THE CHRISTCHURCH AND NEW ZEALAND

EATING OUT MARKETS

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PREFACE

Although a large percentage of New Zealand's agricultural products are destined for export, demand for food in the New Zealand domestic market is important for New Zealand's primary import substitution industries which make up a small but important part of the total agricultural sector. The representatives of one of these industries, the Pork Industry Board, commissioned this report as they recognised the growth potential existing in the New Zealand eating out market for their products. As part of the food market the eating out market is important to the agricultural sector as any processing of food products indirectly influences the demand for agricultural products at the farm gate.

This study was undertaken by Mr A. van Ameyde and Dr R.J. Brodie (Tutor and Senior Lecturer respectively, in the Department of Agricultural Economics and Marketing at the College). Financial support was forthcoming from the Pork Industry Council, the Department of Agricultural Economics and Marketing at the College and the Agricultural Economics Research Unit.

This report is concerned with the Christchurch and New Zealand markets in general. A supplement to this report with results and implications specific to the Pork Industry has been presented to the Pork Industry Board.

P.D. Chudleigh
Director

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SUMMARY

This report aims to provide the New Zealand and more specifically the Christchurch eating out industry with a base set of information to plan and co-ordinate its marketing activity over the next decade. The report describes recent trends in the New Zealand and Christchurch eating out markets, the results of a detailed consumer survey of 359 randomly selected Christchurch households and combines these results to examine future trends in the eating out market. The results can be summarised as follows.

1. Past, Current and Future Trends in the New Zealand Eating Out Market

In 1981/82 it is estimated that "takeaways" and "meals away from home" represented 17 percent of household food expenditure. This indicates the New Zealand household eating out market to be currently equal to $438 million per year with "takeaways" being equal to $166 million and "meals away from home" equal to $272 million. It is estimated the Christchurch market makes up approximately 10 percent of the national market.

Past Trends: In the earlier part of the last decade the growth in the household eating out market came from takeaways while in the latter part of the decade the expansion has been in the restaurant market. The overall annual growth rate is estimated to have been between 1 and 3 percent.

Tourism: Expenditure by overseas tourists makes up an important component of the eating out market; thus, the growth in tourism will also contribute to the growth of the eating out market in the next decade.

Future Trends: It is anticipated that demographic changes will cause the household takeaway market to grow by between 1.5 to 4.5 percent per year while the dining out market will grow at a rate of 1.5 to 6.0 percent per year. The uncertainty about the growth rates is largely caused by the uncertainty about effects of changes in income, attitudes and lifestyle.

2. A Desription of the Christchurch Household Eating Out Market

How Often: Seventeen percent of households dined out at least fortnightly with an additional 46 percent dining out at least every three months. Younger households without children dined out more frequently than older households or household with children.

When: Evenings and weekends were the most popular times for dining out.

Who: For fifty percent of the households the husband and wife dined out together. Younger households tended to dine out with friends more often.

Reasons: "Celebrations/birthdays" followed by "for a change" and "entertainment" were the main reasons given for dining out. "Celebrations/birthdays" had the highest recall for households with children.

Where: The licenced restaurants had the heaviest dining out patronage followed by unlicenced restaurants. Licenced restaurants were more popular amongst the less frequent diners.

Who Decides: The decision where to dine tended to be made jointly between husband and wife.

Reasons Influencing Choice: "Pleasant atmosphere" was clearly considered to be the most important reason influencing the choice of where to dine out. This was followed by "service", "previous experience", "variety on menu", "prices reasonable" and "friends recommendation". Frequent users indicated "variety on the menu" and "service" to be more important.

Changes: There has been a slight drop in the frequency of dining out in the last year. This drop came largely from the infrequent user group but was partially offset by an increase in consumption from frequent users.

Takeaways: Forty percent of households had takeaways as the main meal of the day at least once a fortnight. Frequent users tended to be households in the younger age groups and with children. Fish 'n' chips was the most popular takeaway meal with other types of takeaways (chicken, chinese, hamburgers and pizza) consumed frequently by only a small number of households.

CHAPTER 1

BACKGROUND AND STUDY OBJECTIVES

In recent years one of the most important changes in New Zealanders' eating habits has been the increase in households eating meals away from home. It is estimated that the average New Zealand household currently spends 17 percent of its food budget on food consumed away from home. While this is still a long way away from the USA figure of 35 percent, it still suggests New Zealanders' eating habits have undergone a significant change. The rate of change is largely unknown as it is only since 1981 that eating out has been included as a separate category in the Department of Statistics Household Expenditure survey.

This report aims to provide the New Zealand and more specifically the Christchurch eating out industry with a base set of information which it can use to plan and co-ordinate its marketing activity over the next decade.

The study's objectives are threefold.

1. To examine published information in order to gauge recent trends in New Zealanders' and Christchurch households' eating out habits.

2. To examine the current eating out behaviour of Christchurch households by personally interviewing 359 Christchurch households.

3. To examine the likely future trends in the Christchurch and New Zealand eating out markets.

Chapter 2 of the report examines industry data sources in order to identify recent trends in eating out behaviour. Chapter 3 outlines the research methods for the household survey while Chapter 4 presents the results of the household survey. Finally Chapter 5 discusses some implications of the study. This includes developing profiles of the different user segments of the Christchurch dining out and takeaway markets; these profiles then serve as a basis for exploring future demand trends. While this report focuses primarily on the Christchurch market,implications for the New Zealand market are addressed wherever appropriate.

CHAPTER 2

RECENT TRENDS IN EATING OUT

This chapter uses the limited amount of published information that is available to describe the changes which have occurred in New Zealand and Christchurch households' eating out behaviour. Firstly the results from the Department of Statistics Household Expenditure Survey are used to provide an estimate of the current market size. Secondly the growth in retail turnover and the number of eating establishments are examined.

2.1 Estimates of the Size of New Zealand and Christchurch Markets

Only since the 1980/81 Department of Statistics Household Expenditure Survey has expenditure been disaggregated to include the categories "takeaway food" and "meals away from home". In 1980/81 the average expenditure per household per week in these categories was $7.73 which represented 17.6 percent of household food expenditure and 3.3 percent of total household expenditure. In 1981/82 the expenditure was $8.44 which represented 16.9 percent of household food expenditure and 3.1 percent of total expenditure. Takeaway food represented 39 percent of eating out expenditure in 1980/81 and 32 percent in 1981/82. These sample figures indicate the New Zealand household eating out market currently to be equal to approximately $438 million per year with "takeaways" being equal to $166 million and "meals away from home" to be equal to $272 million. The annual size of the Christchurch market is approximately equal to $48.5 million for meals away from home: $18 million for takeaways and $30 million for eating out (see Table 1).

It is important to note that the total size of the eating out market is also increased considerably by expenditure of overseas tourists. The actual impact on the Christchurch and New Zealand markets is largely unknown although it has been estimated 10 to 15 percent of tourist spending is on food.[1]

1. 1973 Survey Results : Tourist and Publicity Department, New Zealand. Source: 1983 New Zealand Yearbook, page 893

TABLE 1

Estimates of the Sizes of New Zealand and Christchurch Households Eating Out Markets

	1980-81			1981-82		
	Takeaways	Meals Out	Total	Takeaways	Meals Out	Total
Average Annual Expenditure per Household ($)	156	246	402	166	272	438
Number of Households in New Zealand		1,011,983			1,029,015	
Estimate of Size of N.Z. Market ($m)	158	249	407	171	280	451
Number of Households in Christchurch		109,226			110,777	
Estimate of Size of Christchurch Market ($m)	17.0	26.9	43.9	18.4	30.1	48.5

SOURCES:

1. New Zealand Household Expenditure Surveys, 1980/81 and 1981/82.
2. New Zealand Census of Population and Dwellings, 1981 Bulletin 1: Local Authority Areas.

2.2 Trends in Eating Out Over the Last Decade

Indications of the rate of change in households' eating out behaviour are the increase in retail turnover for restaurants and takeaways and the increase in the number of eating out establishments.

2.2.1 Retail turnover in restaurants and takeaway outlets.

While in nominal terms retail turnover has increased steadily in the last decade, in real terms[2] retail turnover remained relatively stable in the period 1973 to 1978 followed by approximately a 20

2. Turnover adjusted for inflation.

percent per annum increase in the years 1979, 1980 and 1981 and a small decline in 1982 (see Figure 1).

2.2.2 Number of eating out establishments.

An examination of the trends in the number of eating out establishments in Christchurch indicates a decline in number of restaurants in the period 1974 to 1978 and then a marked increase.[3] In contrast the number of takeaway outlets showed a steady increase in the period 1974 to 1982 while the number of refreshment rooms and taverns and hotels remained relatively stable (Table 2).

TABLE 2

Number of Eating Out Establishments in the Christchurch City Council Area

	Restaurants	Takeaway Outlets	Refreshment Rooms	Taverns and Hotels
1974	85	75	82	55
1978	68	115	82	55
1983	108	137	92	55
Change per year 1974 to 78	-4.0%	10.7%	0.0%	0.0%
Change per year 1978 to 83	11.8%	3.8%	2.4%	0.0%
Change per year 1974 to 83	2.7%	8.4%	1.2%	0.0%

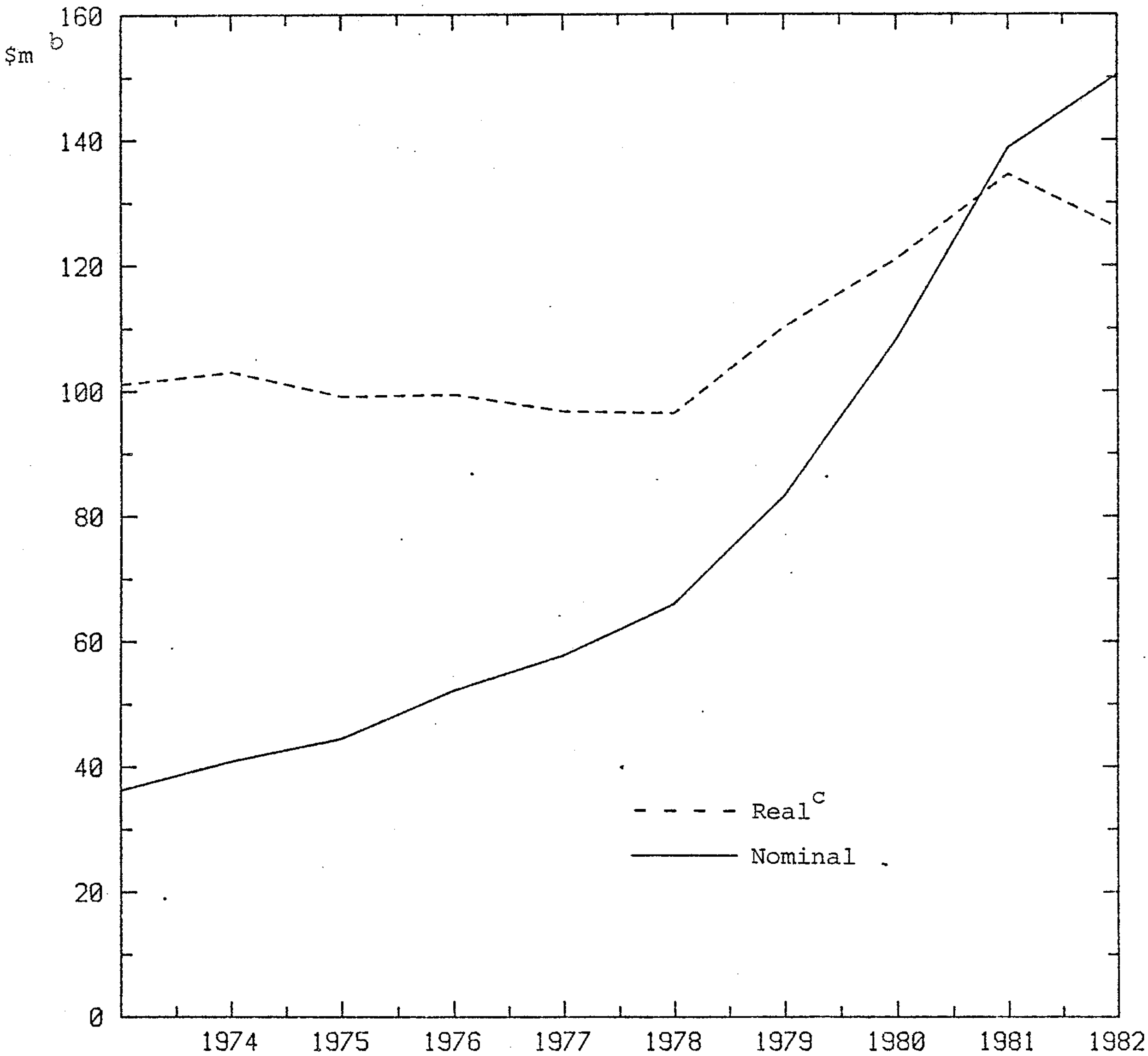
SOURCE: Pers comm. Thompson, Supervising Health Inspector, Christchurch City Council, 1983.

Thus it can be concluded in the earlier part of the last decade most of the growth has come from takeaways and it is only in the latter half of the decade that there has been an expansion in the restaurant market. The data indicate the present growth rate in these markets to be in the order of 1 to 3 percent per annum.

3. Data about the New Zealand market are not readily available.

FIGURE 1

New Zealand Retail Turnover of
Restaurants and Takeaways[a]



a These figures do not include licenced restaurants which are part of a hotel complex.

b Graph values are an average of four quarters for a calendar year.

c Consumer Price Index, Base: December Quarter 1980 = 1000, was used to remove the effect of inflation.

CHAPTER 3

RESEARCH METHODS FOR THE CHRISTCHURCH HOUSEHOLD SURVEY

3.1 The Sample

The population was defined as households in the Christchurch urban area. The planned sample of households was drawn as follows:

1. Christchurch was divided into fifty-seven suburbs.[4]

2. Thirty-four of these were randomly selected from five strata.[5]

3. From each suburb an address was randomly selected as a starting point for ten interviews (every second dwelling in either direction was interviewed). Geographical details of the achieved sample and a comparison with census data are given in Appendix 2.

3.2 The Questionnaire

The final format of the questionnaire was determined after pilot testing and redrafting. It was divided into seven sections with questions designed to obtain the following information:

Section 1 Eating Out Behaviour and Attitudes. Frequency of eating out; whether eat out for lunch or evening meals, on weekdays or weekends; who eats out; where they go and who decides this; reasons for eating out; seasonality; reasons influencing where they eat out; changes in level of consumption; eating out for breakfast.

Section 2[6] Food Ordered when Eating Out. Frequency of ordering meat, poultry or fish and more specifically pork, cuts of pork, pork as an entree; satisfaction of pork dishes and suggested improvements.

Section 3 Reasons for Never Eating Out.

Section 4 Takeaways: Frequency and Type.

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4. The Suburbs were listed in the Wise's Post Office Directory (Volume 4, 1979)
5. The authors' knowledge of the socio-economic status of the suburbs was used to group the suburbs into five strata. The number of suburbs drawn from each stratum was proportional to the number in the population.
6. Information relating to pork has been kept confidential and can be sought by direct correspondence with the Pork Industry Board.

Section 5[6] Household Meat Consumption. Frequency of serving main meal without meat; frequency of serving pork.

Section 6[6] Household Characteristics.

A copy of the questionnaire[7] is included as Appendix 1.

3.3 The Interviews

The interviews were carried out during the last week of April and first week of May 1983, with the majority on Saturday morning or afternoon. The team of interviewers was made up of 37 senior Lincoln College students and two staff members. The senior students obtained prior interviewing experience through pilot testing and training sessions. Five percent of the interviews were checked with telephone callbacks.

3.4 The Analysis

The data were coded and edited for computer analysis which involved examining the marginal frequencies for the variables and relationships between variables. Chi-square tests were used to examine whether there were statistically significant relationships between the variables.

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6. Information relating to pork has been kept confidential and can be sought by direct correspondence with the Pork Industry Board.
7. In Sections 1, 3, 4 and 7 the respondents' answers were taken to represent household characteristics and actions while Sections 2, 5 and 6 were addressed specifically to the respondent.

CHAPTER 4

RESULTS : HOUSEHOLD EATING OUT BEHAVIOUR

4.1 Frequency of Dining Out

Households Dining Out: Out of 359 Christchurch households interviewed eighty-two percent had dined out at a restaurant, hotel or club.

Frequency of Dining Out: Seventeen percent of households dined out at least fortnightly,[8] 46 percent once every one to three months,[9] and 13 percent between four and six months.[10] The remaining 24 percent who had dined out yearly or longer are not considered in the following analysis (Sections 4.1 - 4.10 inclusive).

Frequent users tended to be younger, without children, earn more than one income, and be in the professional, managerial and clerical sales and service groups (Table 3).

TABLE 3

Frequency of Dining Out by Household Characteristics

(i) Age	Less 25	25-34	35-49	50-65	Over 65
	%	%	%	%	%
Frequent Users	30.0	19.7	14.0	15.1	12.3
Less Frequent Users	50.0	52.6	55.8	43.8	27.4
Infrequent Users	8.0	11.8	14.8	16.4	12.3
Non-users	12.0	15.8	16.3	24.7	47.9
	100.0	100.0	100.0	100.0	100.0
Valid Responses	50	76	86	73	73

Table 3 contd.

8. These households are hereafter referred to as Frequent Users.
9. These households are hereafter referred to as Less Frequent Users.
10. These households are hereafter referred to as Infrequent Users.

TABLE 3 contd.

(ii) Lifecycle	Under 35 No Children	Under 35 Children	35-65 No Children	35-65 Children	Over 65
	%	%	%	%	%
Frequent Users	43.3	9.6	17.0	11.3	12.3
Less Frequent Users	45.3	56.2	45.5	56.3	27.4
Infrequent Users	3.8	15.1	13.6	16.9	12.2
Non-Users	7.5	19.2	23.9	15.5	47.3
	100.0	100.0	100.0	100.0	100.0
Valid Responses	53	73	88	71	73

(iii) Occupation	Professional/ Managerial	Clerical Sales & Service	Tradesman/ Labourer	Retired
	%	%	%	%
Frequent Users	22.2	23.2	15.1	9.2
Less Frequent Users	60.3	50.5	46.2	30.3
Infrequent Users	6.3	10.1	17.9	14.5
Non-Users	11.1	16.2	20.8	46.1
	100.0	100.0	100.0	100.0
Valid Responses	63	99	106	76

(iv) Number of Persons in Household	1	2	3-4	More Than 4
	%	%	%	%
Frequent	17.4	30.7	23.0	7.8
Less Frequent	60.9	59.1	58.0	67.0
Infrequent	21.7	10.2	19.0	5.2
	100.0	100.0	100.0	100.0
Valid Responses: 273	23	88	100	62

(v) Employment Status of Household	No Income Earners and Retired	One Income Earner	Multiple Income Earners
	%	%	%
Frequent	17.8	16.5	33.3
Less Frequent	53.3	67.7	54.2
Infrequent	28.9	15.8	12.5
	100.0	100.0	100.0
Valid Responses: 274	45	133	96

4.2 Time of Dining Out

The most popular times for dining out were the evening meals and on weekends. Only thirteen percent of households had eaten out for breakfast (Table 4).

TABLE 4

Frequency of Time of Dining Out

	Midday	Evening	Weekday	Weekend
	%	%	%	%
Usually	9.2	66.9	25.9	47.9
Occasionally	20.1	6.4	26.7	19.2
Never	70.7	26.7	47.4	32.9
	100.0	100.0	100.0	100.0
Valid Responses:	359			

Greater proportions of the younger households without children and the professional/managerial and retired occupational groups dined out for midday meals and meals during the week. In contrast the dining patterns for evenings and weekends did not vary much between the Lifecycle, Occupational and User groups (Table 5).

4.3 Dining Out Participants

For fifty percent of households, the husband and wife usually dined out together, while in a further twenty-five percent of households the adults usually dined out with children (Table 6).

The husband/wife combination was predominant in the professional/managerial and retired groups, while the adults/ children combination occurred in a higher proportion in the tradesman/labourer group. If children were present in the household, the adult/children combination was a popular dining out group especially in the older age grouping (Table 6).

TABLE 5

Time of Dining Out By Household Characteristics

(i) Life Cycle	Under 35 No Children	Under 35 Children	35-65 No Children	35-65 Children	Over 65
	%	%	%	%	%
Midday	80.0	67.7	63.4	60.3	50.0
Evening	98.0	95.2	90.1	93.7	67.4
Weekday	78.0	54.8	64.8	65.1	60.9
Weekend	90.0	83.9	81.7	81.0	73.9

Valid Responses: 290

(ii) Occupation	Professional/ Managerial	Clerical Sales & Service	Tradesman/ Labourer	Retired
	%	%	%	%
Midday	55.2	33.3	20.7	44.9
Evening	94.8	97.6	89.1	71.4
Weekday	75.9	69.0	55.4	59.2
Weekend	87.9	86.9	79.3	75.5

Valid Responses: 283

(iii) Frequency of Dining Out	Frequent	Less Frequent	Infrequent
	%	%	%
Midday	38.7	40.4	28.3
Evening	96.8	97.6	89.1
Weekday	77.4	68.7	56.5
Weekend	87.1	91.0	78.3

Valid Responses: 274

TABLE 6

Dining Out Participants by Life Cycle and Occupation of Head of Household

(i) Life Cycle	Under 35 No Children	Under 35 Children	35-65 No Children	35-65 Children	Over 65
	%	%	%	%	%
Husband/Wife	58.3	47.5	52.3	40.1	51.3
Adults/Children	2.1	35.6	16.4	53.3	5.1
Adults	29.2	6.7	13.4	3.3	20.5
Other	10.4	10.2	17.9	3.3	23.1
	100.0	100.0	100.0	100.0	100.0

Valid Responses: 272

(ii) Occupation	Professional/ Managerial	Clerical Sales & Service	Tradesman/ Labourer	Retired
	%	%	%	%
Husband/Wife	57.1	45.1	45.3	58.5
Adults/Children	30.4	24.4	34.5	0.0
Adults	5.4	17.1	10.7	17.1
Other	7.1	13.4	9.5	24.4
	100.0	100.0	100.0	100.0

Valid Responses: 263

Dining out tends to occur as a group activity with either the older children from within the household or with friends or relatives (including children and grandchildren) outside the home. Frequent users and younger households tend to dine out with friends more often (Table 7).

TABLE 7

Dining Out With Friends by Age, Life Cycle and Frequency of Dining Out

(i) Age (Years)	Less Than 25	25-34	35-49	50-65	Over 65
	%	%	%	%	%
Dine Out With Friends:					
1. At least half the time	56.8	48.4	44.4	32.1	34.2
2. Less than half the time	43.2	51.6	55.6	67.9	65.8
	100.0	100.0	100.0	100.0	100.0

Valid Responses: 274

(ii) Life Cycle	Under 35 No Children	Under 35 Children	35-65 No Children	35-65 Children	Over 65
	%	%	%	%	%
Dine Out With Friends:					
1. At least half the time	59.2	45.8	45.6	31.7	34.2
2. Less than half the time	40.8	54.2	54.4	68.3	65.8
	100.0	100.0	100.0	100.0	100.0

Valid Responses: 274

(iii) Frequency of Dining Out	Frequent User	Less Frequent User	Infrequent User
	%	%	%
Dine Out With Friends:			
1. At least half the time	51.6	42.8	34.8
2. Less than half the time	48.4	57.2	65.2
	100.0	100.0	100.0

Valid Responses: 275

4.4 Seasonality and Dining Out

Thirty-one percent of households dine out more often during certain times of the year. This occurred mainly during the Christmas period (fifty-three percent) followed by summer (twenty-four percent) and winter (twelve percent).

4.5 Reasons Recalled for Dining Out

"Celebrations/birthdays" (sixty-three percent), followed by "for a change" (fifty-three percent) and "entertainment" (thirty-nine percent) were given as the main reasons for households dining out.

"Celebrations/birthdays" had the highest recall with the 35-65 year old age group with children, and the infrequent user group. This contrasts with "for a change" and "entertainment" where the recall was highest in the younger age group without children and for the frequent user group (Table 8).

TABLE 8

Reasons for Dining Out by Life Cycle and Frequency of Dining Out

(i) Life Cycle	Under 35 No Children	Under 35 Children	35-65 No Children	35-65 Children	Over 65
	%	%	%	%	%
"Celebration/ birthdays"	60.4	46.7	67.6	75.8	60.9
"For a change"	66.0	56.7	49.3	52.4	37.0
"Entertainment"	53.1	42.4	42.3	30.2	23.9
"Business reasons"	6.5	12.5	21.1	17.2	2.2
"Other"	2.0	6.6	12.7	9.5	6.5

Valid Responses: 287

(ii) Frequency of Dining out	Frequent	Less Frequent	Infrequent
	%	%	%
"Celebration/birthdays"	54.8	68.7	75.0
"For a change"	62.9	59.8	34.8
"Entertainment"	50.0	38.0	40.0
"Business reasons"	17.7	12.7	30.0
"Other"	27.9	12.1	13.0

Valid Responses: 269

4.6 Dining Out Location

The licenced restaurant has the heaviest dining out patronage followed by "bring your own wine" (BYO) restaurants (Table 9).

TABLE 9

Frequency of Outlet Use

	Licenced Restaurant	BYO Restaurant	Hotel	Workingmen's Club	Other
	%	%	%	%	%
Usually	57.6	23.8	12.8	12.8	4.2
Occasionally	21.0	26.6	19.1	12.5	4.2
Never	21.4	49.6	68.1	74.7	19.6
	100.0	100.0	100.0	100.0	100.0

Valid Responses: 290

Licenced restaurants were more popular with the less frequent user, professional/managerial and under 35 year old/no children groups. In contrast the "bring your own wine" restaurants were more popular with the frequent user group, and the workingmen's clubs with the tradesmen and labourer group (see Appendix 4, Table 24).

4.7 The Decision to Dine Out

In forty-one percent of households the husband and wife made a joint decision where to dine out, while in twenty-three percent of households the husband or wife made this decision as an individual.

4.8 The Choice of Dining Out Location

Respondents were read a list of reasons that may influence which dining out outlet they used. At the same time they were handed a card with a seven point scale and asked to indicate the order of importance of the reasons.

The scale used was:

Very Important	Quite Important	Slightly Important	Neither Important nor Unimportant	Slightly Unimportant	Quite Unimportant	Very Unimportant
1	2	3	4	5	6	7

A comparison of the frequency of responses to the different reasons indicates that "pleasant atmosphere" was clearly considered the most important reason. This was followed by "service", "previous experience", "variety on menu", "prices reasonable", and "friends' recommendation" (Table 10).

A "pleasant atmosphere" was a reason found to be important by all groups but especially so for households with children. The reason "prices reasonable" ranked highly for the younger households, the tradesman and labourer group and the infrequent user group. In contrast frequent users indicated "variety on menu" and to a lesser extent "service" to be more important. However, "previous experience" was the reason found to be more important for the retired and infrequent user groups (see Appendix 4, Table 23).

Other Reasons: Forty percent of respondents gave additional reasons. These included "quality/type of food" (twenty-four percent); "friendly environment/manner" (eighteen percent) and "entertainment" (twelve percent).

4.9 Changes in Dining Out Frequency

A slightly larger number of households (thirty-four percent compared to twenty-seven percent) were dining out less frequently than a year ago. However, this drop came largely from the infrequent user group (Table 11).

TABLE 11

Dining Out More/Less by Frequency of Dining Out

	User Group		
	Frequent	Less Frequent	Infrequent
	%	%	%
Dining Out More	61.8	43.3	33.3
Dining Out Less	38.2	56.7	66.7
	100.0	100.0	100.0

Valid Responses: 168

TABLE 10

Reasons Influencing Choice of Dining Out Location

	"Pleasant Atmosphere"	"Service"	"Previous Experience"	"Variety on Menu"	"Prices Reasonable"	"Friends' Recommendation"
	%	%	%	%	%	%
Very Important	42.7	42.6	33.2	30.2	32.8	10.8
Quite Important	44.9	35.9	38.9	37.3	30.6	34.7
Slightly Important	9.7	15.6	12.1	16.4	17.5	29.5
Unimportant	2.7	5.9	15.8	16.1	19.1	25.0
	100.0	100.0	100.0	100.0	100.0	100.0

Valid Responses: 268

The main reason given for changing dining out frequency was "economic factors" (forty percent), followed by a "change in the children's age" (eighteen percent). The former reason was the main reason given for dining out less while the latter was given for dining out more (Table 12).

TABLE 12

Reasons for Changing Dining Out Frequency by Dining Out More/Less

	Dining Out More	Dining Out Less
	%	%
Economic Reasons	22.9	53.7
Change in Age of Children	28.6	9.8
Change in Number of Children	8.6	6.1
Change in Respondent's Age	4.3	9.8
Other	35.6	20.6
	100.0	100.0

Valid Responses: 152

4.10 Reasons for Not Dining Out

Forty percent of those who do not dine out said that dining out was too expensive (Table 13).

TABLE 13

Reasons Given for Not Dining Out

	%
Too Expensive	39.8
Not Interested	15.4
Too Old	6.4
Age of Children	6.4
Prefer Home	11.5
Disability	2.6
Other	17.9
	100.0

Valid Cases: 78

4.11 Takeaways

Forty percent of households had takeaways as a main meal at least once a fortnight. These frequent users[11] of takeaways tended to be in households in the younger age groups and those with children. There were also larger proportions in the professional/managerial and the tradesman/labourer groups. A high proportion of retired households never consumed takeaways (Table 14). Further details of the socio-economic characteristics are given in Appendix 4, Table 25.

TABLE 14

Frequency of Takeaway Consumption by Occupation of Head of Household and Life Cycle

(i) OCCUPATION OF HEAD OF HOUSEHOLD	Professional/ Managerial	Clerical Sales & Service	Tradesman/ Labourer	Retired
	%	%	%	%
Frequent	53.2	40.2	51.4	5.4
Less Frequent	24.2	27.8	23.8	27.0
Infrequent	8.1	9.3	2.9	9.5
Never [a]	14.5	22.7	25.9	58.1
	100.0	100.0	100.0	100.0

Valid Responses: 338

(ii) Life Cycle	Under 35 No Children	Under 35 Children	35-65 No Children	35-65 Children	Over 65
	%	%	%	%	%
Frequent	50.9	68.1	28.2	47.9	5.6
Less Frequent	20.8	22.2	23.5	29.6	26.4
Infrequent	9.4	1.4	11.8	4.2	9.7
Never	18.9	8.3	36.5	18.3	58.3
	100.0	100.0	100.0	100.0	100.0

Valid Responses: 353

a Includes those households which had takeaways within the last year or longer.

11. The same user group categories are used as in the dining out analysis (see Section 4.1

The predominant type of takeaway which substituted as a main meal was "fish 'n' chips", with other types of takeaways only consumed frequently by small proportions of households (Table 15).

TABLE 15

Frequency of Having Different Types of Takeaway Meals

	Chicken	Chinese	Fish 'n' Chips	Hamburgers	Pizza	Other
	%	%	%	%	%	%
Usually	12.4	13.2	44.4	7.3	2.3	0.8
Occasionally	19.2	14.4	16.7	16.1	14.1	1.1
Never [a]	68.4	72.4	38.9	76.6	83.6	98.1
	100.0	100.0	100.0	100.0	100.0	100.0

Valid Responses: 354

a As per Table 14.

Only ten percent of households "never" have either takeaways in place of a main meal or dine out. There appears to be no clear relationship between frequency of takeaway consumption and frequency of dining out (Table 16).

TABLE 16

Frequency Takeaways as Main Meal by Frequency of Eating Out

DINING OUT / TAKEAWAYS	Frequent	Less Frequent	Infrequent	Never
	%	%	%	%
Frequent	41.9	45.8	39.1	22.8
Less Frequent	30.6	22.3	23.9	25.3
Infrequent	8.1	7.2	8.7	6.3
Never [a]	19.4	24.7	28.3	45.6
	100.0	100.0	100.0	100.0
Valid Cases	62	166	46	79

a As per Table 14.

CHAPTER 5

IMPLICATIONS

This chapter draws some conclusions about the study. First, profiles are developed to describe the different user segments in the Christchurch dining out and takeaway markets. Second, scenarios about future trends in demand are developed, and finally, some general conclusions are drawn. While the marketing implications focus primarily on the Christchurch market, where it is possible they are also extended to the New Zealand market.

5.1 Profiles of the Christchurch Eating Out Market

One of the main objectives of this study has been to develop a detailed description of the Christchurch eating out market to serve as a basis for examining future developments. The profile of the dining out market is given in Table 17 and the profile of the takeaway market is given in Table 18.

These profiles identify the household characteristics of four groups of users in each market.

(1) Frequent Users - (more than once a fortnight).
(2) Less Frequent Users - (3 weeks to 3 months).
(3) Infrequent Users - (3 months to 6 months).
(4) Non-Users - (never or over 6 months).

Analysis of each of these segments leads to different marketing implications. Of particular interest is the frequent user segment because it is responsible for a large proportion of the total eating out activity even though it only makes up a relatively small proportion of households. In the dining out market households which are frequent users tend to be younger, of smaller size, without children and belong to the professional/managerial occupation groups. This contrasts with the takeaway market where households which are frequent users tend to be younger but with several children and they tend to belong to a wider range of occupations (Tables 17 and 18).

TABLE 17

Profile of the Household Dining Out Market

	Consumption Group Frequent	Less Frequent	Infrequent	Never
(i) Percentage of Households	21%	57%	16%	6%
(ii) Demographic and Socio-Economic Characteristics:				
Age: (Table 3)	Higher frequency amongst younger age groups			
Household Size: (Table 3)	Smaller households tend to dine out more often			
Family Life Cycle: (Table 3)	Higher frequency in families with no children, especially those of younger ages. (Instead they had a higher tendency to go out with friends.) Over 65s were the largest non-user group.			
Occupation: (Table 3)	Higher frequency in the professional/managerial and clerical/sales/service group.			
Employment Status: (Table 3)	Multi-income households tend to dine out more often.			
(iii) Behaviour:				
Time of Consumption: (Table 5)	Little difference except frequent users seemed more likely to dine out during the week days than the other groups.			
Reasons for Dining Out: (Table 8)	Higher proportion of frequent users dined out "for a change" or "entertainment". Infrequent users tended to dine out because of "celebration/birthday".			
Dining Out Participants: (Table 6)	Frequent with friends if no children / less frequent if children in the household, i.e. dining out is a group activity.			
Dining Out Location: (Table 24)	Frequent users tended to patronise a wider variety of establishments especially the private clubs.			
Reasons for Changing: (Table 12)	Economic factors was the main reason given for changing dining out frequency.			
(iv) Attitudes:				
Choice of Outlet: (Table 23)	"Pleasant atmosphere" was very important to all groups. Frequent users found "menu variety" and "service" more important while "reasonable prices" and "previous experience" were more important for infrequent users.			

TABLE 18

Profile of Takeaway Market

Characteristics	Frequent	Less Frequent	Infrequent	Never
(i) Percentage of Households	39%	24%	7%	30%
(ii) Demographic and Socio-Economic				
Age: (Table 25)	Higher frequency among younger age groups			
Family Life Cycle: (Table 14)	Younger households with children were most frequent followed by older households with children.			
Number of Children: (Table 25)	Frequency increases with the number of children in the household.			
Occupation: (Table 14)	Higher frequency in the professional/managerial and tradesmen/labourer groups.			
Employment Status: (Table 25)	Multi-income households tend to purchase takeaways often (but not to the same extent as with dining out for meals).			

5.2 Future Trends in the Christchurch and New Zealand Eating Out Markets

The objective of this section is to explore some scenarios about future trends in the Christchurch and New Zealand eating out markets. Before developing these scenarios the expected trends in the environmental variables which affect demand are examined. National trends are examined as well as the likely trends for the Christchurch market.

5.2.1 Environmental factors influencing demand.[12]

Population: The rate of growth of the New Zealand population up until 1977 was on average about two percent per annum, giving producers of most goods and services a natural increase in demand. However, since then this rate of growth has dropped to less than one percent and

12. Information based on the following references:
(1) O'Neil, C.T. "The Capacity to Consume: Even consumers are Numbered : Demographic and Consumption Patterns". Address to the N.Z. Potato Industry Convention, 1983.
(2) Department of Statistics : Miscellaneous Series No. 13. "A Discussion on N.Z.'s Changing Population Structure."
(3) Department of Statistics : Monthly Abstract of Statistics.

is expected to stay at this level for the next two decades. Thus the effect of total population growth on increasing demand can be expected to be very small.

Population Composition: While total population is an important factor determining the level of demand so also are changes in its composition. There are two interrelated factors which have to be considered.

(1) Age Structure. The age structure is affected by the very high fertility rate in the decades following World War II. This is currently having an extremely favourable effect on overall demand as the number of people in the working age sector of the population is increasing. This effect is being accentuated by the recent decline in the fertility rate.

(2) Household Composition. The composition of households has also been changing with an increase in the number of households with one or two occupants. This reduction (apart from the effect that the declining fertility rate has on the number of children per family) has been due to the increased number of young dependants leaving home at an earlier age and setting up young non-family households.

The importance of these changes can be seen in the previous section (Tables 17 and 18) as it is the younger households, households without children and households with fewer occupants (apart from the single person households), that exhibit the highest proportions of frequent users.

Real Incomes: The importance of discretionary income is highlighted in Section 4.9. The main reason given for decreasing dining out frequency was "economic factors", while in section 4.10 the most important reason for not dining out was that it was "too expensive". Thus the recent levelling off in real incomes, and hence in discretionary spending power, creates an unfavourable environment for the industry. However this trend has been partially offset by a decrease in household savings and a reduction in taxation and there are predictions that the current recession will bottom out early in 1984 followed by a slow recovery.

Attitudes Towards Eating Out: Other environmental factors which are important to consider are those which affect changes in attitudes towards eating out. Two important influences which are changing attitudes are:

(1) Travel: Due to increased population mobility, especially of New Zealanders travelling overseas, consumers are being exposed to a larger variety of foods, different food preparation methods and to societies (such as the U.S.) where a larger proportion of incomes are spent on food consumed away from home.

(2) Increased Number of Working Women: As the number of women in the New Zealand workforce continues to increase, the number of households with more than one income will also increase. The importance of this is highlighted in section 3.1 Table 3 where a greater proportion of multi-income households were shown to be frequent users.

Tourism: Between 1976 and 1982 there has been an annual increase of three percent in the number of overseas visitors to New Zealand. If this trend [13] continues an increase in demand from this source could be expected. However, as this area was not considered in this survey no further implications can be drawn. It is an area that requires further research.

Table 19 summarises the effects of environmental factors on the growth of eating out markets. It is assumed that changes in environmental factors will be similar for Christchurch.

TABLE 19

Effects of Environmental Factors on the Growth of the New Zealand Eating Out Market

Factor	Future Trend	Likely Effect on Demand
Total Population	Stable	Negligible
Population Composition	Age structure changes as population "bubble" moves through labour force	Increase
Household Composition	Decrease in average size Increase in non-children households	Increase
Income (per capita)	Short-term fall long-term slow growth	Small positive effect
Changes in Attitudes Towards Eating Out	Younger age groups continue to innovate	Initial increase but long-term effects are uncertain
Tourism	Increase	Increase

13. For an examination of the likely trends in Tourism see Chapter 3 of "Tourism and New Zealand - A Strategic Analysis". B.D. Henshall, Working Paper MTA/81/1, The University of Auckland, Department of Management Studies.

5.2.2 Trends in the size of the markets.

Table 19 indicates that the changes in population composition, household composition, and the increase in tourism are likely to cause a steady increase in the size of the Christchurch and New Zealand eating out markets in the next decade. But what is less certain are the effects from income and possible changes in attitudes and lifestyle. In order to help understand the possible effects these changes may have, four scenarios are developed.[14] They are:

SCENARIO ONE -

(a) No change in attitudes or lifestyle. Hence the demographic profiles of frequent users remain unchanged with larger proportions of frequent users remaining in the earlier stages of the family life cycle (see Tables 17 and 18).
(b) No change caused by income.

SCENARIO TWO -

(a) Change in attitudes and lifestyle among households in later stages of the family life cycle. This occurs because consumers in the first stage (i.e. under 35 years with no children) retain habits as they progress to the latter stages.
(b) No changes caused by income.

SCENARIO THREE -

(a) Attitudes and lifestyle changes as for Scenario Two.
(b) Increase in average real income causing an overall increase in expenditure on eating out.

SCENARIO FOUR -

(a) Attitudes and lifestyle change as for Scenario Two.
(b) Income effect as for Scenario Three.

These scenarios imply that the Christchurch and New Zealand household dining out market are likely to have a natural growth rate of between 1.5 percent per year (Scenario One) to 6.0 percent per year (Scenario Four) over the next decade. In contrast the takeaway market is likely to have a growth rate of between 1.5 percent (Scenario One) to 4.5 percent (Scenario Four). Projections about the growth in the size of the Christchurch and New Zealand markets for 1986 and 1990 are given in Table 20. Details of how these growth rates were derived are given in Appendix 5.

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14. The scenarios reflect the author's subjective estimates of possible future trends in the New Zealand eating out market.

TABLE 20

1986 and 1990 Projections for the Christchurch and New Zealand Household Eating Out Markets ($ Million)

	Takeaway Market	Dining Out Market	Total Eating Out Market
a) New Zealand			
1982 (see Table 1) estimate	171	280	451
1986 Scenario One	183	301	484
Scenario Four	222	343	565
1990 Scenario One	195	322	517
Scenario Four	273	406	679
b) Christchurch			
1982 (see Table 1) estimate	17	27	44
1986 Scenario One	18	29	47
Scenario Four	22	33	55
1990 Scenario One	19	31	50
Scenario Four	27	39	56

NOTES:
(1) These projections do not include expenditure by tourists.
(2) Estimates in 1982 dollars.

5.3 General Conclusions

The previous section indicates the Christchurch and New Zealand eating out markets can expect moderate natural growth rates in the next decade due to changes in population and household composition and possibly further growth due to income effects and changes in attitude and life style. Also tourism is likely to have a favourable effect.

It is beyond the scope of this report to develop marketing implications and strategies for different subsectors of the eating out industry so they can take advantage of and augment the expected natural growth rate. To do this would require further examination of the results presented followed by more specific research. It is hoped that this report provides a sound foundation for this activity to take place.

APPENDIX 1

THE QUESTIONNAIRE

Good morning/afternoon/evening. I am from the Lincoln College Marketing Department. We are doing a survey about eating out. Would you help us by answering a few questions. ENSURE YOU ARE SPEAKING TO A PERSON WHO HAS A GOOD KNOWLEDGE OF THE HOUSEHOLD'S EATING OUT HABITS.

1.a. Do members of your household ever eat out at restaurants, hotels or clubs?
1. Yes ( ) 2. Never ( ) *If Never, go to Q3.*

b. How often would this be? *If yearly or longer go to Q.3.*
1. > once week ( ) 2. Weekly ( ) 3. Fortnightly ( )
4. Monthly ( ) 5. 2–3 Months ( ) 6. 6 Months ( ) 7. Yearly ( )
8. Longer ( ) 9. Never ( )

c. (i) would this be for lunch or evening meals? *Prompt and enter*
1. Lunch ( ) 2. Evening ( ) *1. For USUALLY*
(ii) And would this be on weekends or weekdays? *2 For OCCASIONALLY*
1. Weekends ( ) 2. Weekdays ( )

d. (i) Which members of your household would usually dine out?
1. Husband only ( ) 2. Wife only ( ) 3. Husband/Wife ( )
4. Adults ( ) 5. Children ( ) 6. Adults/Children ( )
7. Other ( ) ____________
(ii) How often do you dine out with friends?
1. Most times ( ) 2. ½ time ( ) 3. Occasionally ( )
4. Seldom ( ) 5. Never ( )

e. Where would you go? *Prompt and enter 1 for Usually, 2 for Occasionally*
1. Licenced Restaurants ( ) 2. Unlicenced (BYO) Restaurants ( )
3. Hotels ( ) 4. Working Mens Clubs ( ) 5. Other ____________

f. Who usually decides where to go?
1. Husband only ( ) 2. Wife only ( ) 3. Husband/Wife ( )
4. Adults ( ) 5. Children ( ) 6. Adults/Children ( )
7. Other ( ) ____________

g. For what reasons do members of your household dine out? *Enter sequence of recall. Enter 9 if prompted.*
1. Celebrations/Birthdays ( ) 2. Entertainment ( ) 3. For a change ( )
4. Business Reasons ( ) 5. Other ( ) ____________

h. (i) Are there any times of the year when members of your household dine out more often? 1. Yes ( ) 2. No ( ) *If No, Q1i.*
(ii) When? ____________

i. (i) I am now going to read you a list of reasons which may influence where you choose to dine out. Using this scale *(Show Scale A)* please indicate how important or unimportant they are.

1. Variety on menu ( ) 2. Service ( ) 3. Previous experience ( )
4. Friends' recommendation ( ) 5. Prices reasonable ( )
6. Pleasant atmosphere ( )
(ii) Is there anything else that is important? *Record First 2 Responses.*
(1) ____________
(2) ____________

j. (i) Are you eating out more often or less often than a year ago?
1. More ( ) 2. Less ( ) 3. About the same ( ) *If About Same Q*1k.
(ii) Why? ____________

k. (i) Do any members of your household ever eat breakfast out?
1. Yes ( ) 2. No ( ) *If No go to Q2.*
(ii) When? ____________

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2. I am now going to ask you some details about the meats you have when you dine out. *This section of the questionnaire refers to the resp. only.*

a. How often would you order meat, poultry or fish with your meals?
1. Most times ( ) 2. ½ time ( ) 3. Occasionally ( ) 4. Seldom ( )
5. Never ( ) *If Seldom or Never go to Q4.*

b. .Now some questions about pork.
If pork is available, how often would you order it?
1. Most times ( ) 2. ½ time ( ) 3. Occasionally ( ) 4. Seldom ( )
5. Never ( ) *If Seldom or Never go to Q4.*

c. What cuts of pork do you have? *Prompt and enter 1 Usually, 2 Occasionally*
1. Roasts ( ) 2. Chops ( ) 3. Hamsteak ( ) 4. Other ____________

d. How often would you have a pork, bacon or ham dish as an entree?
1. Most times ( ) 2. ½ time ( ) 3. Occasionally ( ) 4. Seldom ( )
5. Never ( )

e. Have you been satisfied with the pork dishes you have ordered?
1. Most times ( ) 2. ½ time ( ) 3. Occasionally ( ) 4. Seldom ( )
5. Never ( ) 6. Don't know ( )

f. What suggestions do you have to improve the way pork is served at restaurants?
1. ____________
2. ____________

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3. Why do members of your household never eat out at restaurants/hotels/clubs?
1. ____________
2. ____________

4.a. How often does your household have takeaways as a main meal?
1. > Once Week ( ) 2. Weekly ( ) 3. Fortnightly ( ) 4. Monthly ( )
5. 2—3 Months ( ) 6. 6 Months ( ) 7. Yearly ( ) 8. Longer ( )
9. Never ( ) *If Longer/Never Q5.*

b. What types do you have? *Prompt and enter 1 for Usually, 2 for Occasionally*
1. Chicken ( ) 2. Chinese ( ) 3. Fish 'n' Chips ( )
4. Hamburgers ( ) 5. Pizzas ( ) 6. Other ____________

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5. Now some questions about serving meat at home.

a. How often would you have the main meal of the day without meat, poultry or fish?
1. Usually ( ) 2. ½ time ( ) 3. Occasionally ( ) 4. Seldom ( )
5. Never ( ) *If Usually Q6.*

b. When you serve meat, how often would you serve pork?
1. Usually ( ) 2. ½ time ( ) 3. Occasionally ( ) 4. Seldom ( )
5. Never ( )

6.a. Have you ever heard of Trimpork?
1. Yes ( ) 2. No ( ) *If No Q7.*

b. What does Trimpork stand for? *If Don't Know Go to Q7.*
____

c. Would you like Trimpork to be available at restaurants?
1. Yes ( ) 2. No ( )

7.a. How many people live in your house? ____________

b. (i) How many are pre—school age? ______ (ii) at primary school? ______
(iii) at high school? ______

c. How many people do full time jobs? ______ *(Full time >30 hours/week)*

d. What do they do? *Prompt for position in household. Also include students, retired and others as occupations.*

	Position in Household
(i) ____________	Main Income Earner
(ii) ____________	____________
(iii) ____________	____________

e. Which age group do you belong to? 1. Younger than 25 ( )
2. 25—34 ( ) 3. 35—49 ( ) 4. 50—64 ( ) 5. Over 64 ( )

f. Sex of respondent? 1. Male ( ) 2. Female ( )

g. Respondent's address ____________ Phone No. ________
Time of day interview completed ____________ Date ________
Interviewer's signature ____________

THANK RESPONDENT. CHECK ALL QUESTIONS HAVE BEEN ASKED.

APPENDIX 2

SAMPLE DETAILS

Suburb and Streets

SUBURB	STREET	NUMBER OF INTERVIEWS
Addington	Meredith Street	10
Aranui	Woodlands Place	10
Beckenham	Norwood Street	10
Bishopdale	Pimlico Place	10
Bromley	Turanui Place	10
Bryndwr	Lloyd Street	10
Burnside	Risby Place	10
Cashmere	Dyers Pass Road	10
Fendalton	Heathfield Avenue	10
Halswell	Sutherlands Road	10
Hornby	Seymour Street	10
Hoonhay	Upland Road	10
	Cullan Place	10
Huntsbury	Mill Hill Lane	10
Ilam	Pulford Place	10
Linwood	Senior Place	10
Merivale	Office Road	10
New Brighton	Gresham Terrace	10
North New Brighton	Rookwood Avenue	10
Richmond	Siddal Place	10
Halswell	Balcairn Street	10
Opawa	Locarno Street	10
Papanui	Hoanui Street	8
Riccarton	Centennial Avenue	11
Sockburn	Main South Road	10
Somerfield	Cardiff Avenue	10
Spreydon	Hinemoa Street	10
St Albans	Clare Road	10
	Bronwyn Street	10
St Martins	Ngaio Street	10
Sydenham	Brougham Street	10
Upper Riccarton	Gloaning Place	10
Wainoni	Glenrowan Avenue	10
Woolston	Hargood Street	10
Hei Hei	Ngatai Place	10
Redwood	Grampian Street	10
		359

TABLE 21

A Comparison with Census Characteristics

Household Characteristics	Survey Sample (Christchurch Areas) %	New Zealand Census (excluding agric. workers) %
1. Occupation of Head of Household		
Professional/Managerial	13.8	14.2
Clerical, Sales, Service	25.4	26.2
Tradesmen, Labourers	26.0	26.7
Retired, Others	34.8	32.9
	100.0	100.0
Valid Responses: 355		
2. Age of Head of Household		
Younger than 25 years	14.0	25.1
25-34 years	21.2	20.7
35-49 years	24.0	22.1
50-64 years	20.4	18.6
Over 64 years	20.4	13.4
	100.0	100.0
Valid Responses: 358		
3. Household Composition		
1-2 Occupants	40.7	47.6
3-4 Occupants	36.6	34.6
More than 4	22.7	17.9
	100.0	100.0
Valid Responses: 273		

SOURCE: New Zealand Official Yearbook, 1982.

APPENDIX 3

NEW ZEALAND HOUSEHOLD CONSUMPTION

TABLE 22

New Zealand Household Composition

1. Number of Occupants	1966	New Zealand Census 1971	1976	1981
		(000 households)		
1	89.4	113.3	143.9	185.5
2	177.5	211.6	257.8	292.2
3-4	250.2	274.3	323.2	347.2
Over 4	199.0	202.6	203.4	179.4
	716.1	801.7	941.3	1004.3
	%	%	%	%
1	12.5	14.1	15.3	18.5
2	24.8	26.4	27.4	29.1
3-4	34.9	34.2	34.3	34.6
Over 4	27.8	25.3	21.6	17.8
	100.0	100.0	100.0	100.0

2. Number of Children[a]	1966	New Zealand Census 1971	1976	1981
	%	%	%	%
Husband and Wife Only	29.0	31.6	34.7	36.9
+ 1 child	18.3	17.8	17.3	17.5
+ 2 children	22.2	22.0	23.8	24.8
+ 3 or more children	30.5	28.6	24.1	20.8
	100.0	100.0	100.0	100.0

3. Age of Head of Household	1966	New Zealand Census 1971	1976	1981
	%	%	%	%
Under 25	5.3	7.3	6.9	5.9
25-44	47.6	46.3	47.1	47.9
45-64	35.7	34.5	33.0	32.1
65 and over	11.4	11.9	13.1	14.1
	100.0	100.0	100.0	100.0

a The percentages are for households of one complete family only. These make up 55% of the total number of households.

APPENDIX 4

FURTHER SURVEY RESULTS

TABLE 23

Reasons Important[a] in Influencing Outlet Choice by Life Cycle, Occupation of Head of Household and Frequency of Dining Out

1. Life Cycle	Under 35 No Children	Under 35 Children	35-65 No Children	35-65 Children	Over 65
	%	%	%	%	%
Pleasant Atmosphere	83.3	93.2	85.9	91.7	80.0
Service	81.6	81.4	75.4	75.0	80.6
Previous Experience	66.7	72.9	75.8	71.7	71.4
Variety on Menu	70.8	57.6	67.2	66.7	80.6
Prices Reasonable	71.4	72.9	56.3	61.7	51.4
Friend's Recommendation	46.9	39.0	38.1	55.0	50.0

Valid Responses: 264

2. Occupation	Professional/ Managerial	Clerical Sales & Service	Tradesman/ Labourer	Retired
	%	%	%	%
Pleasant Atmosphere	85.7	90.0	90.4	81.6
Service	71.4	84.0	76.2	79.5
Previous Experience	62.5	72.2	75.9	78.4
Variety on Menu	60.7	76.3	63.9	71.8
Prices Reasonable	57.1	65.4	73.5	44.7
Friend's Recommendation	44.6	41.3	49.4	46.2

Valid Responses: 257

3. Frequency of Dining Out	Frequent	Less Frequent	Infrequent
	%	%	%
Pleasant Atmosphere	85.0	88.8	86.7
Service	82.3	79.1	72.7
Previous Experience	64.4	73.5	76.7
Variety on Menu	75.0	65.0	68.2
Prices Reasonable	57.4	63.6	70.5
Friend's Recommendation	42.6	44.4	52.3

Valid Responses:

a For each reason the "very important" and "quite important" responses were collapsed to give a new category "important".

TABLE 24

Outlet by Frequency of Dining Out, Occupation of Head of Household and Life Cycle

1. Frequency off Dining Out	Frequent	Less Frequent	Infrequent
	%	%	%
Licenced Restaurant	80.6	87.3	53.2
B.Y.O. Restaurant	62.9	51.8	33.9
Hotel	33.9	36.1	18.3
Workingmen's Club	22.6	26.5	24.6
Other	14.5	7.8	3.3

Valid Responses: 290

2. Occupation	Professional/ Managerial	Clerical Sales & Service	Tradesman/ Labourer	Retired
	%	%	%	%
Licenced Restaurant	86.2	83.3	71.7	65.3
B.Y.O. Restaurant	63.8	56.0	43.5	30.6
Hotel	36.2	33.7	29.7	26.5
Workingmen's Club	17.2	21.4	31.9	30.6
Other	12.1	9.6	6.5	6.1

Valid Responses: 263

3. Life Cycle	Under 35 No Children	Under 35 Children	35–65 No Children	35–65 Children	Over 65
	%	%	%	%	%
Licenced Restaurant	88.0	72.6	74.6	85.7	67.4
B.Y.O. Restaurant	70.0	45.2	50.7	54.0	26.1
Hotel	30.0	27.9	35.7	34.9	28.3
Workingmen's Club	12.0	21.0	31.4	31.7	26.1
Other	2.0	6.6	12.7	9.5	6.5

Valid Responses: 272

TABLE 25

Frequency of Takeaway Consumption by Age, Number of Children and Employment Status

1. Age	Less 25	25-34	34-49	50-64	Over 64
	%	%	%	%	%
Frequent	62.0	60.0	48.2	23.9	5.6
Less Frequent	22.0	21.3	30.6	21.1	26.8
Infrequent	4.0	5.3	2.4	15.5	8.5
Never	12.0	13.3	18.8	39.4	59.2
	100.0	100.0	100.0	100.0	100.0

Valid Responses: 352

2. Number of Children	No Children	1-2 Children	3 or More Children
	%	%	%
Frequent	26.2	55.3	63.3
Less Frequent	23.8	27.7	22.4
Infrequent	10.5	3.2	2.0
Never	39.5	13.8	12.3
	100.0	100.0	100.0

Valid Responses: 353

3. Employment Statuss of Household	No Income Earner	One Income Earner	Multiple Income Earners
	%	%	%
Frequent	10.8	44.5	52.9
Less Frequent	25.4	26.2	21.7
Infrequent	8.4	6.7	7.5
Never	55.4	22.6	17.9
	100.0	100.0	100.0

Valid Responses: 353

APPENDIX 5

DERIVATION OF SCENARIOS ABOUT TRENDS IN MARKET SIZE

The four scenarios outlined in Section 5.2.2 depend on different combinations of assumptions about changes in the demographic profile of frequent users and the effect of an increase in household income. The different combinations of assumptions are as follows:

	No Change in Income	Income Increase Causes Increase in Eating Out Expenditure
No Change in Attitudes	Scenario One	Scenario Three
Change in Attitudes in Later Stage of Family Lifestyle	Scenario Two	Scenario Four

The expected future growth rates for the four scenarios are derived as follows:

(1) <u>The Dining Out Market</u>

SCENARIO 1: The under 25 component of the labour force will not change significantly in size while the 25-35 age group will show a strong growth (+3% per annum) as will the 35-49 age group (+3.5% per annum). The birth rate will be declining up to 1990 but only slowly. The dependency ratio will also be declining. These indicate an increase in the number of households without children (+2.0% per annum). Thus given that the share of household food expenditure for food consumed away from home stays at the seventeen percent level, changes in population composition are likely to increase the size of the dining out market (at approximately 1.5% per annum).

SCENARIO 2: Population composition changes are the same as in Scenario 1, but the present dining out pattern is continued, so that part of the under 35 age group who now do not have children will by 1990 have children but will remain in the frequent user group.

Thus an increase in the relative number of frequent users in the under 35 with children group could be expected. Assuming that new households entering the under 35 age group will have the same dining out characteristics as those presently in this group and also given that the share of household expenditure for food consumed away from home stays at seventeen percent, the maintenance of present dining out levels as households move through the family life cycle could cause an increase in consumption (of 2.5% per annum over and above the increase in Scenario 1).

SCENARIOS 3 and 4: The outcome of both these scenarios depends on whether it is considered likely that New Zealand households will reach the same proportion of household expenditure spent on food consumed away from home as their U.S. counterparts and how quickly they will move to this level. Assuming that New Zealand households will increase their expenditure linearly and will reach three-quarters of the U.S. level by 1990, a growth rate of 2% per annum for scenarios 3 and 4 over and above scenario 1 and 2 growth rates respectively, could be expected.

SCENARIO SUMMARY:
(Dining Out)

	% Growth Per Annum in Market Size
Scenario 1:	1.5
Scenario 2:	4.0
Scenario 3:	3.5
Scenario 4:	6.0

(2) The Takeaway Market

A similar set of scenarios based on the changes mentioned above can be constructed for the takeaway market. However the characteristics of the frequent user group are different from those who dine out. This is because frequent users of takeaways make up a larger proportion of households than do dining out frequent users and they include households with children as opposed to those without children. This results in a lower projected percentage growth rate for scenarios 2 and 4.

SCENARIO SUMMARY
(Takeaways)

	% Growth per Annum in Market Size
Scenario 1:	1.5
Scenario 2:	2.5
Scenario 3:	3.5
Scenario 4:	4.5

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