



Industry Insights

DINING NEW ZEALAND

Latest trends in New Zealand dining

International Card Members showing solid growth

The number of International Card Members dining out in New Zealand shows solid growth across all segments, with a 10.3% growth in overall Dining spend in 2015/16 compared to the previous year.



American Express Insights Network is pleased to present the New Zealand Dining Industry Report for 2015/16.

Processing millions of Card transactions every day gives us a unique view across a range of industries and allows us to report on the trends and behaviours of hundreds of thousands of consumers.

This report focuses on the increasing dining spend by visiting American Express International Card Members, who provide a welcome spend injection into the category. We've analysed data across the dining industry and have summarised the trends across the key segments of Fine Dining, Restaurants, Casual Dining and Take Away/Quick Service Restaurants (QSR).

In this report we compare meal time spend, analyse the best diners by spend, highlight Greater Auckland vs. non-Greater Auckland growth drivers and other relevant data.

We hope you'll find these insights to be a valuable contribution to the growth and success of your business.



Alison Solomon

Head of Client Management New Zealand
Global Merchant Services, American Express New Zealand Inc.



KEY TRENDS

American Express International customers are spending more on dining out in New Zealand, and spending more often.

HEADLINE INSIGHTS

Visiting American Express International Card Members are spending more across all segments of dining in New Zealand, with the most significant year-on-year growth occurring in Casual Dining at 12.8%. This is driven by an increased number of American Express International Card Members ("diners"), as well as an increase in the numbers of transactions per Card Member.

Fine Dining also grew strongly, with 9.1% growth overall and driven by the same two factors. All growth drivers were positive, with high absolute value of transactions underpinned by growth in the average spend per diner, average spend per transaction and the number of transactions per diner. In other words, Bon Appetit!

The other two segments also benefited from the strong annual growth and diner activity - Restaurants at 7.4% year-on-year growth and Quick Service Restaurants at 7.1% year-on-year growth.

KEY TRENDS

There are marked year-on-year increases across the whole dining industry in 2015/16 vs. 2014/15, with double digit growth in Casual Dining and overall.



Overall Dining

↑ **10.3%**
in total spend

↑ **10.9%**
in total transactions

↑ **9.7%**
in total diners



Fine Dining

↑ **9.1%**
in total spend

↑ **7.5%**
in total transactions

↑ **6.9%**
in total diners



Restaurants

↑ **7.4%**
in total spend

↑ **11.5%**
in total transactions

↑ **9.6%**
in total diners



Casual Dining (Cafes, bars & clubs)

↑ **12.8%**
in total spend

↑ **12.5%**
in total transactions

↑ **10.9%**
in total diners



Quick Service Restaurants (QSR)

↑ **7.1%**
in total spend

↑ **5.9%**
in total transactions

↑ **10.2%**
in total diners

KEY INSIGHT

International diners spend far more at dinner, including

3.1

times more than at lunch and early evening

4.9

times more than at breakfast

KEY INSIGHT

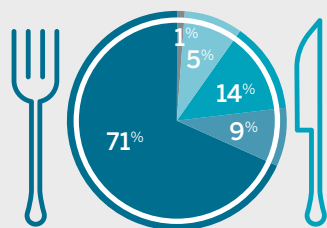
The average dinner spend per transaction is

2.4 to 2.5

times higher at Fine Dining establishments compared to Casual Dining and Restaurants respectively.

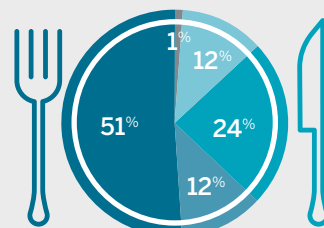
MEAL TIME SPEND

Dinner time dominates, and enjoys 71% share of spend and 51% of all transactions



Share of Spend

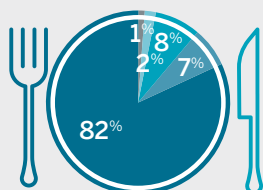
- Breakfast (4 AM - 11 AM)
- Lunch (11 AM - 4 PM)
- Early evening (4 PM - 7 PM)
- Dinner (7 PM - 2 AM)
- Other



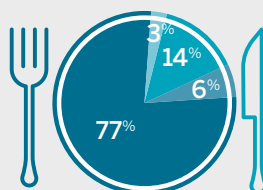
Share of Transactions

SHARE OF SPEND

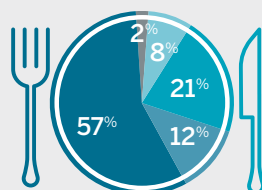
- Breakfast
- Lunch
- Early evening
- Dinner
- Other



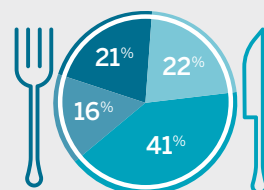
Fine Dining



Restaurants



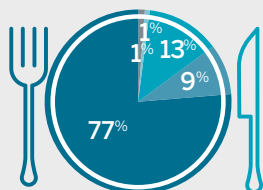
Casual Dining



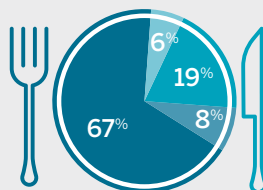
QSR

SHARE OF TRANSACTIONS

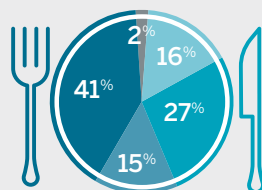
- Breakfast
- Lunch
- Early evening
- Dinner
- Other



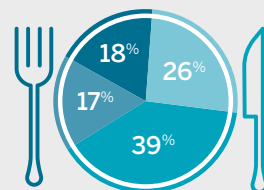
Fine Dining



Restaurants



Casual Dining



QSR

TOP DINERS - TOP 10% OF DINERS WITH HIGHEST SPEND

The top 10% of diners account for 50% of total spend and reveal high growth in dining spend - suggesting your highest spending customers are more important than ever before.

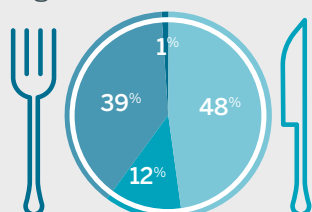
Top Diners: highest Card Member spend between July 2015 - June 2016.

Total spend	Total transactions	Number of diners	Average spend per diner	Transactions per diner
↑12.8%	↑13.1%	↑9.7%	↑2.8%	↑3.2%

TOP DINERS - TOP 10% OF DINERS WITH HIGHEST SPEND

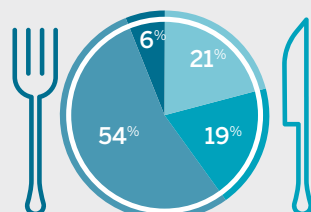
Top 10% best diner overall spend by restaurant type.

Top Diners: highest Card Member spend between July 2015 - June 2016.



Share of spend

- Fine Dining
- Restaurants
- Casual Dining
- QSR



Share of transactions

TOP DINERS (TOP 10%) - SHARE OF TOTAL CATEGORY SPEND

Top 10% of diners represent a sizable proportion of overall spend in each dining category.
Top Diners: highest Card Member spend between July 2015 - June 2016.



Overall Dining

50%



Fine Dining

38%



Restaurants

31%



Casual Dining

43%



QSR/Take-Away

24%

KEY INSIGHT

Top diners between July 2015 and June 2016 are transacting in:



Fine Dining

81%

are transacting in
Fine Dining.



Casual Dining

86%

are transacting in
Casual Dining.

OVERALL SPEND GROWTH DRIVERS 2015/16 vs 2015/14

Greater Auckland vs. Non-Greater Auckland

	Total spend	Total transactions	Number of diners	Average spend per transaction	Transactions per diner	Average Spend per diner
Greater Auckland	↑13.6%	↑15.8%	↑11.6%	↓1.9%	↑3.8%	↑1.8%
Non-Greater Auckland	↑6.8%	↑6.0%	↑8.1%	↑0.8%	↓2.0%	↓1.2%

GREATER AUCKLAND DINERS

Greater Auckland accounts for
over half the market

52%

of diners

53%

share of overall
restaurant spend

MAJOR CITY MARKET SHARE

	Share of diners	Share of overall restaurant spend
Greater Auckland	52%	53%
Wellington	20%	9%
Christchurch	9%	4%

Source: New Zealand market. Data based on aggregate spending behaviour by American Express International Card Members with New Zealand-based Restaurant Merchants. Data does not represent American Express financial performance. Analysis period: July 2014 to June 2016.

Top Diners are defined as the top 10% of Card Members with highest spend between July 2015 and June 2016 in the dining category.

"Diners" refers to American Express Card Members.

American Express International (NZ), Inc. Incorporated in Delaware, USA. Principal Place of Business in New Zealand, 600 Great South Road, Ellerslie, Auckland, 1051.
© Registered trademark of American Express Company.