AUSTRALIA'S DAILY BREW 2025

What Your Customers Are Telling Us About Coffee in 2025



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Hey YOU

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DataX

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If you would like more insights on your sector or business from this and other Westpac data, please visit Westpac DataX or contact datax@westpac.com.au

If you would like to learn more about how Hey You can help you, please visit heyyou.com.au or contact support@heyyou.com.au

Hey You processes more coffee orders than anyone else in Australia. Every tap, every transaction, every loyal customer tells us something — about cafés, and the people who power them.

We've teamed up with **Westpac DataX** to unpack the trends shaping Australia's café economy, and to ask a bigger question: **Does café culture reflect the broader economy? The answer? Absolutely.**

From rising spend-per-visit to the digital habits of Gen Spend, cafés are a microcosm of how Australians live, spend, and connect. Hey You is at the centre of it, helping venues adapt, grow and thrive.

This isn't just a report. It's a pulse check. A playbook. A brand statement. Let's dive into four forces reshaping the café economy, and how Hey You is helping venues stay ahead of the curve.



VOLUMES ARE DOWN, BUT SPEND IS HOLDING

The latest data from Westpac DataX shows that overall activity in cafés has softened — but the value of each transaction is holding strong.

SNAPSHOT: JUNE 2025

$722 MILLION	41 MILLION	9 MILLION
TOTAL CAFE SPEND 1.6% YoY DECREASE	TOTAL TRANSACTIONS 3.6% YoY DECREASE	UNIQUE CUSTOMERS 1.7% YoY DECREASE
4.8 PER MONTH	**$17.70**	**$85**
ORDER FREQUENCY 2% YoY DECREASE	SPEND PER ORDER 2.1% YoY INCREASE	MONTHLY AVG. SPEND

What this tells us:

Cafés are managing to pass through moderate price increases without alienating their core customer base. The 2.1% lift in average spend per transaction suggests a level of price elasticity, particularly in urban centres where convenience and quality still drive behaviour.

And while the total number of customers has dipped slightly, many cafés are seeing a more committed base. The ones who keep coming are often more loyal, more predictable and more responsive to digital channels, like loyalty offers through apps such as Hey You.

This shift in behaviour could reflect a few things:

- Customers cutting back frequency as part of broader cost-of-living management
- A move towards more experience-driven café visits (e.g. meeting friends, weekend brunches)
- A willingness to pay more for a better product or service
- Merchants adjusting their menu pricing in response to rising costs across rent, wages, milk and beans

THE NEW RITUAL

Coffee has evolved from a daily habit into a high-value experience. Customers are visiting less frequently, but with more intention — seeking quality, consistency, and moments that matter.

What's emerging is a clear shift in consumer mindset. Coffee is being treated less as a habitual expense and more as a premium purchase, something to savour or pair with a snack or social moment.

SNAPSHOT: JUNE 2025

$4.63	7.7%	10.66%
AVERAGE PRICE OF A REGULAR COFFEE	ANNUAL PRICE INCREASE	PRICE INCREASE IN W.A.

According to the ABS, the average weekly income in Australia is now $1,915 (as of May 2025). Westpac DataX shows that the average café customer is spending $85 a month, which works out to around 4.4% of their weekly disposable income on cafés and takeaway food.

4.4%

PERCENT OF WEEKLY DISPOSABLE INCOME SPENT AT CAFES

That's a meaningful slice of the budget. It shows that even as costs rise, Australians are still carving out room for small comforts — but they're doing it with more intention.

According to Hey You order data:

Despite those increases, coffee orders remain strong just more intentional. There's no sign of a customer exodus. In fact, the top picks haven't changed:

- **Cappuccino** continues to be the #1 coffee nationally
- **Victoria** is still the latte capital
- **WA prefers flat whites**

KEY TAKEAWAY

Customers aren't just paying for coffee. They're paying for how it makes them feel and are willing to pay more — if the value is clear.

Checklist:

- **Create Memorable Moments:** Use tech and data to streamline service and reward repeat behaviour.
- **Respect Premium:** Highlight premium options to drive awareness and upsell.
- **Bundle Smartly:** Test different bundles and track what drives repeat orders.

If you need help unlocking your premium offerings, feel free to ask us how.

THE POWER OF GEN. SPEND

Australians aged 25 to 44 continue to drive the lion's share of spend and influence across the entire food and drink category. They're your most valuable customers, but also your most demanding.

Gen Spend in Action: Meet Stuart

Stuart orders his cappuccino every morning, timed perfectly to match the distance from his car to the café, so he doesn't miss his train. He's not browsing. He's not waiting. He's optimising.

Stuart is loyal to his café, but only because they deliver speed, quality, and reliability, every single time. If the app glitches, the wait drags, or the coffee slips? He'll switch.



According to DataX and Hey You insights, this group:

- **Uses digital tools** like order-ahead apps, rewards programs and mobile wallets as part of everyday life
- **Prioritises speed and convenience,** particularly in the morning rush
- **Values transparent pricing** and instantly picks up on things like service fees, card surcharges, or inconsistent menu pricing
- **Wants more than just a transaction** they're looking for a smooth experience

This generation makes or breaks repeat business. They're highly mobile, tech-savvy and time-poor and they're happy to spend, but only where it feels worthwhile.

HOW TO MAKE THE MOST OF GEN SPEND

Gen spend are loyal, digital, and ruthless, and they're driving your bottom line.

GEN SPEND NON-NEGOTIABLES



Fast, frictionless checkout



Reliable service



Loyalty Rewards



Pricing clarity

TRUST AT THE TILL

Even as customers adapt to higher coffee prices, one thing they continue to push back on is card surcharges. For many café-goers — particularly those aged 25 to 44 — a surprise fee at the end of a transaction feels like a breach of trust.

This pressure isn't just coming from consumers. The Reserve Bank of Australia (RBA) is reviewing rules around merchant card fees, with proposals now on the table that could ban surcharging across eftpos, Visa and Mastercard transactions altogether. The aim: simplify pricing, reduce confusion and improve customer experience at the checkout.

While the reform is still under consultation, the direction is clear, transparent, all-in pricing is the future.

What Hey You and Westpac DataX insights show:

- Checkout shock is real. Unexpected surcharges (even 1–1.5%) lead to frustration, negative sentiment and lost repeat visits.
- Gen Spend (ages 25–44) is the most sensitive. This group values pricing clarity and is the quickest to switch venues over fees.
- Venues that don't surcharge tend to see stronger loyalty, especially via digital channels like Hey You.

This isn't just about regulation it's about reputation. And now is the time to prepare.

What you can do:

- **If you surcharge, make it clear** — not just at the till, but on menus, apps and digital receipts.
- **Consider testing a no-surcharge model.** Many venues find loyalty and average spend improve when pricing is simplified.
- **Use platforms like Hey You to ensure price transparency** at the point of order.
- **Speak to a Westpac Payments Specialist to review your pricing structure and explore options.** There may be smarter ways to manage cost recovery — without alienating your best customers.

KEY TAKEAWAY

- **Transparency Matters:** Most customers don't mind paying — they just don't like being surprised. Clear upfront pricing builds trust.
- **Shop around:** With potential changes in regulation ahead, it's time to review your the pricing for payment services. There's a lot of competition in the market — make them work for it.
- **Coffee Sales Drop After Midday:** Don't fight it, flip it! Use Hey You to offer off-peak pricing or bundle deals to drive afternoon sales.

Grab a coffee with a payment specialist – **sometimes it takes a little Westpac**: ✉ WBCpaymentpartnerships@westpac.com.au

DATA-DRIVEN ECONOMICS

Hey You + Westpac DataX unlock smarter decisions, better experiences, and stronger returns.

From transaction trends to customer behaviour, data is the new ingredient for café success. This partnership helps venues understand what drives loyalty, when to promote, and how to optimise pricing and service.

HERE'S WHAT YOU GET:

Hey You gives you rich, real-time insights into what your customers are ordering, when they visit and how they behave — right down to the suburb and store.

Westpac DataX complements that with high-level trends from millions of anonymised card transactions, showing how your venue stacks up against the broader market.

FINAL SIP: YOUR CUSTOMERS ARE CHANGING

Coffee still fuels Australia, but how, when and why people buy it is shifting. Customers want their money to go further, their orders to be seamless and their visit to feel worth it.

The cafés and restaurants that succeed in 2025 and beyond will be the ones that:

- → **Deliver quality and consistency every time**
- → **Use technology to reduce wait times and improve service**
- → **Communicate prices clearly, avoiding surprises at checkout**
- → **Let data guide smart decisions, from what to promote to how to build loyalty**


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