

Economic Impact of Uber Eats



Uber Eats asked NZIER to assess its economic contribution, and the contribution of Ready to Eat (RTE) services.

After accounting for all the benefits to businesses across New Zealand and the consumer welfare gains, NZIER estimates suggest that Uber Eats increases the size of the New Zealand economy by \$162 million per year. Relative to annual GDP in the restaurant sector, this represents 3.4% of that.

Uber Eats is currently the major provider of RTE services in New Zealand and available in ten cities. They started providing services in Auckland, Wellington and Christchurch in 2017, followed by Hamilton, Tauranga and Dunedin in 2018.

Uber Eats increases the choice of restaurant meals for customers, while for participating restaurants it increases the pool of potential customers it can reach. NZIER found that restaurants which used Uber Eats had an average increase in revenue of \$59,599 in 2019.

\$162M

annual contribution to the NZ economy

\$34M

increase in wellbeing from food preparation and travel time savings in 2019

26%

Uber Eats customers who would not have otherwise chosen a restaurant meal

517

new jobs across New Zealand

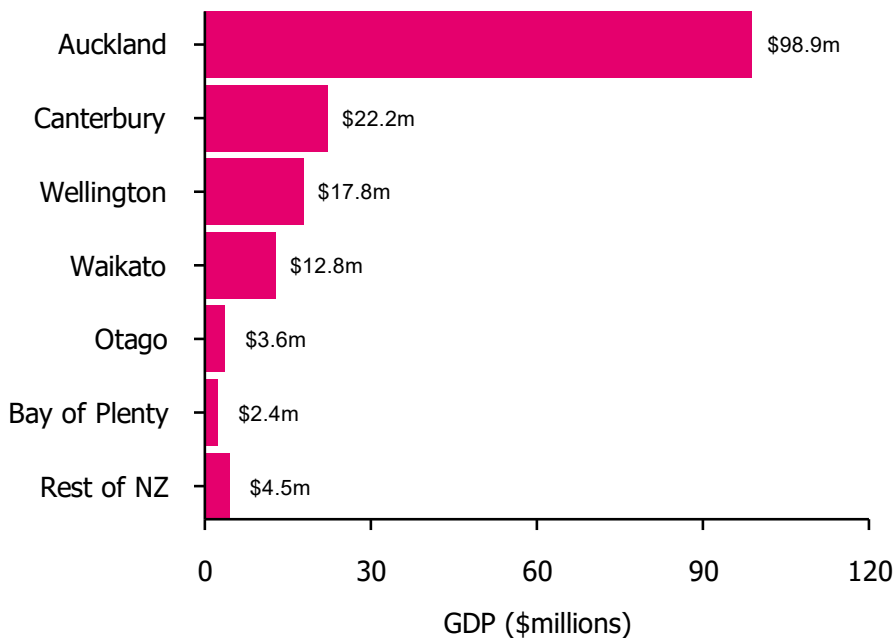
\$59.6K

average restaurant revenue in 2019

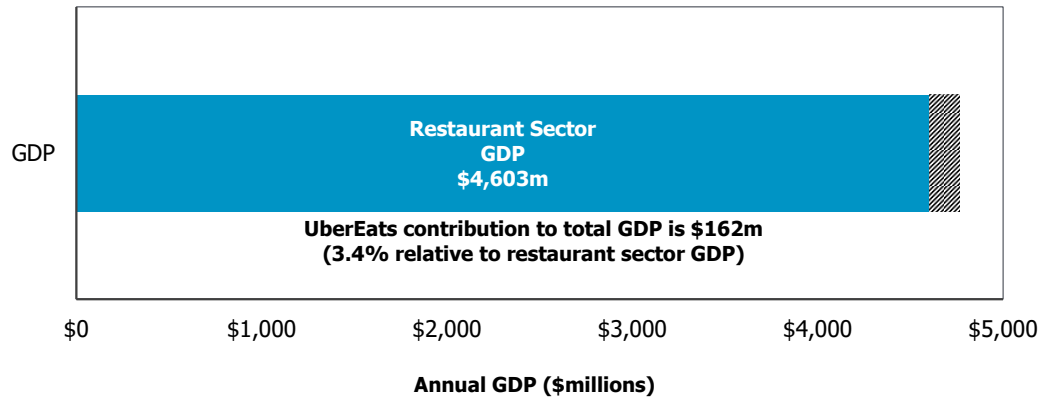
3.4%

restaurant sector's contribution to GDP

Benefits of Uber Eats across the regions



Contribution of Uber Eats to NZ economy



This improved matching of needs between participating restaurants and customers results in efficiency gains for both parties.

For example, customers can put the time saved from not having to shop for and prepare meals towards more enjoyable activities. NZIER estimates that in 2019, Uber Eats services improved New Zealanders' wellbeing by \$4 million from less time spent travelling and \$30 million from food preparation time savings.

Participating restaurants can also benefit as it allows them, for example, to focus on preparing meals and leave the marketing of its offering to Uber Eats. Restaurants can also choose if they use their own delivery fleet or link with delivery partners accessing the Uber Eats app for flexible earning opportunities.

At a high-level, the RTE services lead to:

- An increase in demand for restaurant orders
- Higher economic activity for the Uber Eats delivery partners in the transport sector
- An increase in the size of the financial services sector
- A shift in activity from households' grocery shopping to wholesale grocery shopping by the restaurants.

NZIER also found there were wellbeing gains for customers who spent less time travelling to pick up food, preparing their meals and cleaning up the dishes. Additional employment generated by RTE services total 517 new jobs across New Zealand with Auckland, Wellington and Waikato benefiting most.

Benefits delivered by Uber Eats

Restaurants



\$19.6 million

Business services



\$51.3 million

Delivery Drivers



\$32.8 million