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restaurant
association
of new zealand

Consumer Dining Insights

A snapshot of New Zealand
consumers - dining behaviour

PRODUCED BY THE RESTAURANT
ASSOCIATION OF NEW ZEALAND



CONSUMER DINING INSIGHTS

The Restaurant Association's Dining Out research gives an insight into the eating out habits of the New Zealand consumer in our current environment, helping operators to understand what drives consumer behaviour.

\$78

The average spend by an individual on dining out. Those aged 46+ years are more likely to spend more, however, those 30 years or younger dine out more often.

53%

Use Google to look for and research establishments. Those under 30 were more likely to also use Instagram than Facebook.

80%

Of diners said they would prefer to use payWave to pay for a meal if it were available.

51%

Of diners who have had a bad experience said nothing about the experience to the venue and never returned.

34%

Of customers make takeaway orders directly by phone. Those under 30 years are twice as likely to use third party apps.

56%

Of diners said they rank Modern NZ cuisine in their top 3 with Asian 2nd and Italian 3rd.

2022 has been a year of change for the hospitality industry, with the move to relaxing Covid restrictions that have been in place over the past 2 years providing less interruptions impacting dining out opportunities for diners.

However, customer hesitancy has still been a factor at different times over the year and the industry has faced new impacts such as staffing shortages, increased costs and cost of living increases affecting consumers' ability to spend. Kiwis love to eat out. However, with expectations varying from person to person based on a variety of factors such as age, location, income and gender, it can be a struggle for restaurateurs and operators to meet every hungry customer's demands.

Dining frequency & spend

Dining out frequency has increased over the past 12 months; however, it has not yet returned to pre-pandemic levels. The frequency of dining can be directly correlated to income but is not associated with gender or if a respondent was employed full-time or part-time.

Other data points collected in the research suggested that pressures on discretionary spending, as a result of inflation and other cost of living pressures, have had some impact on dining out frequency. Those consumers that own their own home have a lower dining out frequency, along with those that have seen a reduction in their household income this year.

Age plays a factor in dining frequency as well, with those aged under 40 years more likely than not to dine out once a week at least, and those younger than 30 years having the highest typical dining out frequency; more than 4 times a week. When it comes to how much people typically spend when dining out, however, there is only a small difference between these two age groups.

The average per-person spend on dining out, or takeaway purchases, is \$78/week. Age however did have a significant impact on average spend. Those in the 46-50 years age range are more likely to be spending \$150 or more a week than

any other group with their average spend at \$91/week. 31- 35-year-olds average spend is \$77/week while those younger than 25 had an average spend of less than \$35/week.

Preferences and main influences

Modern New Zealand cuisine is the most popular cuisine choice for our dining public, with 60 per cent ranking it in their top 3 choices. Italian and Vietnamese cuisine are also top cuisine preferences.

Operators should pay attention to their online presence as 53 per cent of diners find out more information about an establishment via Google, followed by going directly to the establishment's own website. Searching Facebook or other social media platforms was also a key method of choice for 45 per cent of diners. However, 15 per cent still relied on information from friends and family. Younger diners relied on social media more than those in older age brackets, who leaned more towards getting information from friends and family.

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The main motivators for dining out are very clear. Eating out to satisfy their enjoyment of good food was ranked as a top choice by more than 90 per cent of respondents, while factors such as 'needing to eat' or 'lack of time' were only important to less than 10 per cent. Enjoying the social aspect of dining and taking part in special occasions such as birthdays were ranked by more than 55 per cent of respondents as important reasons for dining out as well.

What are the factors that most influence where to dine out? Knowing the place had great food and is value for money was the most important factor. However, people also like to return to places they've had good experiences at before, with 'having been before and know it is good'

also ranking highly. Deals and offers only ranked important for 15 per cent of people, which was down from 35 per cent in 2021.

Looking ahead, compared to our 2021 consumer survey there is an increase in people indicating they will dine out more over the coming year than they currently do, and fewer people indicating they will dine out less. Similar numbers said they would more likely use discounts or deals than in 2021 and fewer people said they intended to order more delivery than in previous years.

The dining out experience

What has the greatest impact on making a dining experience memorable? In 2022 receiving good service is most important, followed by food quality and cleanliness. This observation, along with the driving factors that influence the selection of an establishment, confirm the saying that “diners come for the food but come back for the service”.

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If something does go wrong, only 54 per cent are likely to bring the issue up with a member of staff. Of those, 43 per cent have in the past mentioned it to staff but never returned to the establishment again, while 51 per cent have addressed a negative dining experience by doing nothing about it but also never returning. Only 10 per cent of survey respondents indicated that they have posted comments on social media about an unsatisfactory experience but 27 per cent said they have posted a review.

Takeaways in 2022

As people return to ‘dining in’ at establishments, the number of consumers who regularly purchase takeaways 1-3 times a week has significantly dropped in 2022 in comparison to 2021. This is matched by an increase in the number of people who takeout once or twice a month and less than

once a month.

When choosing takeaways, having ordered from the outlet previously and the ‘range’ on offer were top priorities, while being able to order online was also a popular reason. These factors rated in importance above price, or if deals were available.

Consumers’ poor experiences with takeaways are mainly determined by poor food quality, dishes that were perceived as overpriced, or orders that took too long.

When choosing the methods for ordering takeaways, only 15 per cent said they used third party delivery apps, while the preferred method was to phone the establishment directly or use the business’s own website to do so. Less than 20 per cent preferred to order in person and they were more likely to be in the 50+ age ranges.

Trends

Overall, the most significant dining trends highlighted in the survey were being able to access ‘locally sourced and seasonal produce’ with ‘ethically sourced products’ and a ‘venues environmental stance’ also rating highly. Having a good selection of low-alcohol options has increased in popularity over 2021. Vegan and vegetarian options ranked least important by 54 per cent of respondents, but were ranked in the top 3 by 15 per cent of respondents.

When it comes to payment methods, Covid has influenced some changes, with 80 per cent of respondents saying they prefer to use payWave if it is available. Credit card is the preferred payment type, with only 2.5 per cent having a preference to use cash. When comparing age trends, debit cards are preferred by those younger than 30 years and credit cards for those older. Cash was almost exclusively only used by the 50+ years age brackets.

Some key takeaways for businesses:

- Diners may choose to go somewhere based on the food, but they will return based on service.
- Dining out to celebrate special occasions continues to be a driving force. Operators should consider what options they have available to attract and accommodate groups.
- Online presence is key - make sure your website and Google business profile is in good order and look at SEO to increase your search rankings.
- Respond to reviews, both positive and negative, it is a great opportunity to build a rapport with customers and will make you stand out compared to those that do not respond.
- Make sure staff training includes guidance on best practices for dealing with customers who have raised concerns.
- If you don't have payWave enabled, review your options, as it is the preferred method of payment for many consumers and may be viewed as a barrier to the payment process if not available.
- 1 in 10 diners are interested in dietary requirements such as gluten free, vegan or dairy free. This is not a small group of people, how you deal with them could affect their possibility for return and how others in their dining party feel about your establishment.

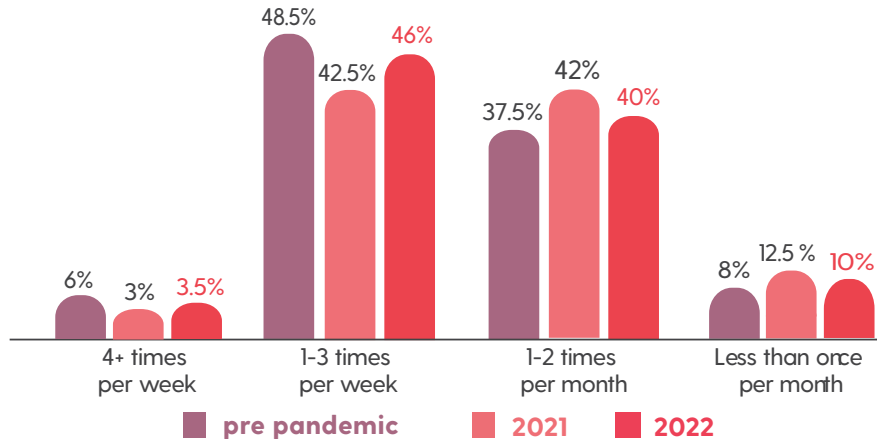
Operating at reduced staffing capacity is a situation currently impacting the industry, and this may have an impact on maintaining high levels of service and food quality, however as the survey highlights these are key factors that operators need to get consistently right for customer satisfaction. Establishments will need to invest in their staff with training programmes and advancement opportunities to ensure they are able to keep up with customer demands. Programmes such as the Restaurant Association's HospoCred signal to current and potential future staff and consumers about a business's ethos, which is of increasing importance to maintain market position.

To assist, membership with the Restaurant Association provides support in all areas of running a food business, including helping with complex HR issues and decoding legislation, which allows operators to spend more time working on their business. The Association's training hub also has many webinars and live sessions on up skilling your business, leadership and hospitality skills, that can help improve your day-to-day operations.

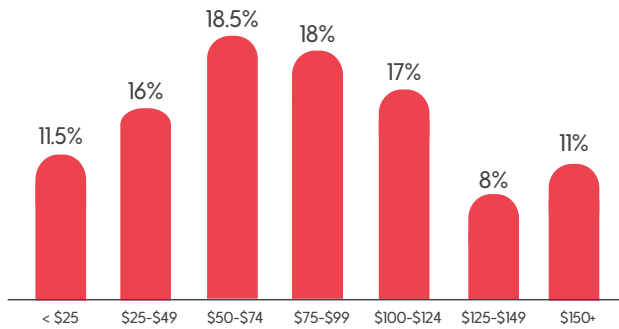
Many of the factors that influence consumer spend and frequency align with economic trends such as the cost of living reducing discretionary spending. Managing diners' expectations to create memorable dining experiences, along with the pressures of running a small business profitably amidst rising costs of goods and staffing shortages remain some of the key impacts for many hospitality operators. However, overall consumer confidence in hospitality is on the rise, with demand high and diners looking keen to dine out more and continue their support for the industry.



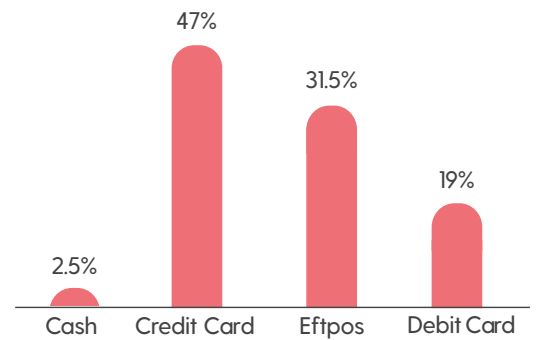
Dining out frequency



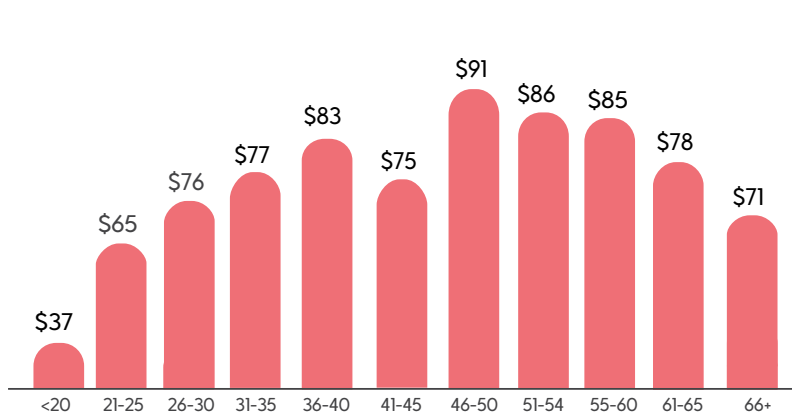
Spend per person per week



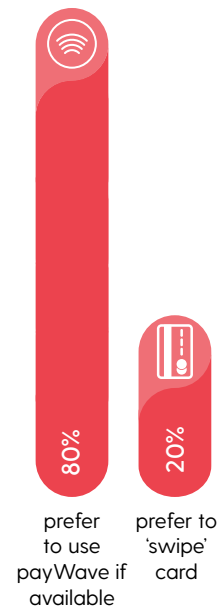
Preferred payment method



Average weekly spend per person - by age group



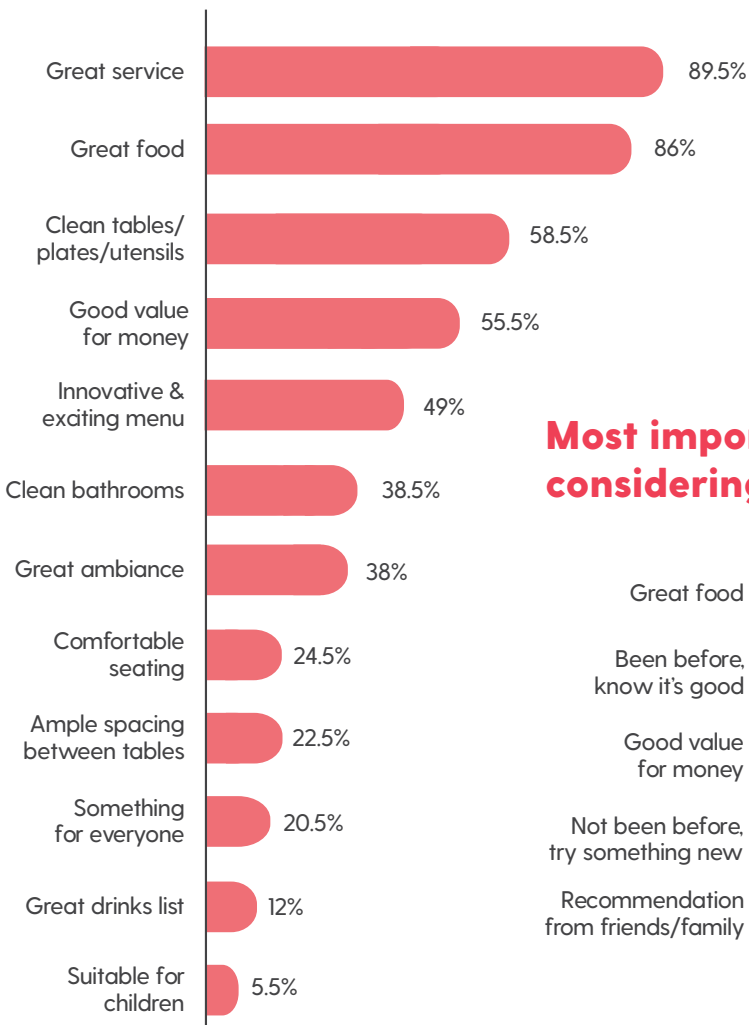
Would you use payWave if it was available?



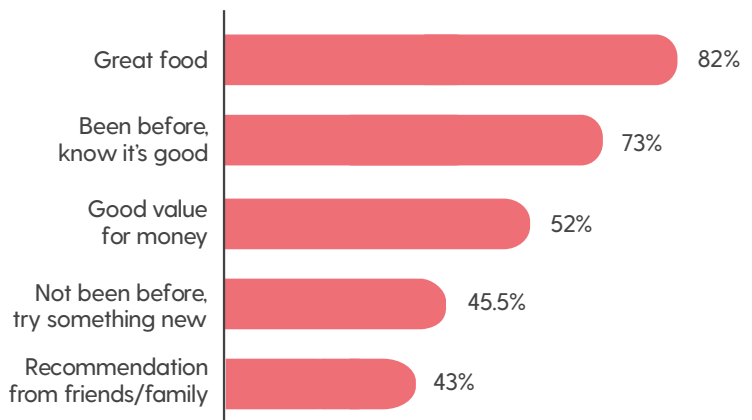
Top motivators to dine out*



Most important factors for a positive experience when dining out*

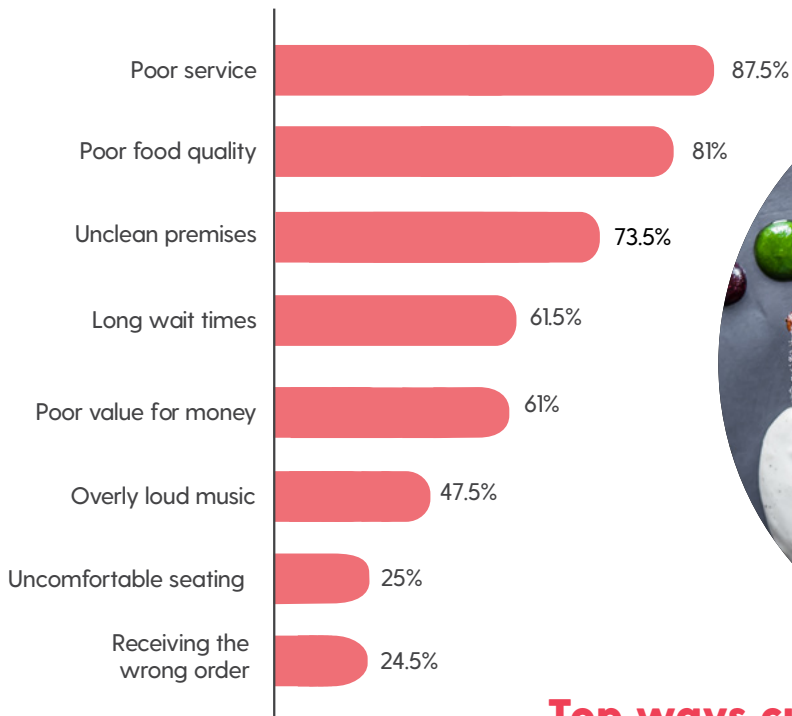


Most important factors when considering where to eat out*

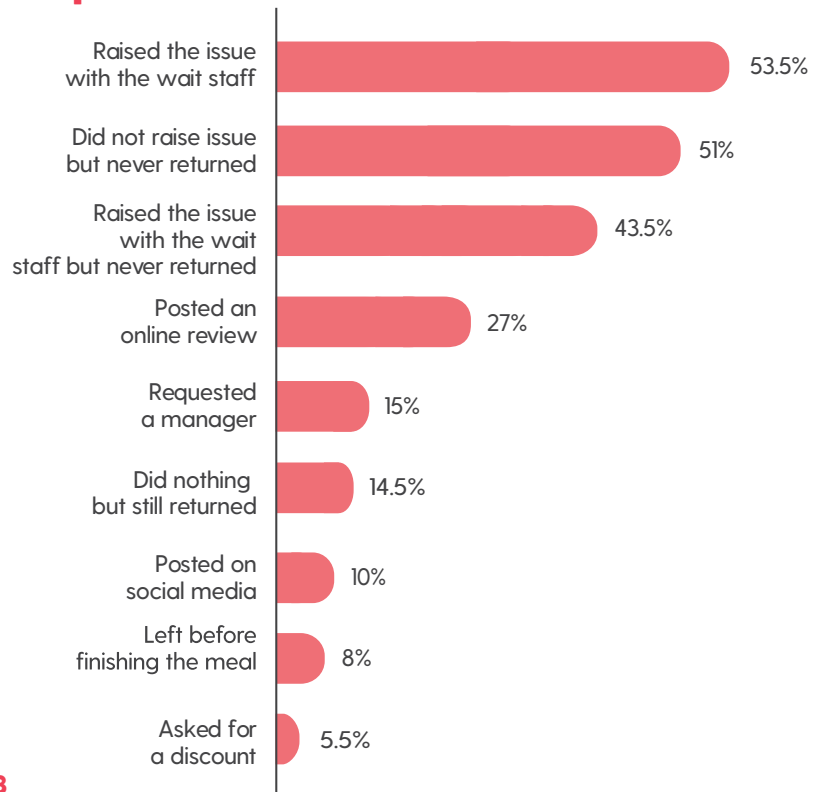


* Survey respondents ranked their top 3

Top reasons that contribute to negative experiences when dining out*



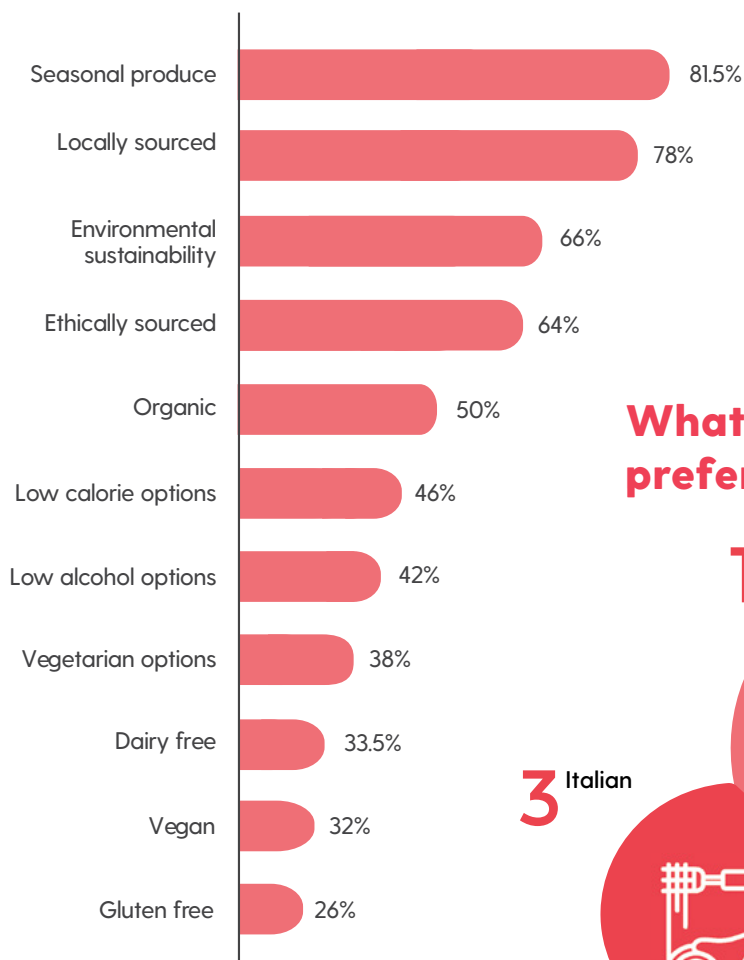
Top ways customers have responded to poor dining out experiences*



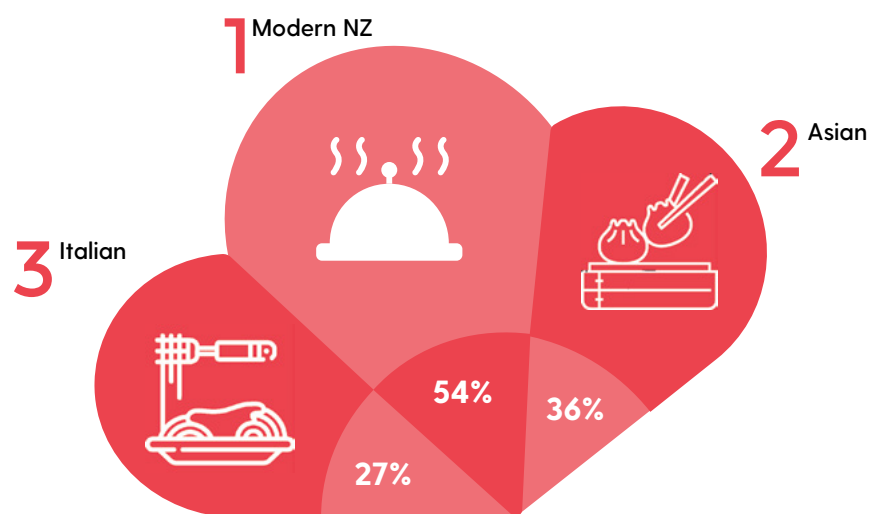
* Survey respondents ranked their top 3



What dining trends are most important right now?



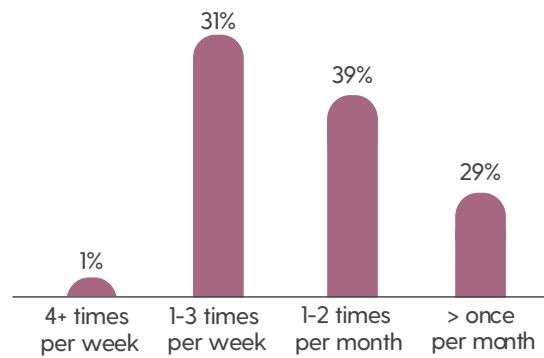
What are the top 3 cuisine preferences in NZ?*



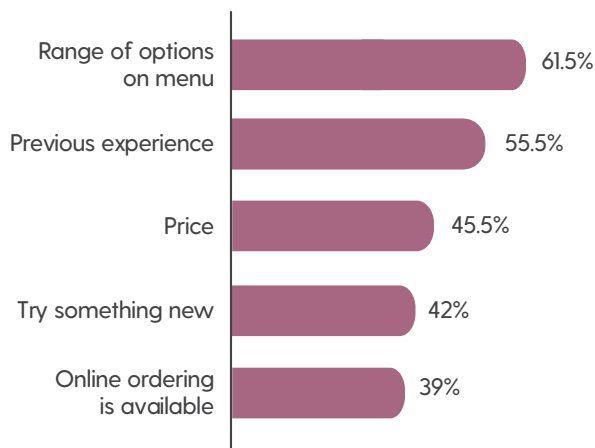
* Survey respondents ranked their top 3



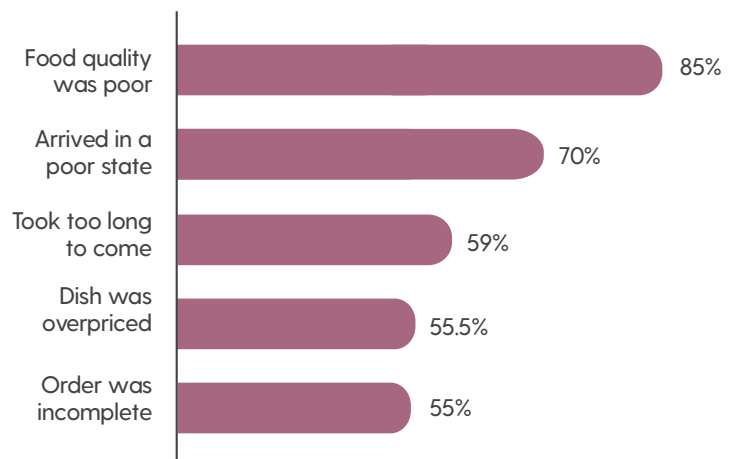
Frequency of ordering takeaway



Most important factors when ordering takeaways



Top reasons that contribute to negative experiences when ordering takeaways



**We're your
advocate to the
Government**

We offer advice and
advocate on your behalf
to ensure hospitality has a
voice when key decisions
are being made.



**We help you
drive traffic
to your doors.**

Our online restaurant
guide Dinefind.co.nz and
our gift voucher and gift
card programmes help drive
traffic to your doors.



**We'll boost your
bottom line.**

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exclusive discounts - from
merchant rates, to EFTPOS
terminals, electricity, and
more.



**We'll be your
cheerleader.**

We celebrate your success.
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recognise success
and promote your
business to the public.



**We are your link
between good food
and good business.**

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The 2022 Consumer Dining Insights Report was compiled by the Restaurant Association of New Zealand. If you have any questions, please contact us here:

Restaurant Association of New Zealand
45 Normanby Road
Mt Eden, Auckland 1024

info@restaurantnz.co.nz
0800 737 827

www.restaurantnz.co.nz

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