

BETTER FOR BUSINESS INSIGHTS

B4B's role is to represent and support the diverse needs of NZ businesses. Since 2014 B4B's biannual Research Monitor has provided a unique system-wide view of the business experience of government. The latest Monitor focused specifically on the digital capabilities of NZ businesses and their needs.

Overall, businesses were not as digitally enabled as expected – however some positive changes were seen following the initial impacts of COVID-19. Small businesses generally have lower digital capability than medium or large businesses, yet many want to make greater use of digital tools in their business.

The results are based on interviews with 2280 NZ businesses, and have been weighted to be representative of business size and industry category. For further information, please email betterforbusiness@mbie.govt.nz.

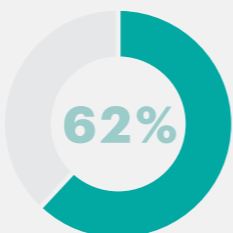
DIGITAL CAPABILITIES

BUSINESS USE OF DIGITAL TOOLS

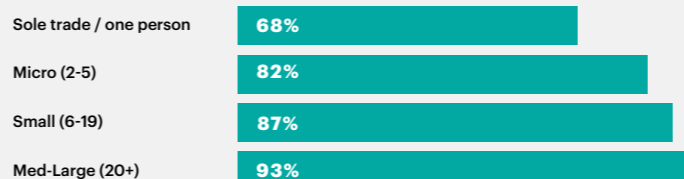
For internal reasons (eg accounting / financial management, inventory management, etc)



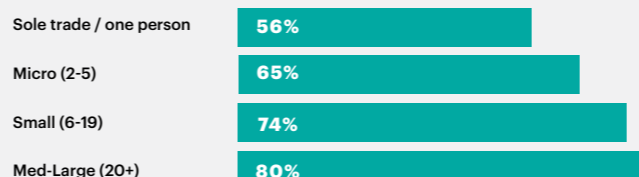
For external reasons (eg sales and marketing, supplier engagement, etc)



INTERNAL USAGE DIFFERS BY BUSINESS SIZE:

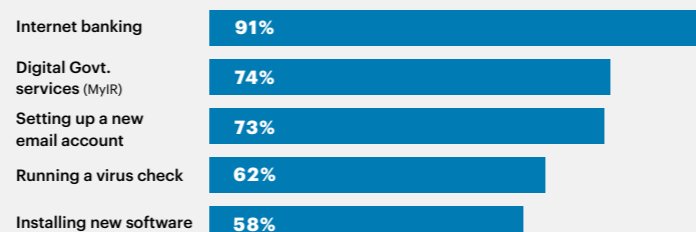


EXTERNAL USAGE DIFFERS BY BUSINESS SIZE:

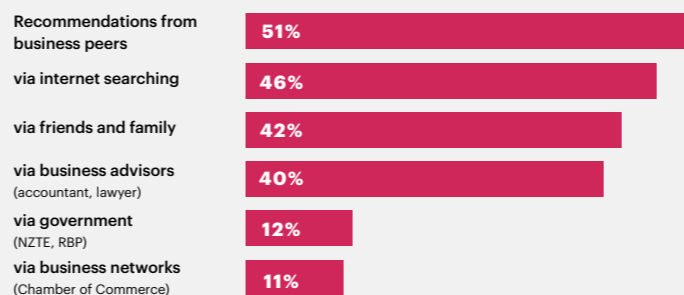


CONFIDENCE WITH SIMPLE DIGITAL TASKS

Businesses are 'reasonably' or 'very' confident with:



BUSINESSES GET THEIR INFORMATION ABOUT TECHNOLOGIES FROM:



DIGITAL INDEX

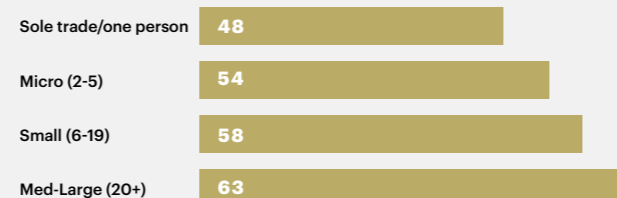
The preliminary baseline digital index score for all NZ businesses is **51/100**.

The Digital Index is a new measure created by B4B, and leverages similar frameworks from the OECD and Lloyds Bank (UK).

The baseline Index was established by asking businesses 20 questions covering a range of digital topics, including access, use, investment, transactions and skills. The baseline measure will enable us to track increases in digital capability over time. An index score of 100 is the most digital.

Here we can see that the larger the business is in terms of size, the higher the digital index score. This is likely related to the availability of capital as business size increases.

Digital index score by business size:



Note that there some highly digital one person businesses, but on average their score is lower.

In the current business climate businesses who said they were more focused on revenue generation than cost reduction were also likely to have a higher digital index score.

Digital index by focus:



A business's primary focus on either cost or revenue indicates whether they are contracting or expanding their business in response to the impacts of COVID-19.

MEASURES OF DIGITAL BEHAVIOUR

In order to understand digital behaviour the following key measures were identified:

56% just over half of all businesses state they use accounting software (as at Dec-19).

43% of businesses have an online presence / website of some sort (either transactional or non-transactional).

5% of NZ businesses have increased their online presence following the initial impacts of COVID-19.

Businesses have also increased their ability to internally communicate digitally with the % of NZ businesses using Zoom and similar tools increasing from **29%** (before COVID-19) to **50%** (now). However, operational changes to businesses being more digital was less pronounced with only a **5%** increase in cloud-based collaboration tools.

42% of businesses stated they want to make greater use of digital tools.

TOP BARRIERS TO BEING MORE DIGITAL

- > Concerns about information security / fraud
- > Lack of skills (individually or staff skills)
- > Can't afford it now

TOP FACTORS THAT WOULD ENCOURAGE THE USE OF DIGITAL TOOLS

- > Lower costs
- > In-person training and assistance
- > Recommendations from their industry body

Note the impact due to COVID-19 figures are estimates inferred from research and are indicative only.