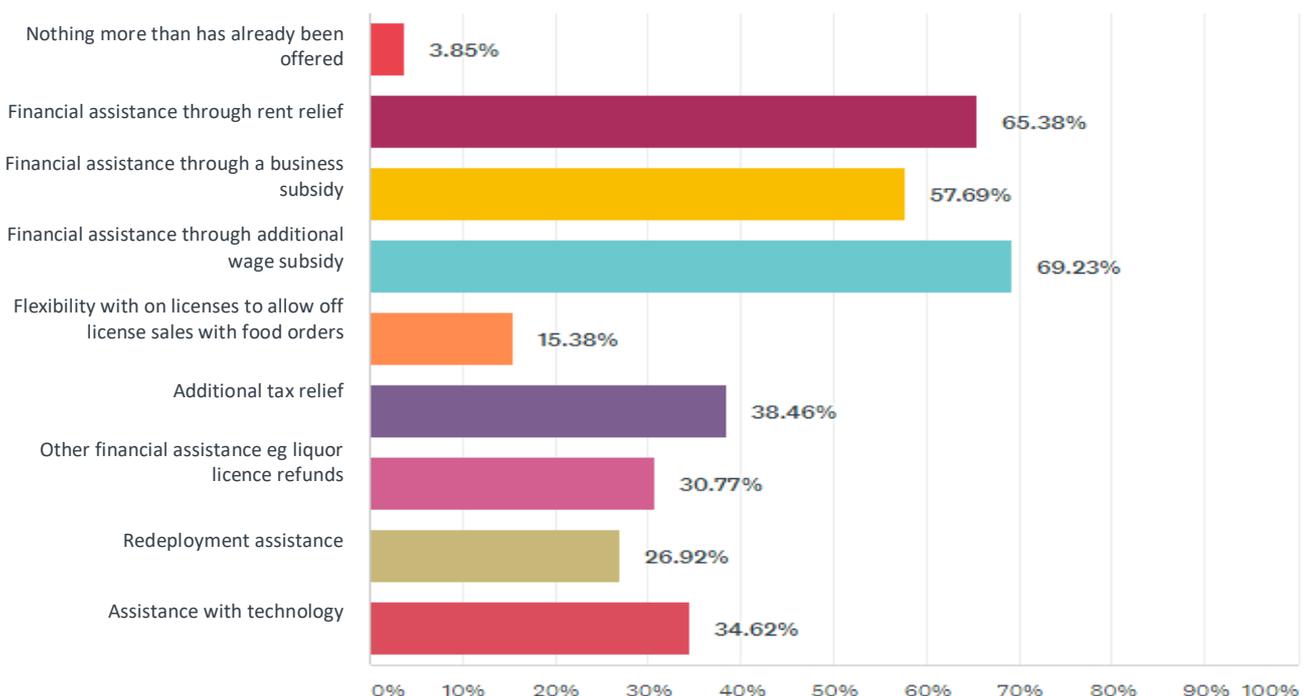
National average = Restructure = 75% / Change business model = 72.67% / Permanently close = 14.63%



Q5. Looking ahead over the next 30 days, do you anticipate you will need to take any of the following actions? (please check all that apply)?

National average:

- 68 per cent – support around rent relief
- 67 per cent – Financial assistance through a business subsidy
- 75 per cent – Financial assistance through an additional wage subsidy
- 30 per cent – Flexibility with on-licenses to allow off license with food orders
- 53 per cent – Additional tax relief
- 39 per cent – Other financial assistance eg refund on license fees
- 15 per cent – Redeployment assistance for staff
- 23 per cent – Assistance with technology and upgrading the business to comply at different levels



MEMBER FEEDBACK:

We feel it is going to take some time for everyone to learn what we are offering.

Just a small dip but we were busy for 3/6 days that we were open and more quiet compared to last year for the other days. Overall customers were very happy that we reopened and excited to be able to order from us again. There was a great vibe.

Sales choppy, but about 30% down on average. Largely due to lack of workers in the CBD. (But with our restaurant closed and catering closed overall we are tracking at about 25% of normal sales overall)

We are turning over about one third of what we did before.

Sales are down 85% year-on-year

We are experiencing drastically decreased customer levels, approx 75% lower.

We have opened to service our community & employ staff - as great as that may be business is very slow. We are trying but may be cease when it starts to cost us more money, as no real business

The associated costs are much higher but the sale decreases. We are only making about 20% compared to our normal sale.

Not worth opening really.

We are not a takeaway place so very hard to change what we do. Some loyal followers but very very slow.

We reopened on Tuesday. Day by day getting quiet. Customers don't spend that much money on the premises compared with last year. The sales are often less than the cost of materials.

Delivery, takeaway is a first for us.

Waiheke is closed to non-essential travel so we rely on local customers. Given the volume of operators here who are now offering takeaways for the first time the market is saturated.

Currently trading at around 20% of normal turnover

We opened on Friday at 5pm. We served approximately 40 takeaway meals including entree and desserts and mostly to staff and friends who came out to support us. We would normally serve 180 plus customers food and drinks.

Operating at 5% of capacity. The restrictions on level 3 are severe. Our business is not suited for takeaway volume. We are trying to maintain our presence in the local market.

90% downturn.

More customers. Smaller margins due to the fact its takeaway prices and because of commissions on online sales and delivery services where we

receive 77% of full price.

< 1/3 of normal daily trading volume.

90% drop.

Only baking our breads 3 days a week for pre order so very limited. Proceeds to go to our local hospice.

20% max.

Previously takeaways and deliveries would have accounted for about 30% of our business. Based on the last four days we are only achieving about 50% of last year. The customers we have see are very keen to support us. Most people are staying at home.

Walk in customers used to be 60% of business and the extra deliveries did not compensate for that. We have been down about 40% overall.

Very unpredictable actual sales 1/3 then normal sales.

Customer numbers are around the same turnover down as no dine in and extras associated with dine in.

In addition to takeaway meals we are selling takeaway and delivered beers, but the total sales are severely reduced from normal.

However, we are open less hours so this is to be expected.

Having the ability to number the amount of people in kitchen & not having restaurant open means we are only doing 20% of normal business...it feels like a slow death.

Nothing to compare.

Takeaways is not our normal business and were only opening 6 hours daytime. No dinner. No alcohol. Sales about + or -25%...

We are 91% down on same week last year.

Down by 90% from last year. Most businesses in area have not opened at level 2.

The customer numbers are not necessarily down but the average spend is. We can't upsell or sell alcohol like we would inhouse so average spend is not pretty. We do have a remote licence and can sell alcohol but this is hardly being taken up at all!! Guess they can get it delivered through liquor outlets now so unless we only make \$2 a bottle it was a waste of time. Unless the weekend is better

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