

CEDA

CENTRAL ECONOMIC
DEVELOPMENT AGENCY

Business Survey Insights

Impact of COVID-19

Sixth Survey
Manawatū-Whanganui



14 –19 September 2021

Introduction

This is the sixth in our series of surveys that have looked at the impact of COVID-19 on businesses in the Manawatū-Whanganui region. These surveys are intended to understand the impacts and challenges on businesses and sectors under each Alert Level to inform the tailored business support, resources and tools that CEDA delivers across the business community.

Methodology

This sixth survey was sent out to businesses across the Manawatū-Whanganui region on Tuesday, 14 September 2021 and closed on Sunday, 19 September 2021. The survey was undertaken whilst the Manawatu-Whanganui region was in Alert Level 2, and while Auckland remained at Alert Level 4. The survey was created in partnership with Feilding & District Promotion (FDP), sent out via CEDA's regional partners and through CEDA's and FDP's newsletters, databases, and social media channels.

The survey comprised 16 main questions and was completed by 97 respondents. The questions are designed to examine the economic impact of COVID-19 on businesses, as well as the support that these businesses require and the format in which they require it.



Timeline of events

2020	
28 FEB	First case of COVID-19 reported in New Zealand
9 MAR	● CEDA First Survey commenced
11 MAR	WHO declares COVID-19 a Pandemic
15 MAR	Travel restrictions come into effect and events are cancelled
17 MAR	Government support package announced including a wage subsidy
19 MAR	Border closure announced
21 MAR	Prime Minister announces COVID-19 Alert Level system with New Zealand entering Alert Level 2
23 MAR	Alert Level 3 implemented
24 MAR	State of Emergency declared in New Zealand
25 MAR	Alert Level 4 begins at 11:59pm
27 MAR	● CEDA Second Survey commenced
6 APR	New Zealand reaches 929 cases of COVID-19
15 APR	Government economic response package announced
20 APR	Alert Level 4 extended, with a date given for Alert Level 3
26 APR	New Zealand reports 310 cases of COVID-19
28 APR	New Zealand enters Alert Level 3
1 MAY	● CEDA Third Survey commenced
4 MAY	New Zealand records its first day of no new COVID-19 cases
5 MAY	New Zealand reaches 1,486 cases of COVID-19 with 164 active cases

13 MAY	State of Emergency ends at 12:21pm ahead of Alert Level 2 from 11:59pm
14 MAY	Budget 2020 with additional support announced
21 MAY	Four days without any new COVID-19 cases
29 MAY	Social gathering limit raised from 10 to 100 people
5 JUNE	The 14th day of no new COVID-19 cases is recorded
8 JUNE	For the first time since the pandemic there are no active cases and New Zealand enters Alert Level 1 at 11:59pm
10 JUNE	Applications for the 8-week wage subsidy extension open
6 JULY	● CEDA Fourth Survey commenced and 66 days since the last case of community transmission with one new case and 22 active cases in managed isolation
25 JULY	85 days since the last case of COVID-19 community transmission, no new cases of COVID-19 and 21 active cases in managed isolation
11 AUG	New Zealand has a fresh outbreak of COVID-19 in Auckland with four new cases
12 AUG	The Auckland area goes into Alert Level 3 and the rest of New Zealand moves to Alert Level 2
27 AUG	● The fifth business survey is sent out
30 AUG	Auckland moves to Alert Level 2.5
23 SEP	Auckland moves back to Alert Level 2 and the rest of New Zealand is at Alert Level 1

2021	
14 FEB	Auckland moves to Alert Level 3. The rest of New Zealand moves to Alert Level 2
17 FEB	Auckland moves to Alert Level 2. The rest of New Zealand moves to Alert Level 1
14 FEB	Auckland moves to Alert Level 3. The rest of New Zealand moves to Alert Level 2
22 FEB	Auckland moves to Alert Level 1. All of New Zealand is at Alert Level 1 now
28 FEB	Auckland moves to Alert Level 3. The rest of New Zealand move to Alert Level 2
7 MAR	Auckland moves to Alert Level 2. The rest of New Zealand moves to alert Level 1
12 MAR	Auckland moves to Alert Level 1. All of New Zealand is at Alert Level 1 now
23 JUN	Wellington moves to Alert Level 2. The rest of New Zealand remains at Alert Level 1
29 JUN	Wellington moves to Alert Level 1. All of New Zealand is now at Alert Level 1
17 AUG	All of New Zealand moves to Alert Level 4
31 AUG	All of New Zealand south of Auckland moves to Alert Level 3. Auckland and Northland remain at Alert Level 4
2 SEP	Northland moves to Alert Level 3. All of New Zealand (except Auckland) is now at Alert Level 3. Auckland remains at Alert Level 4
7 SEP	– New Zealand (except Auckland) moves to Alert Level 2. Auckland remains at Alert Level 4
14 SEP	● The sixth business survey is sent out

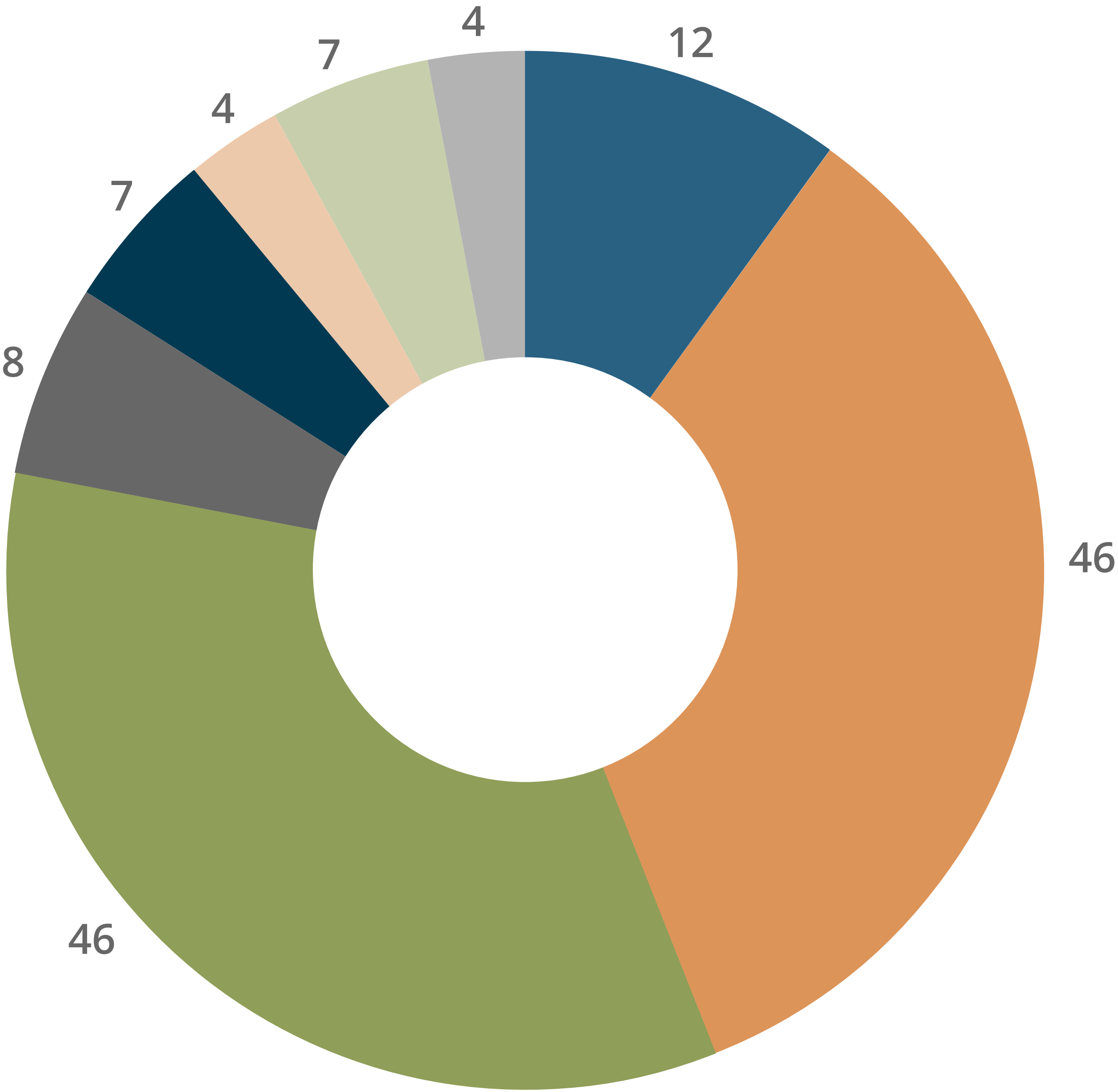
Regions

Respondents were from the Manawatū-Whanganui region, with a high concentration of businesses from Palmerston North city, Manawatū and Tararua districts:

- Horowhenua
- Manawatū
- Palmerston North
- Rangitīkei
- Ruapehu
- Tararua
- Whanganui
- Other

Note: Some companies selected more than one location due to the distribution of their businesses.

Figure 1: : Regional Breakdown of Survey Respondents



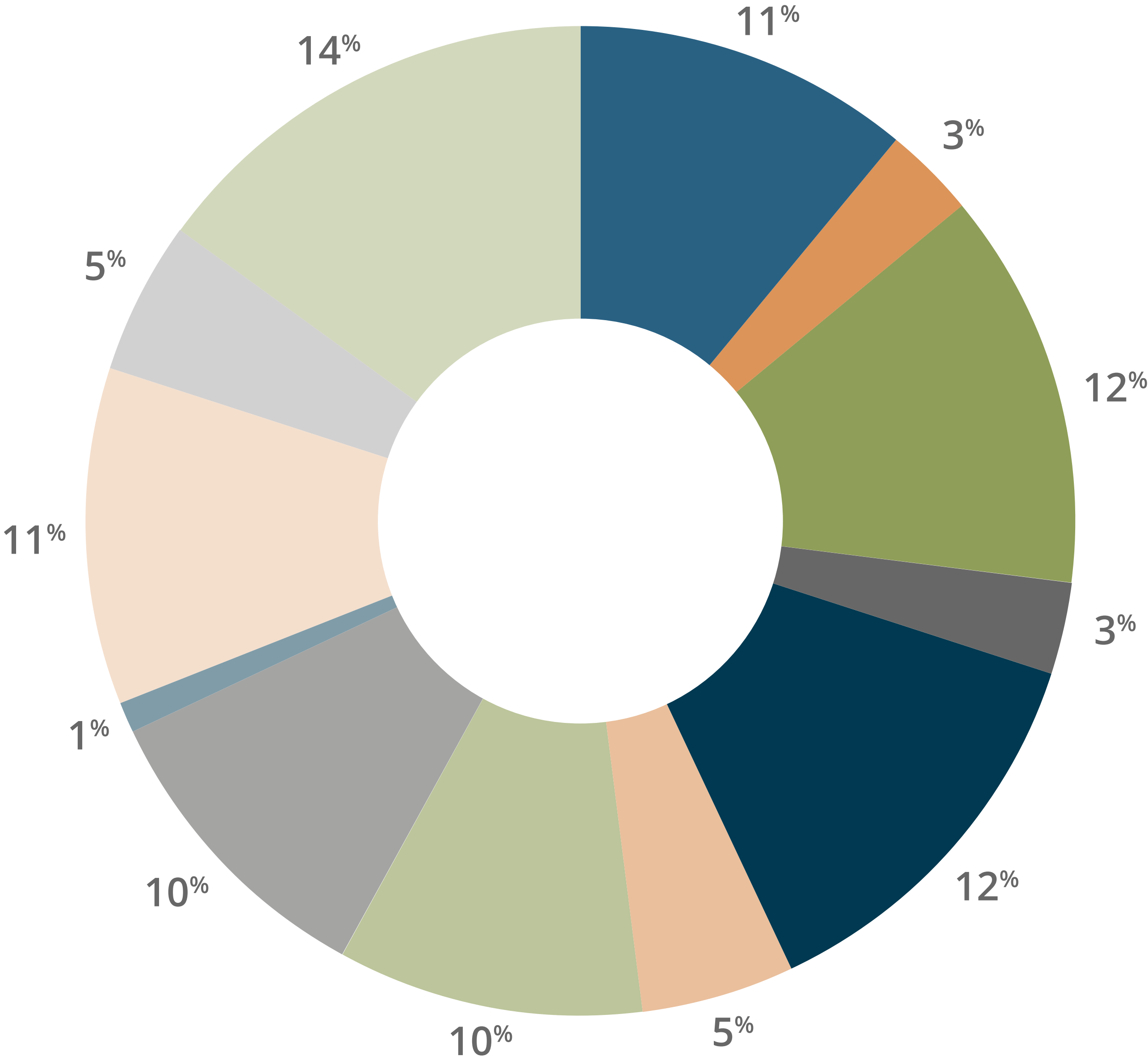
Sectors

The sectors provided in the survey are based on the region's key sectors of strength and the sectors in which CEDA's business support work is largely focused.

The sectors that had the largest representation in terms of responses were Manufacturing (12%), Education and Training (12%), and Hospitality (11%):

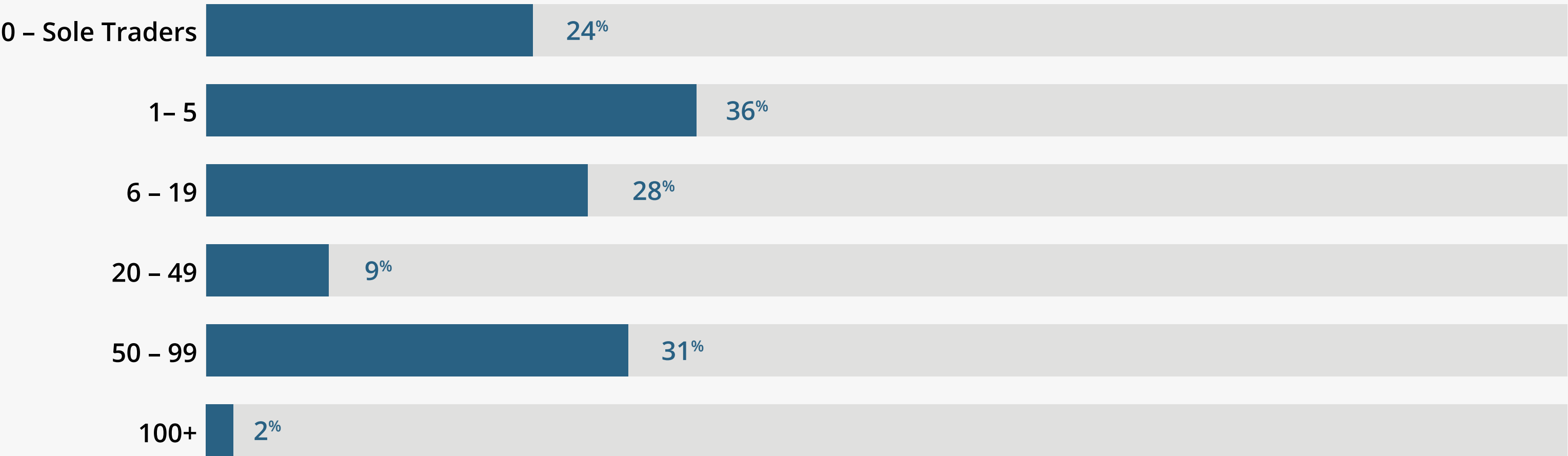
- Hospitality - Accommodation and Food
- Tourism, Conference and Events
- Manufacturing
- Primary Industries
- Education and Training
- Information Communication Technology
- Professional, Scientific and Technical Services
- Retail Trade including services to public
- Transport and Logistics
- Construction and Trades
- Health and Fitness including gyms
- Other

Figure 2: Breakdown by Sector



Business Demographics

Respondents by size of business, or number of Full Time Equivalent (FTE), staff were:



Most businesses were Limited Liability Companies (67%), with the remainder being Sole Traders (13%), Partnerships (4%), Incorporated Societies (3%), and Charitable Trusts (6%).

1. Stats NZ (2018)



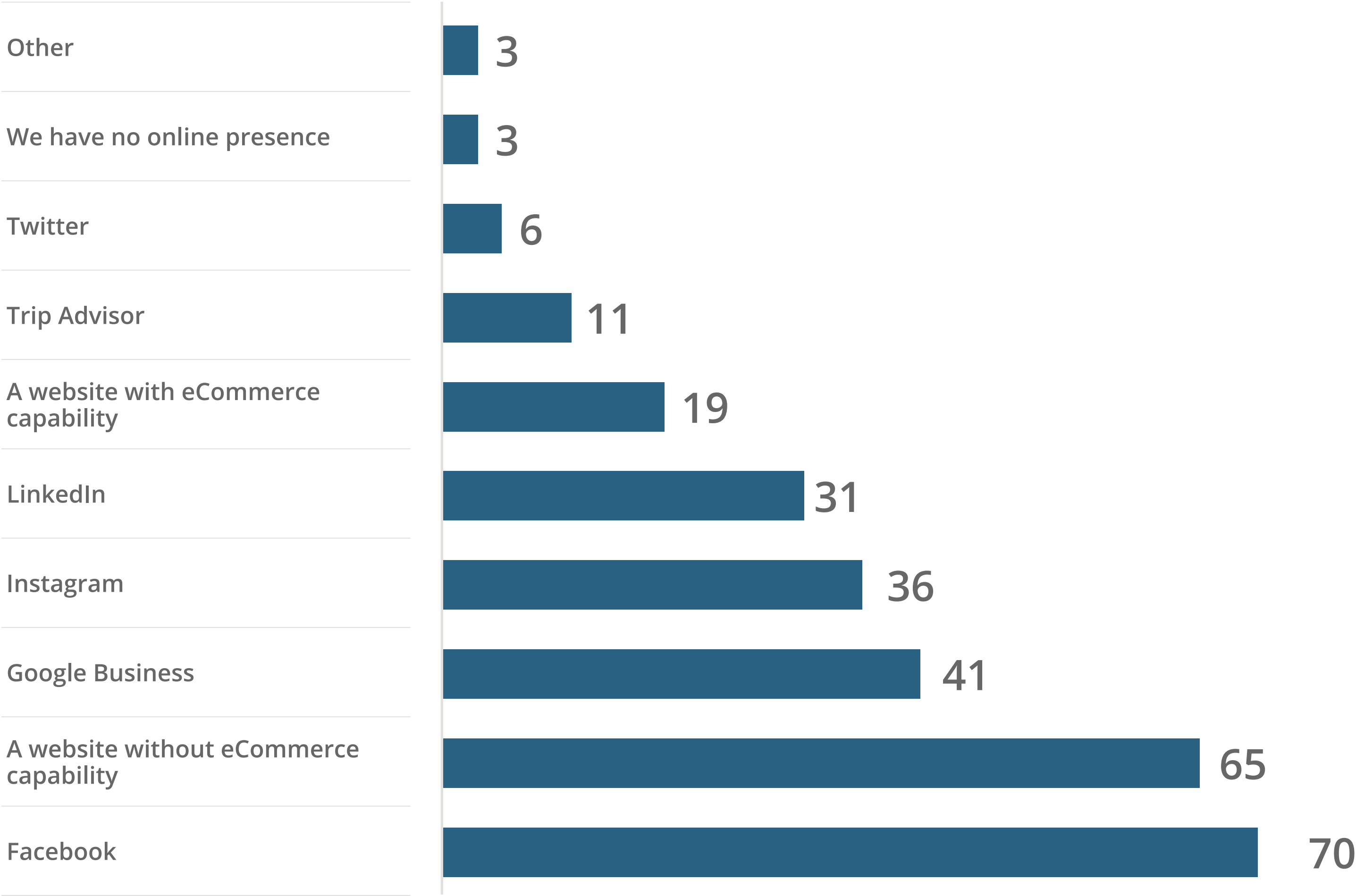
On-line Visibility of Businesses

The survey examined on-line business visibility, and which channels were most used by businesses. In line with the fourth survey, Facebook and websites without e-commerce capability are the most commonly used platforms:

● Respondents

Note: respondents were able to select multiple answers

Figure 3: On-line Visibility (How visible is the business on-line)



Impact of COVID-19 on Businesses

Under the sixth survey, only 18% of respondents indicated that they are significantly concerned about the impact of COVID-19 on their businesses, with the level of concern being ‘a great deal’ or ‘a lot’. In the fifth survey it was 47%.

Figure four shows shows the levels of concern under each business survey that CEDA has sent out.

Unlike the previous lockdown, most businesses appear to have been better prepared this time.

The impact on revenue is shown in figure five.

Figure 4: Business Concern (percentage of businesses that expressed significant concern about the impact of COVID-19)

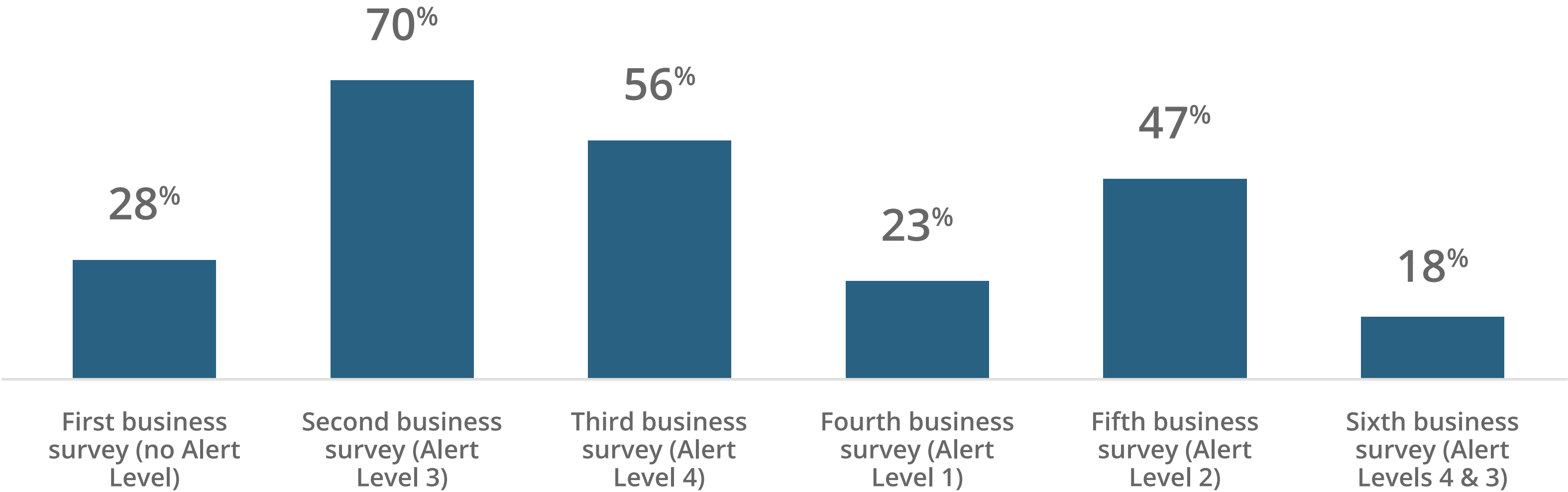
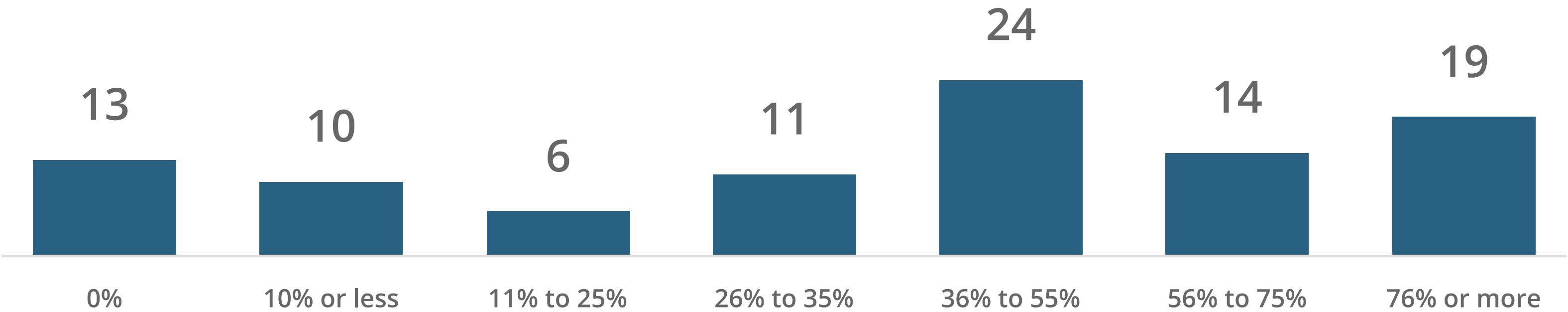


Figure 5: Revenue Impact on Businesses (percentage impact) – Sixth Survey



Impact of COVID-19

The number of companies that have experienced a revenue impact of more than 36% has increased compared to the fourth and fifth surveys, but decreased compared to the third survey.

Note: The impact on revenue and jobs were tracked from the third and fourth surveys onwards.

Only 4% of companies intend to reduce staff levels, whilst 51% intend to maintain staff levels and 5% intend to add more staff. However, 7% of companies want to reduce staff hours. The third survey found that only 4% of companies wanted to add more staff, whilst 2% (fourth survey) and 5% (fifth survey) of companies wanted to increase staff. The trend remains at 5% in the sixth survey.

Figure 6: Revenue Impact on Businesses (impact on revenue of more than 36%)

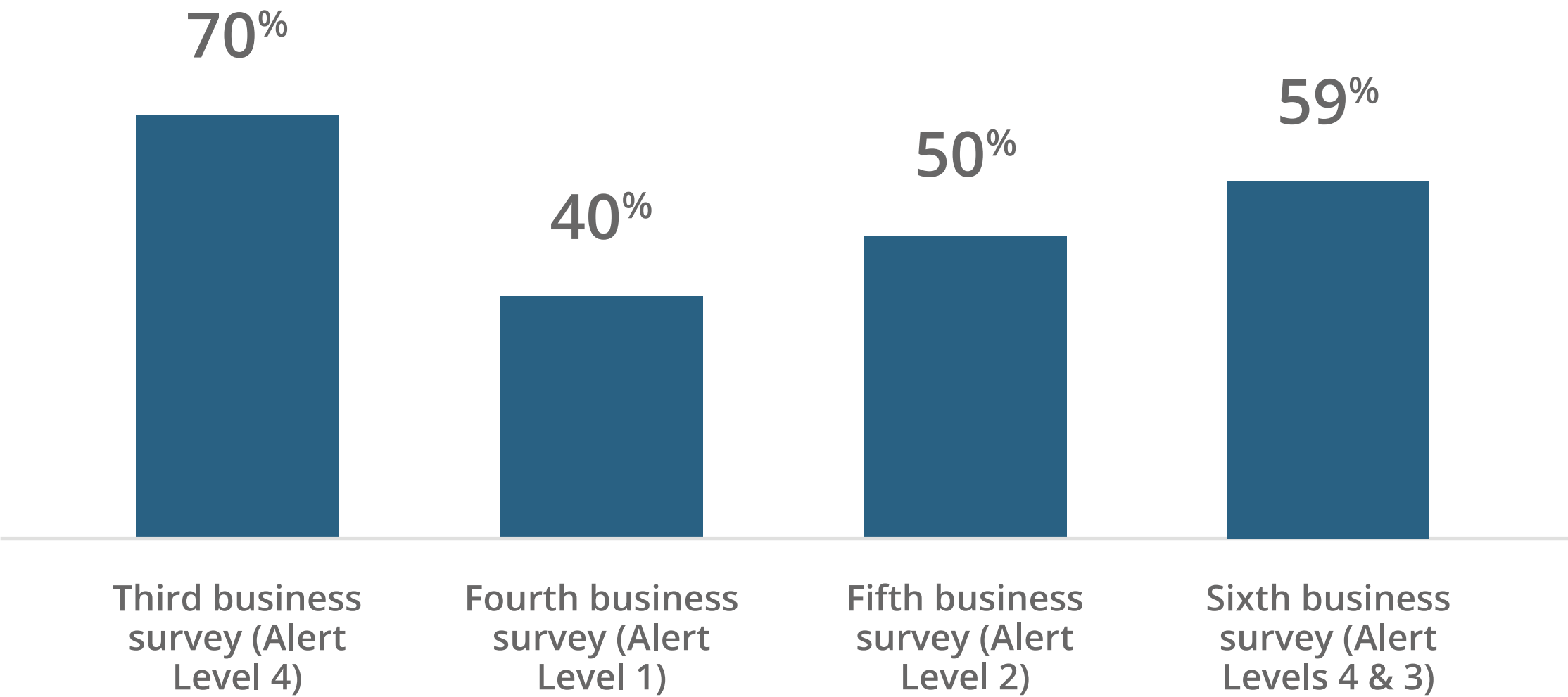


Table 1: Intentions to Change Staffing Levels (Percent of Companies)

	Sixth Survey	Fifth Survey	Fourth Survey	Third Survey
Intentions to add or reduce staff	% of Total	% of Total	% of Total	% of Total
Add more staff	17%	16%	20%	4%
Maintain staffing levels	51%	50%	48%	59%
Reduce staff	4%	9%	10%	13%
Reduce hours for existing staff	7%	11%	7%	7%
Increase hours for existing staff	5%	5%	2%	0%
Don't know yet	6%	8%	6%	10%
Not applicable	10%	2%	8%	7%
TOTAL	100%	100%	100%	100%

Impact of COVID-19

Respondents indicated that their businesses were mostly impacted in the following areas:

Table 2: Top Six Business Areas Impacted

Rank	Sixth Business Survey	Fifth Business Survey
1	Reduction in customers	Reduction in customers
2	Short-term cash flow	Short-term cash flow
3	Staff wellbeing	Staff wellbeing
4	Supply of material from overseas	Ongoing financial viability
5	Ongoing financial viability	Reduction of staff hours or numbers
6	Reduction of staff hours or numbers	Supply of raw materials / components for manufacturing from overseas

The sixth and fifth surveys showed similar business areas impacted except the supply of material from overseas has become a prominent impact ranking 4th.



Impact of COVID-19

Impacts across the largest sectors represented in the survey are as follows:

Hospitality (accommodation and food)

Key areas impacted are a reduction in customers, ongoing financial viability, short-term cashflow, staff wellbeing and a reduction in staff hours. Of the businesses, 31% intend to maintain staff levels (a drop from 50% in the fifth survey) and 31% intend to reduce staff or reduce hours of existing staff. A whopping 91% of businesses have had a revenue impact of more than 36%.

Retail trade

Businesses in the retail sector have been impacted by supply of material from overseas, a reduction in customers, short-term cashflow, and staff wellbeing. 80% of businesses intend to maintain staff and 100% of the businesses have reported a revenue impact of more than 36%, out of which 30% have lost more than 56% revenue.

Manufacturing

The biggest impact manufacturing is the supply of materials from overseas, staff wellbeing, exporting, importing, reduction in staff hours or numbers, short-term cashflow and a reduction in customers. Of those surveyed, 29% of businesses intend to maintain staff (a drop from 53% from the fifth survey) and 35% intend to increase staff (an increase from 17.6% from the fifth survey and 50% had a revenue impact of more than 36%).

Construction and trades

These businesses have been impacted by supply of material from overseas and short-term cashflow. Of those surveyed, 73% of businesses intend to maintain staff, whilst only 9% intend to add more staff and 45% have had a revenue impact of more than 36%.

A common theme amongst respondents from the largest sectors represented in the survey is a reduction in customers, short-term cash-flow impacts and staff wellbeing.



Support Required

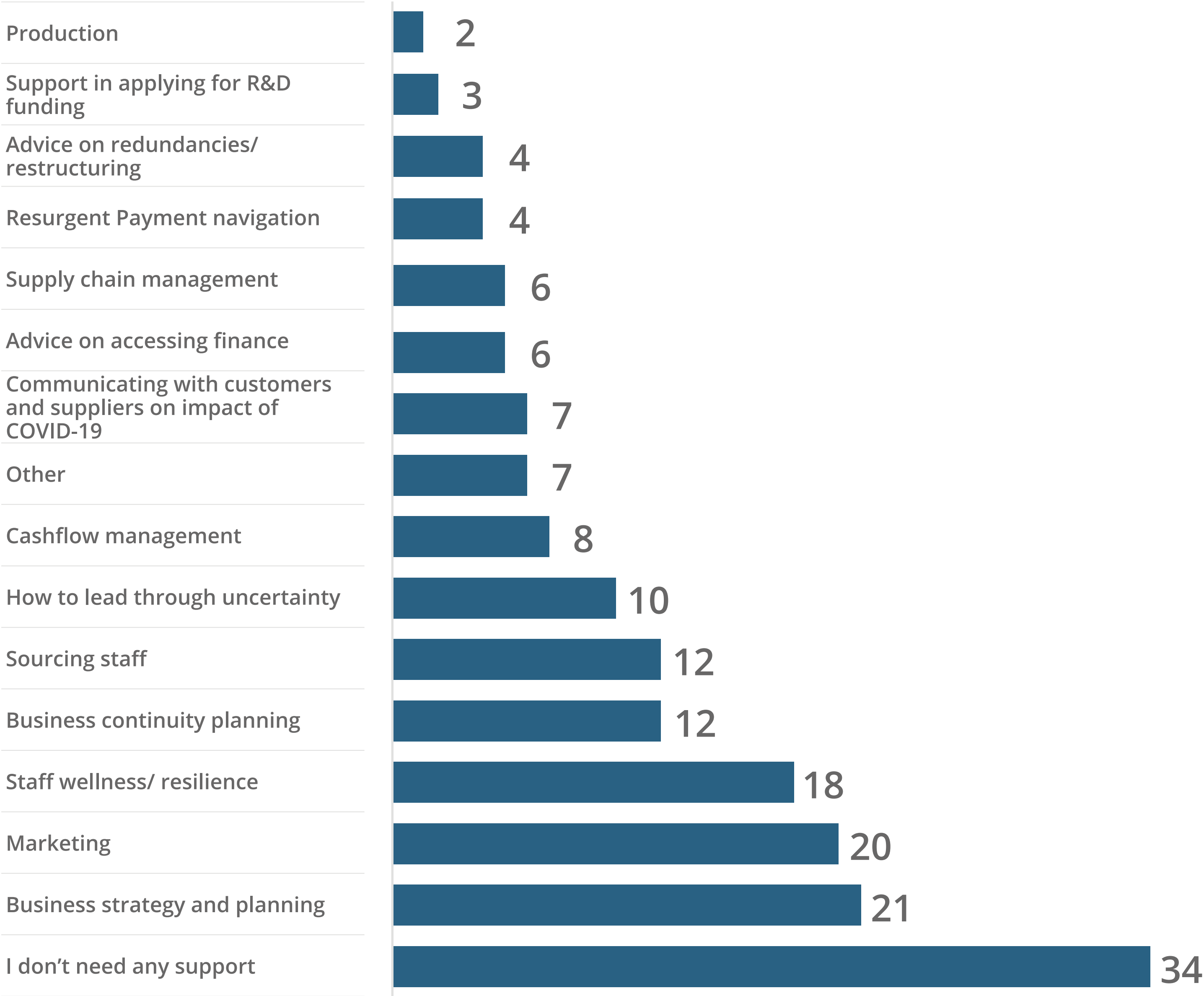
Businesses require support across several areas. Business strategy and planning and marketing featured highly. Other areas of support needed include staff wellness and resilience, business continuity planning and sourcing staff.

● Respondents

Note: respondents were able to select multiple answers.

It is great to see over a third of businesses didn't want support (34%), which reflects the general preparedness and readily available resources during this lockdown, compared to last year's lockdown. A collective 33% of businesses want support for Business Strategy and Planning & Business Continuity planning, which demonstrates many have been looking to work on the business, rather than in. As usual, marketing support needs are high in priority.

Figure 7: Support Required by Businesses (Number of responses)



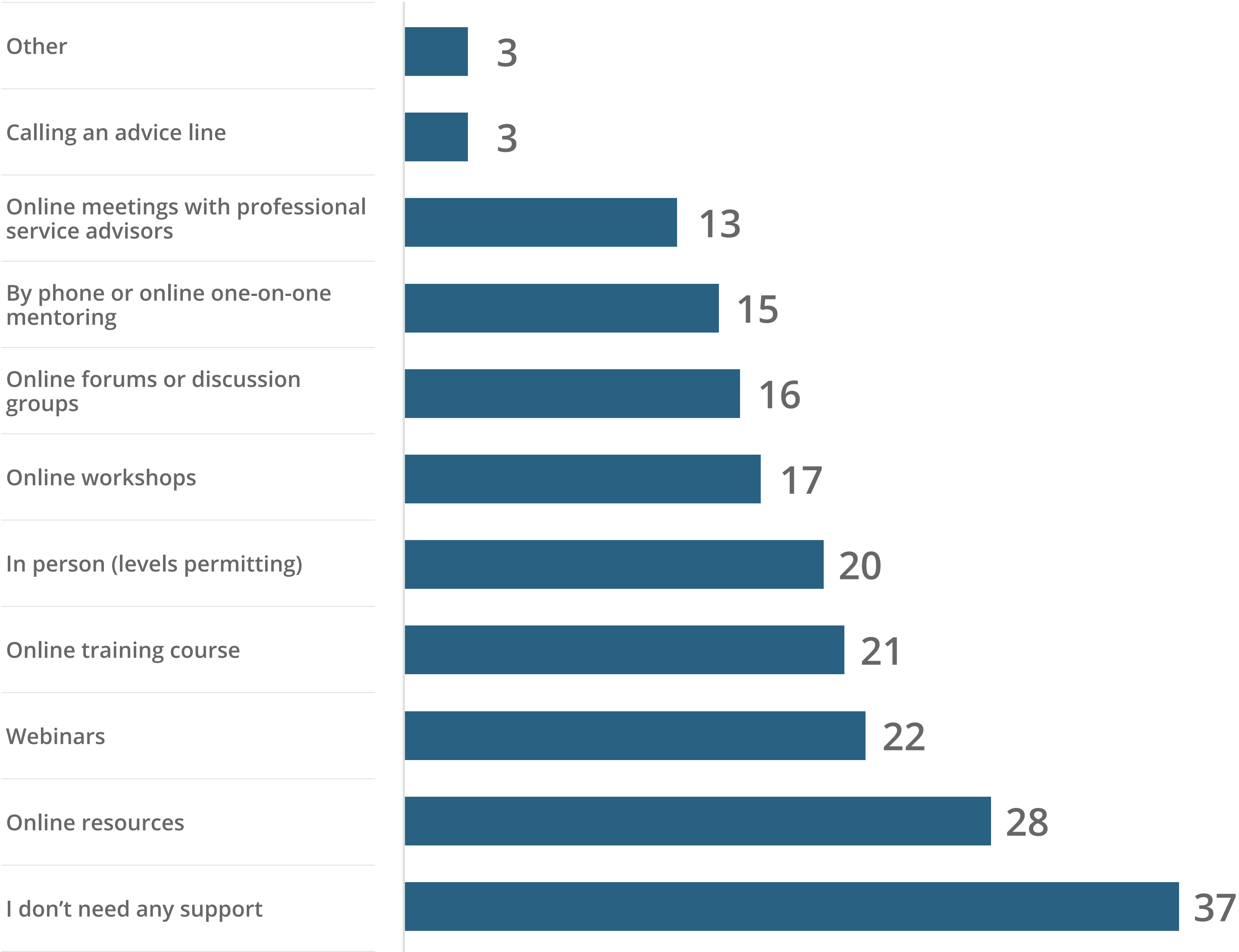
Delivering Support to our Business Community

Respondents were asked what their preferred method of delivery is. While 19% of the businesses didn't require any support, the preferred methods expressed by others are, in order of priority:

- Online resources
- Webinars
- On-line training courses
- In person (levels permitting)
- On-line workshops
- On-line forums or discussion groups

Note: respondents were able to select multiple answers

Figure 8: Preferred Delivery Method (no. of companies)



Summary of Key Survey Insights

- Businesses have been better prepared for lockdown and are familiar with where and how to access resources, including government financial support compared to 2020. Over a third of businesses didn't want additional support.
- Whilst the region's economy is resilient, there is some caution with 59% of businesses experiencing a revenue impact of more than 36%, compared to 50% in the fifth survey under alert level 2 and 40% in the fourth survey under alert level 1. While this is because of more restricted alert levels (4 & 3), it is still lower than the 70% from the third survey conducted at level 4.
- Despite the revenue impact, staff reductions have not been severe with only 4% of companies intending to reduce staff levels, whilst 51% intend to maintain staff levels and 17% intend to add more staff. However, 7% of companies want to reduce staff hours.
- The third survey found that only 4% of companies wanted to add more staff, whilst the fourth survey found that 20% of companies wanted to increase staff, however, this has dropped to 16% in the fifth survey and marginally increased to 17% in the sixth survey.
- Interestingly, 10% of construction and trades and 35% of manufacturing companies intend to increase staff.

- Businesses have been impacted in areas such as a reduction in customers, short-term cash flow, staff wellbeing, ongoing financial viability, a reduction of staff hours or numbers, and the supply of raw materials / components for manufacturing from overseas.
- The biggest impact on the manufacturing sector is the supply of materials from overseas, followed by staff wellbeing. For the education and training sector, it is the staff wellbeing that has had the most impact, followed by reduction in customers. For hospitality businesses, reduction in customers is the biggest impact, followed by ongoing financial viability and short-term cashflow.
- Business strategy and planning, staff wellness and resilience and marketing feature highly in terms of support required.
- Digital presence of businesses is prominent with 46% of businesses on Facebook, 26% on Instagram and 18% on LinkedIn, 39% have a website with eCommerce capability, while 14% have the same with eCommerce and 26% of the businesses are on Google My Business.
- The top four preferred delivery methods are online resources, webinars, online training courses and in person (levels permitting).

CEDA's support to the business community continues. This includes:

- Online information and resources through the [CEDA COVID-19 Business Support Hub](#) at CEDA.nz.
- Delivery of the RBP programme which includes co-funding for businesses to enhance in-house management capability through training with service providers in areas such as business strategy and marketing including digital enablement, business continuity planning and cash flow management.
- The mentoring programme which CEDA delivers on behalf of Business Mentors New Zealand (BMNZ).
- Webinars and workshops including the Navigating COVID-19 webinar series and the Te Aho Tāmaka webinar series.



Businesses requiring support or looking for further information should contact the CEDA team via [CEDA.nz](https://ceda.nz) or 0800 CEDA Support (233 278).

If businesses wish to be involved in future surveys, or would like to know more hear about the work underway to support businesses during COVID-19, please contact communications@ceda.nz

For further information, business support and the latest news on our economy visit [CEDA.nz](https://ceda.nz).

For specific COVID-19 impacted business support please go to ceda.nz/covid-19-business-support for information available.

