Business Motivations, Short-term Goals and Barriers

Business Health and Digital Monitor

Annual Report

May 2026

Rangahau Aotearoa
Research New Zealand

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

ABOUT THIS REPORT

This report, titled Business Motivations, Short-term Goals and Barriers, is the **first** in a series of Business Health and Digital Monitor reports prepared for the Ministry of Business, Employment & Innovation in April-May 2026 by Research New Zealand (Rangahau Aotearoa).

The reports are as follows:

- Business Motivations, Short-term Goals and Barriers
- Business Health and Wellbeing
- Business Digital Capability

This research is based on a survey completed with business owners and senior managers responsible for businesses

The survey was completed between October and November 2025

It is based on online interviews completed with 2,508 business owners and senior managers; representative in terms of industry category, size and region

THIS REPORT CONSISTS OF THREE SECTIONS

1. Motivations

Understanding business motivations can inform policy, operations, or communications. This section covers the motivations that owners first had for getting into business and how these motivations compare with their current motivations. The section also profiles growth-focused businesses.

2. Short-term goals

Business owners’ goals impact what they focus on. This section investigates their short-term goals and how they vary between businesses that are growth or maintenance-focused.

3. Barriers and support needs

Providing businesses with assistance that addresses their specific barriers and aligns with the type of support they prefer increases the likelihood of success. This section looks at the barriers businesses report and the support they seek, and how they vary by whether businesses are growth or maintenance-focused.

KEY INSIGHTS

Motivations

46% of business owners reported being maintenance-focused

This is the same as in 2023 when the last MBIE survey was completed; however, 34% are now growth-focused which is higher than in 2023 (28%).

Businesses with younger owners and more than five employees are relatively more growth-focused. Over half of all businesses are owned or managed by people over 55 years of age, who are **less likely** to be growth-focused.

Short-term goals

Reducing operating costs and the time spent on administrative tasks continues to be priorities for most

79% of business owners have experienced cost increases, whereas 54% have experienced a drop in revenue and 57% in profitability.

This has prompted them to focus on reducing costs and time to complete administrative tasks. In this context and being generally time-poor, only 21% of business owners identified "becoming more digital" as one of their priorities. However, 33% specifically identified "making use/greater use of AI tools".

Barriers and support

Business owners were most concerned about future demand and, therefore, ongoing revenue

Consequently, most identified "tax breaks or incentives" (48%) as the type of assistance that would help them achieve their goals, followed by "access to financial grants" (28%).

Motivations

Understanding motivations to improve business support

Understanding businesses' motivations can inform policy, operations or communications which can, in turn, help make government support more effective.

Respondents were given a list of possible motivations and asked to explain, why they **first** started in business and why they are **still** in business. They could choose as many of the reasons as they wished.

In terms of why they **first** started in business, Figure 1 shows a high percentage identified that they were initially motivated by the idea of, "making a living/enough money to live on" (52%) and "to be their own boss" (47%).

Most respondents (62%) stated their original and current motivations for being in business were the **same**.

Focusing on the one-third who said their motivations had changed, "making a living/enough money to live on" was most frequently identified by them as the reason they are currently in business (56%), with having "a good lifestyle/ prioritising my wellbeing" (44%) in second place.

Figure: 1

Business owners' reasons for starting in business (%)

Q. Which of the following is a key reason why you **first** got into business? (n=2,181)

Most business owners are focused on maintaining their business at roughly the same size; only about one-third are currently focused on growth

Growth offers numerous benefits such as increasing employment or wealth and as such, is a priority for government support. Because of this, we asked respondents what their short-term plans were for their business (i.e., in the next 2 years).

About one-third of respondents stated they were currently focused on growth (34%); however, a significantly higher percentage stated they wanted to **maintain their business at roughly the same size** (46%).

The percentage currently focused on growth is significantly higher than in 2023 (28%), whereas the percentage planning to maintain their business at roughly the same size is lower (50%).

Understanding who is focused on growth helps government support those businesses as it can more easily target them.

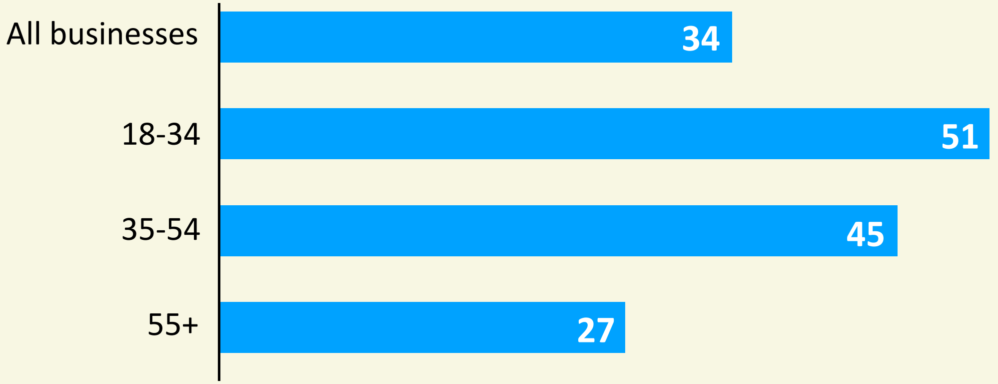
One theory is that the older the owner, the **more likely** they are focused on maintaining the business at roughly the same size. This theory is supported by other research, given that most businesses have owners who are over 55 years of age (66%).

Size is another aspect related to a firm's growth focus, with respondents employing over five full-time employees (FTE) being more growth-focused.

These insights on how many and who is focused on growth could guide how we target, design and communicate support for increased efficiency and impact.

Figure: 2

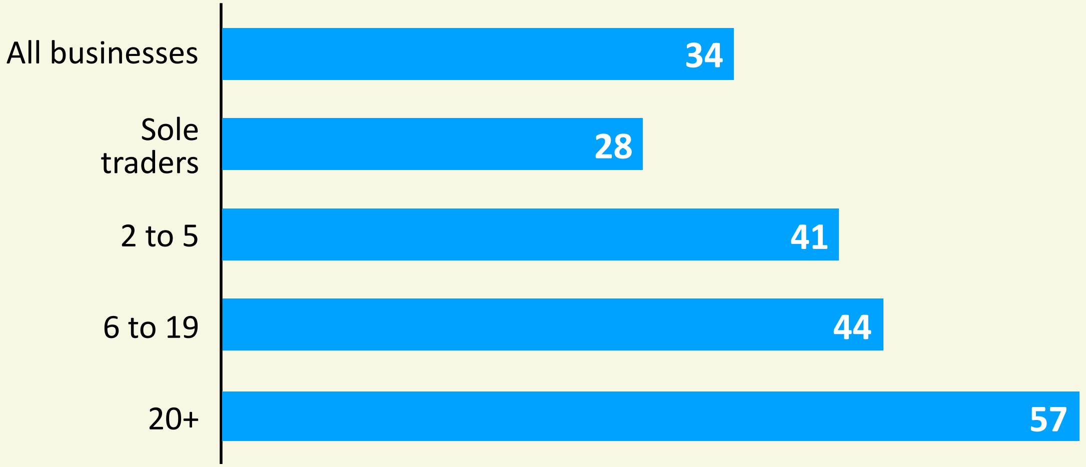
Businesses focused on growth by age of owner (%)



Q. Is your current focus on …growing/developing the business? (n=2,046)

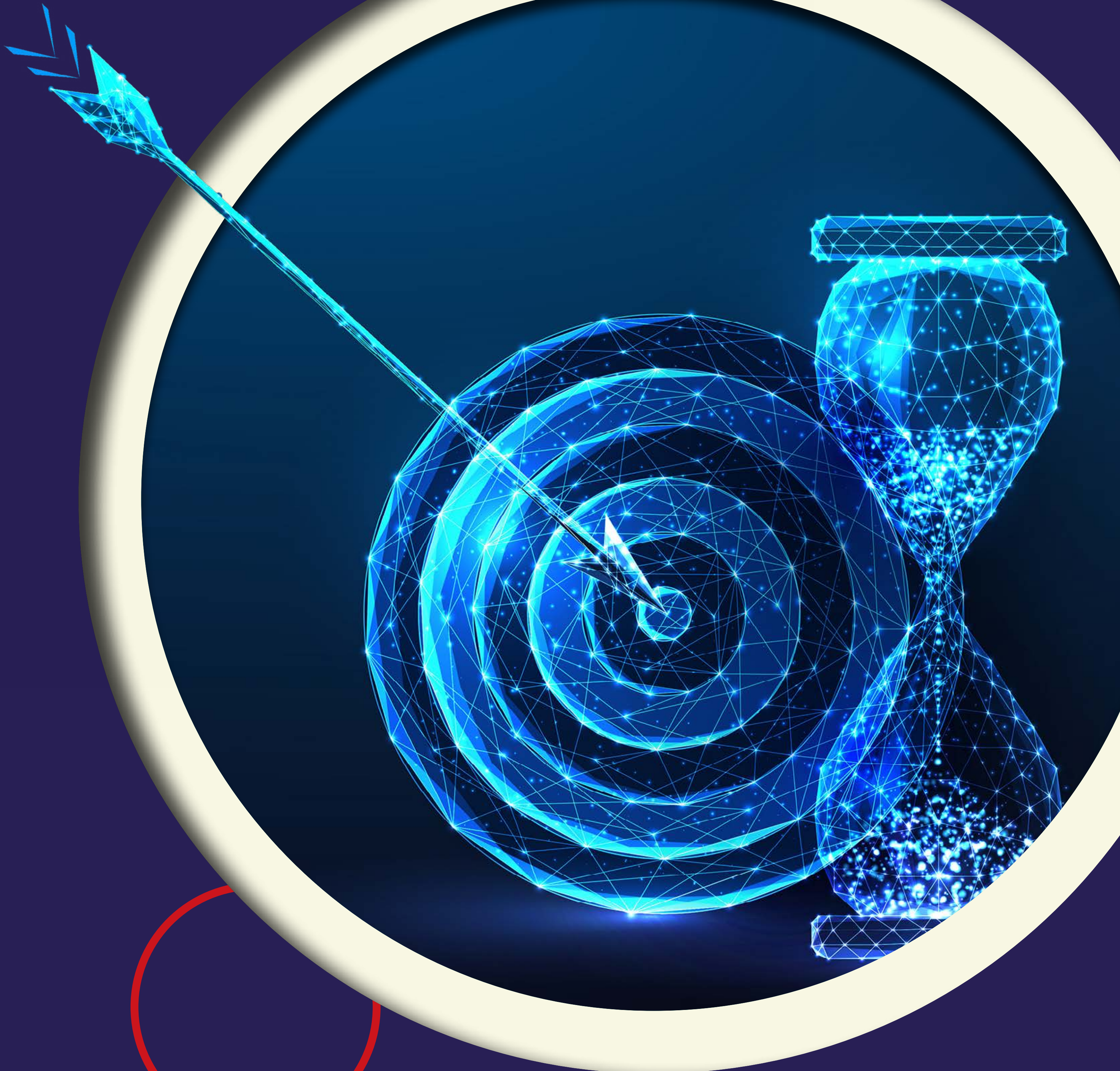
Figure: 3

Businesses focused on growth by size (FTE) (%)



Q. Is your current focus on …growing/developing the business? (n=2,179)

Short-term goals



Cost and time reduction is a focus for most business owners, ahead of digitalisation

Having understood motivations (why), we now move on to the goals (what) that respondents had for the next 2 years.

As the graph shows, most respondents who identified as business owners, and who planned to grow their business or maintain it at roughly the same size, identified **"reducing costs or time spent on administrative tasks"** as a change they wanted to make in the next 2 years (57%). This is not surprising given the current economic situation.

"Improving marketing, promotion or sales" (43%) and "improving existing products or services" (40%) were also frequently identified as goals by many respondents.

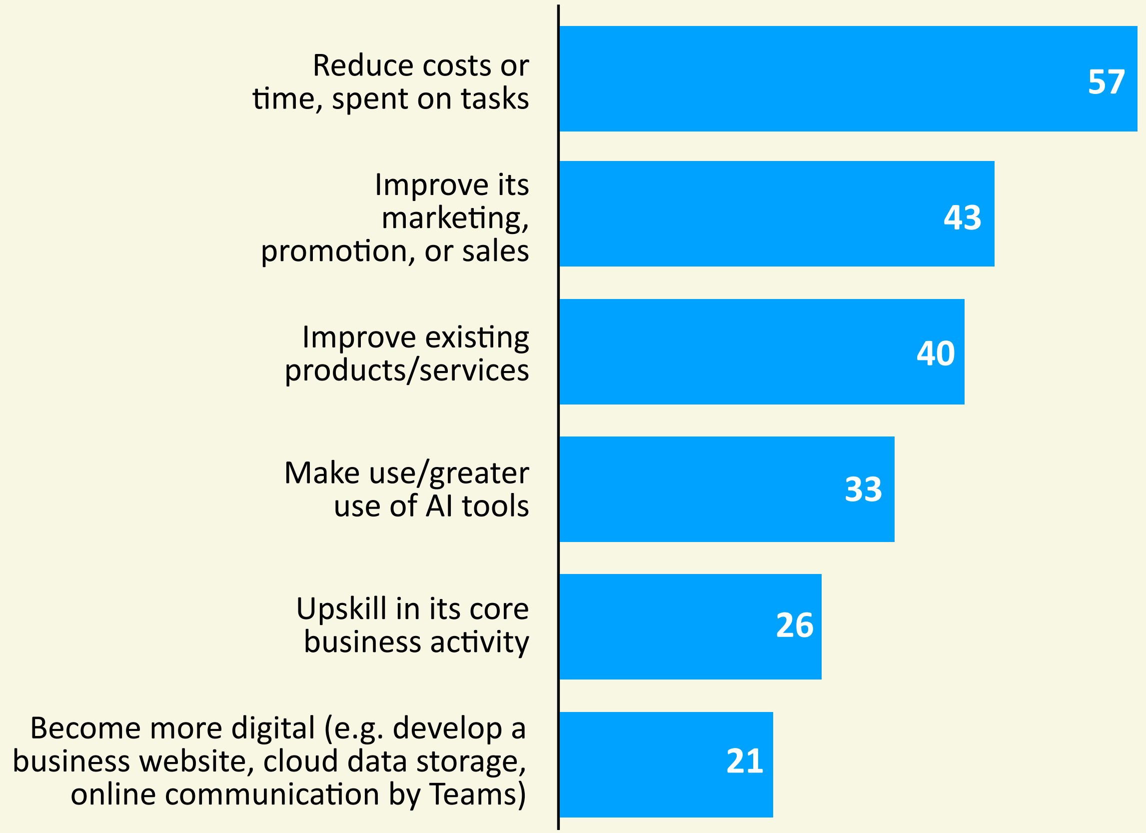
The reasons for these goals could have to do with the fact that 79% have experienced significant cost increases, while 54% have reduced revenue and 59% reduced profitability.

One government priority for support is increasing business digital capability; however, only 21% of respondents prioritised this as a change they would like to make to their business in the next 2 years.

It may be challenging to convince businesses of the benefits of becoming more digital before they are ready to prioritise it, particularly given the current economic situation. Linking the benefits of digitalisation to motivations or goals may increase adoption. In this regard, it should be noted that 33% identified "making use/greater use of AI tools" as one of their short-term goals.

Figure: 4

Businesses' short-term goals (%)



Q. How would you most like your business to develop or change in the next two years? (n=2,032)

Business owners who are growth-focused have a different focus compared with those who are maintenance-focused

Both growth and maintenance-focused respondents most frequently identified, “reducing costs or time spent on administrative tasks” as a change they wanted to make in the next 2 years (55% and 56% respectively).

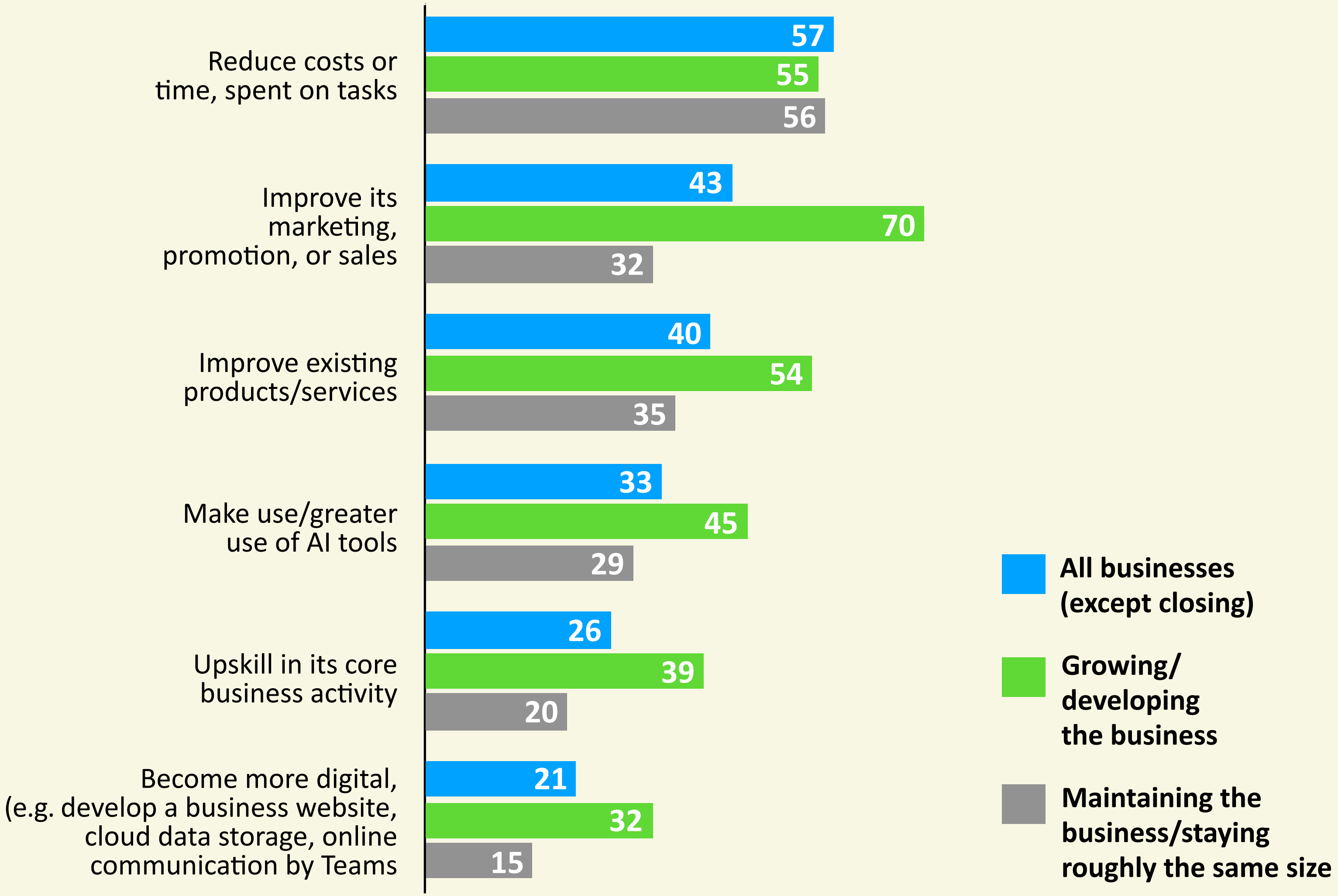
In addition to this goal, respondents who owned growth-focused businesses also identified all other goals to a far greater extent than did those who owned maintenance-focused businesses. This helps to explain why they are defined as being growth-focused.

For example, 70% of respondents who owned growth-focused businesses stated they wanted to “improve their marketing, promotion or sales”, whereas this was the case for 32% of those who owned maintenance-focused businesses.

Similarly, 54% wanted to “improve their existing products or services", whereas this was the case for 35% of respondents who owned maintenance-focused businesses.

Figure: 5

Businesses’ short-term goals by growth and maintenance focused businesses (%)



Q. How would you most like your business to develop or change in the next two years? (n=2,032)

Barriers and support

Uncertainty about the future is the key short-term barrier

Respondents who identified as business owners, and who planned to grow their business or maintain it at roughly the same size, most frequently identified, "a lack of certainty about future income or revenue" (51%) and relatedly, "uncertain/depressed market demand" (57%) as their short-term barriers.

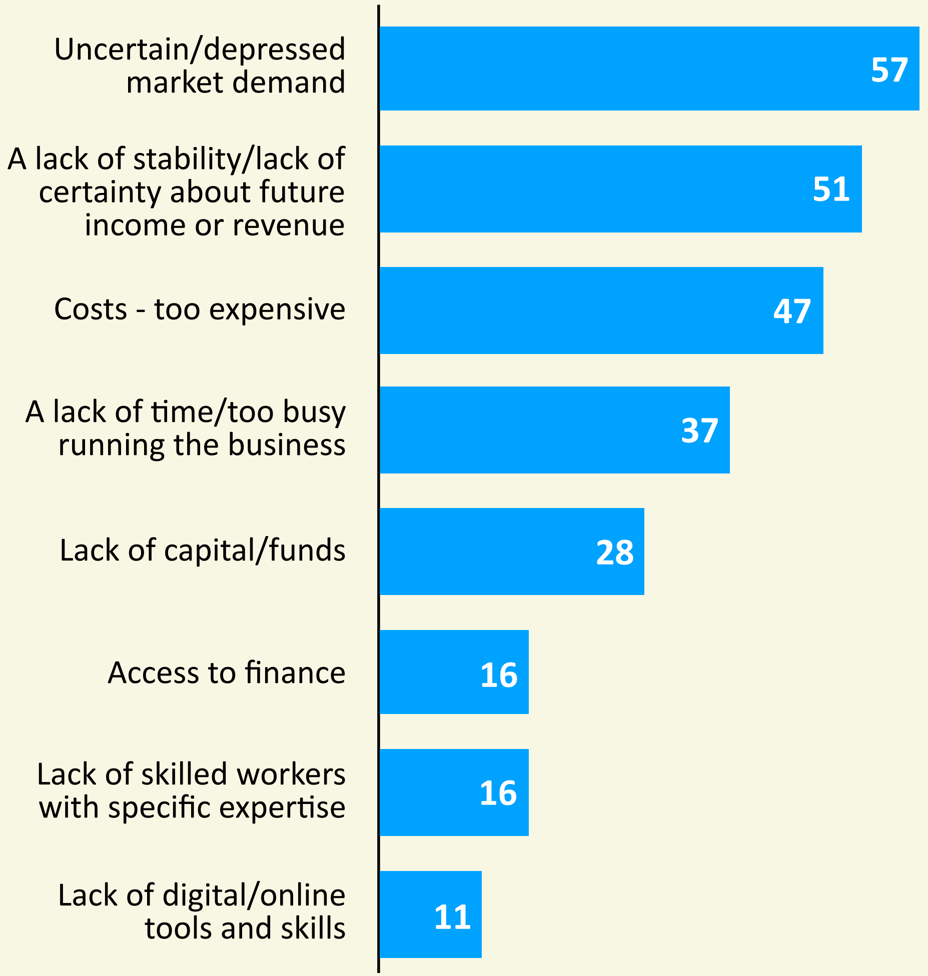
These barriers were closely followed by, "costs" (47%) and related to these, "a lack of capital or funds" (28%) and "access to finance" (16%).

Being time-poor and "too busy running the business" were also identified by over one-third of respondents (37%).

These three most common reported barriers – **costs, lack of certainty around future income/ revenue** and **being time poor** have **not** changed since 2023; they are persistent challenges for businesses.

Figure: 6

Businesses main barriers (%)



Q. Which, if any, of the following are likely to make it difficult to achieve this goal? (n=1,883)

A lack of capital or funds could hold growth-focused business owners back

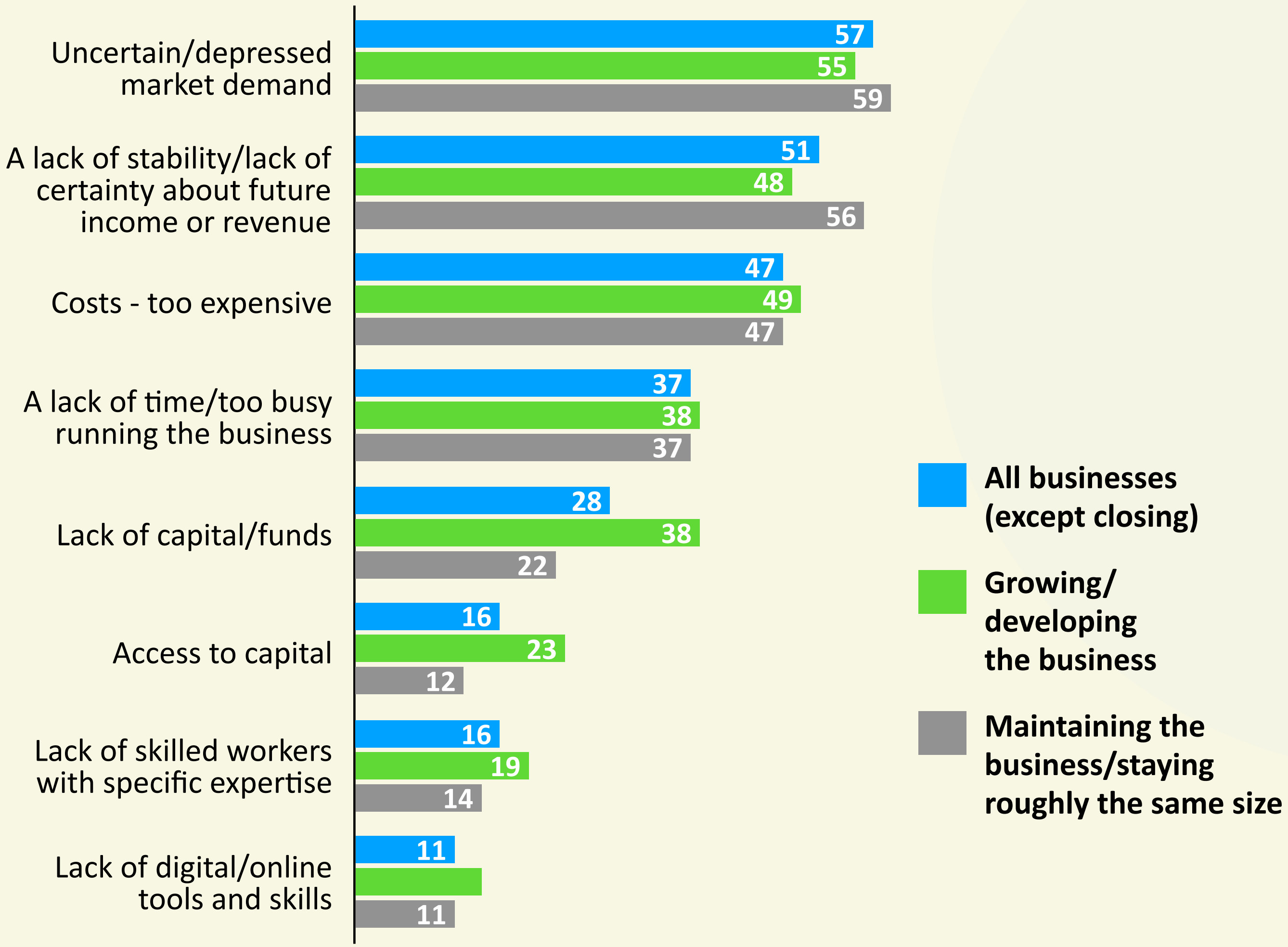
As the graph shows, both respondents who owned growth and maintenance-focused businesses identified to more or less the same extent, “costs”, as well as “a lack of certainty about future income or revenue” and “uncertain/depressed market demand” as their key barriers or obstacles to achieving their short-term goals.

However, a key difference is in terms of “a lack of capital or funds” and “access to capital”, with respondents who owned growth-focused businesses being **more likely** than those who owned maintenance-focused businesses to mention these as barriers.

This is an important point of difference given that capital or funds is integral to growth.

Figure: 7

Businesses main barriers by respondents who are growth and maintenance focused (%)



Q. Which, if any, of the following are likely to make it difficult to achieve this goal? (n=1,883)

Financial forms of support were most frequently identified to achieve short-term goals

We asked respondent who identified as business owners, and planned to grow their business or maintain it at roughly the same size, what assistance and support they needed to achieve their short-term goals.

Almost one-half of these respondents identified **"tax breaks or incentives"** (48%) as the type of assistance that would help them achieve their goals, followed by "access to financial grants" (28%).

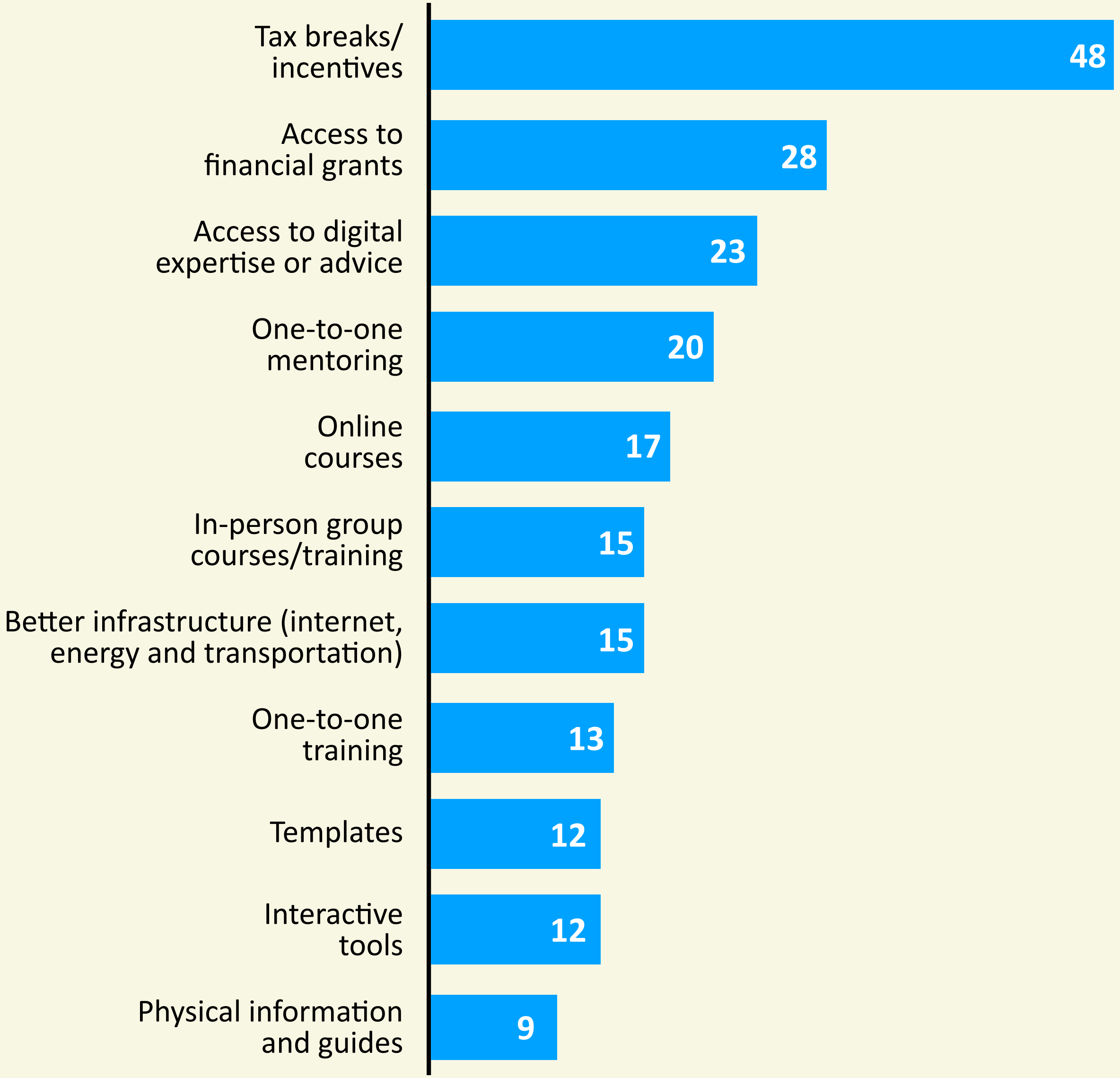
Despite the relatively lower priority placed on increasing their digital capability, the above two supports were followed by "access to digital expertise and advice" (23%).

More generally, respondents also identified a range of other forms of assistance, including "one-to-one mentoring" (20%), "online courses" (17%), "in-person group courses or training" (15%), "one-to-one training" (13%), "templates" (12%), "interactive tools" (12%) and "physical information and guides" (9%).

Much of the requested support already exists in some form or other. For example, there are existing tax incentives for research, opportunities for one-on-one mentoring through regional business chambers and Business Mentoring NZ, and a plethora of online courses available, such as those offered on business.govt.nz.

Figure: 8

Types of support required by businesses (%)



Q. And what support, if any, would you require in the next 12 months or so to achieve this goal? (n=1,877)

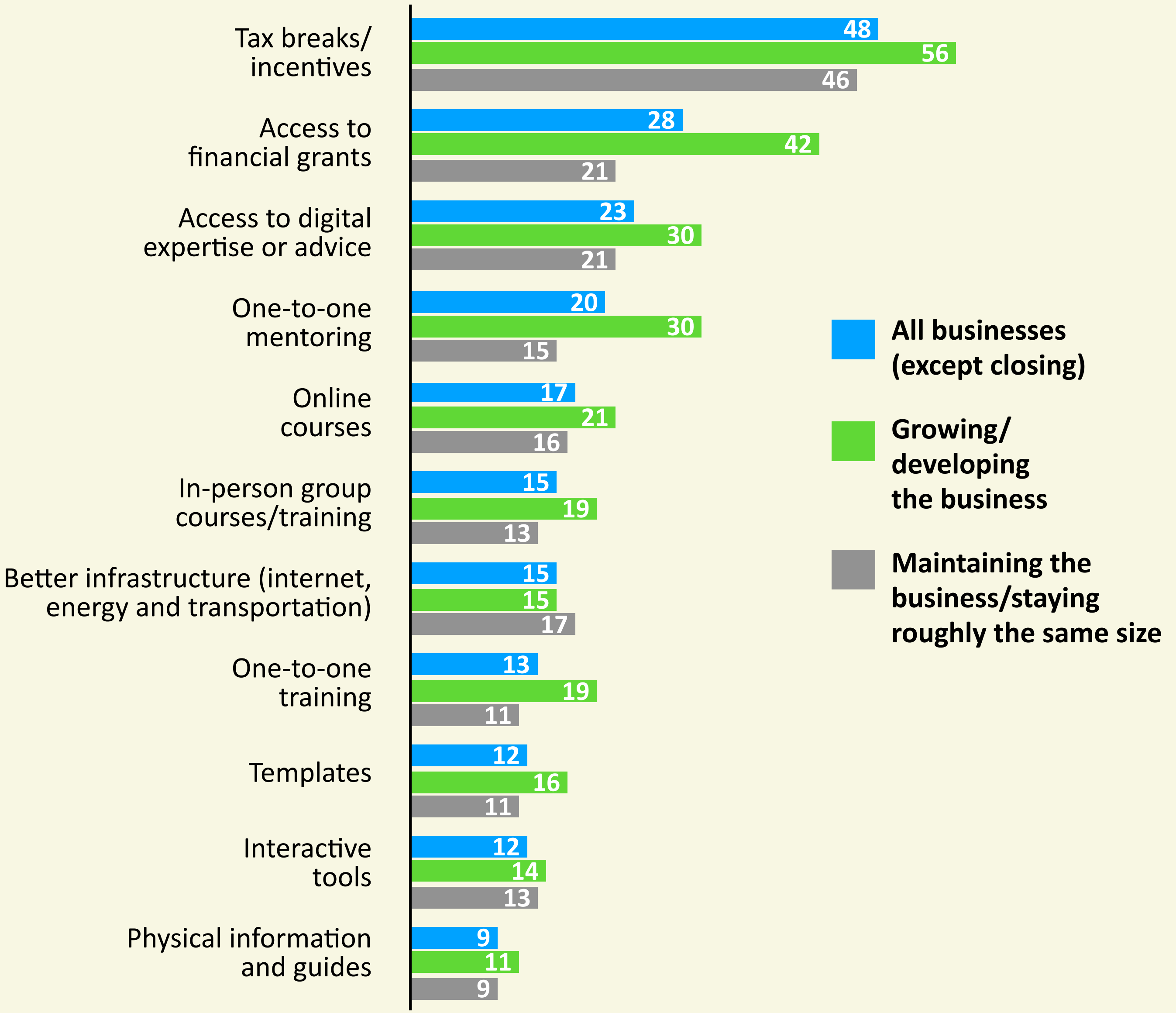
Growth-focused business owners are generally more interested in all forms of support

Respondents who owned growth-focused businesses more frequently identified all forms of support than did respondents who owned maintenance-focused businesses. This is not surprising given that that they are growth-focused.

As the graph to the right shows, this includes “tax breaks or incentives” (56% of respondents who owned growth-focused businesses compared with 46% of respondents who owned maintenance-focused businesses), as well as “access to financial grants” (42% and 21% respectively). They were also **more likely** to express an interest in all forms of mentoring and training, and particularly “access to digital expertise and advice” (30% and 21% respectively).

Figure: 9

Types of support required by respondents who are growth and maintenance-focused (%)



Q. And what support, if any, would you require in the next 12 months or so to achieve this goal? [n=1,877]

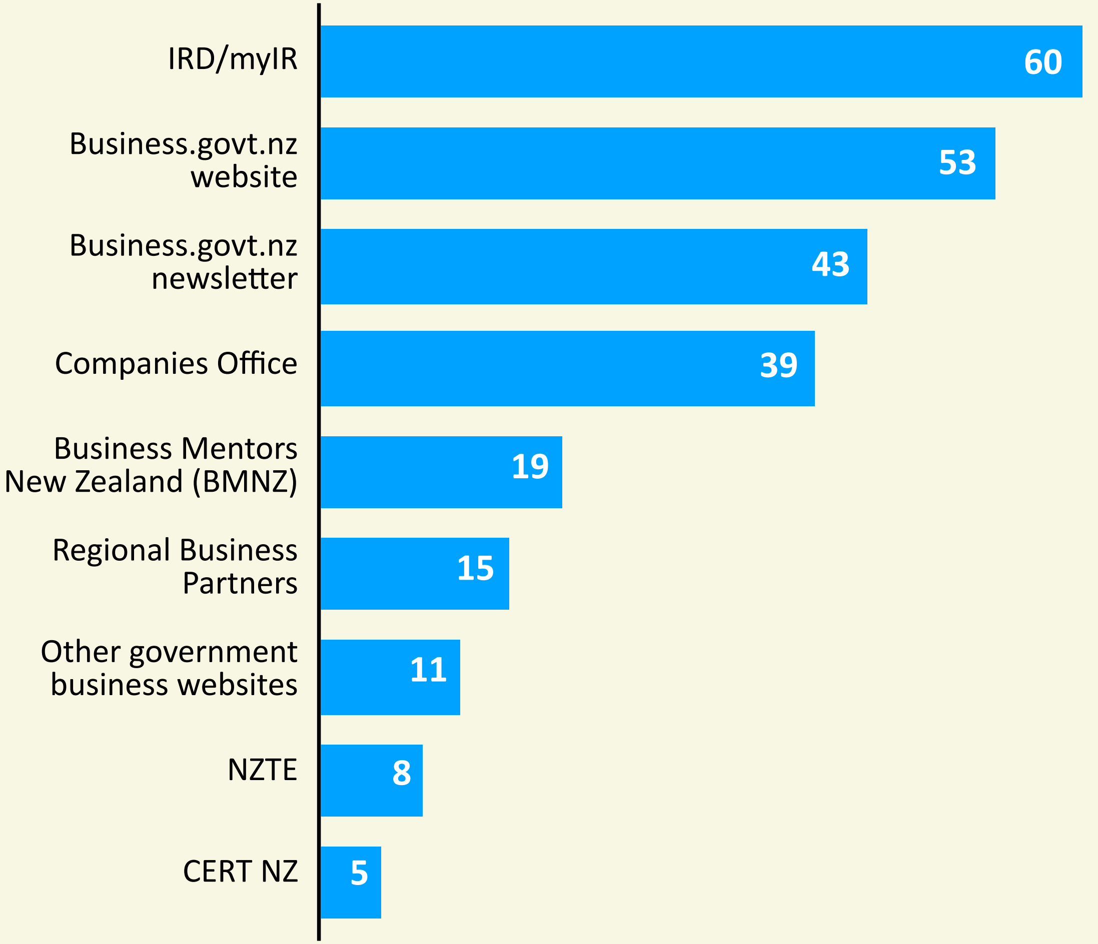
Awareness of some government websites or services that provide business support varied

As Figure 10 shows, although awareness of the IRD/ myIR website (60%), the Business. govt.nz website (53%), the Business. govt.nz newsletter (43%) and the Companies Office website (39%) was relatively high, fewer respondents were aware of other government websites or services where they could obtain assistance.

With this in mind, one-third of respondents (35%) stated they had referred to or used any of these websites or services in the last 2 years. Not surprisingly, as Figure 11 shows, most respondents who did, referred to or used the IRD/myIR website (80%) and the Companies Office website (53%). Notably, 49% referred to the Business.govt.nz website and 32% the Business.govt.nz newsletter.

Figure: 10

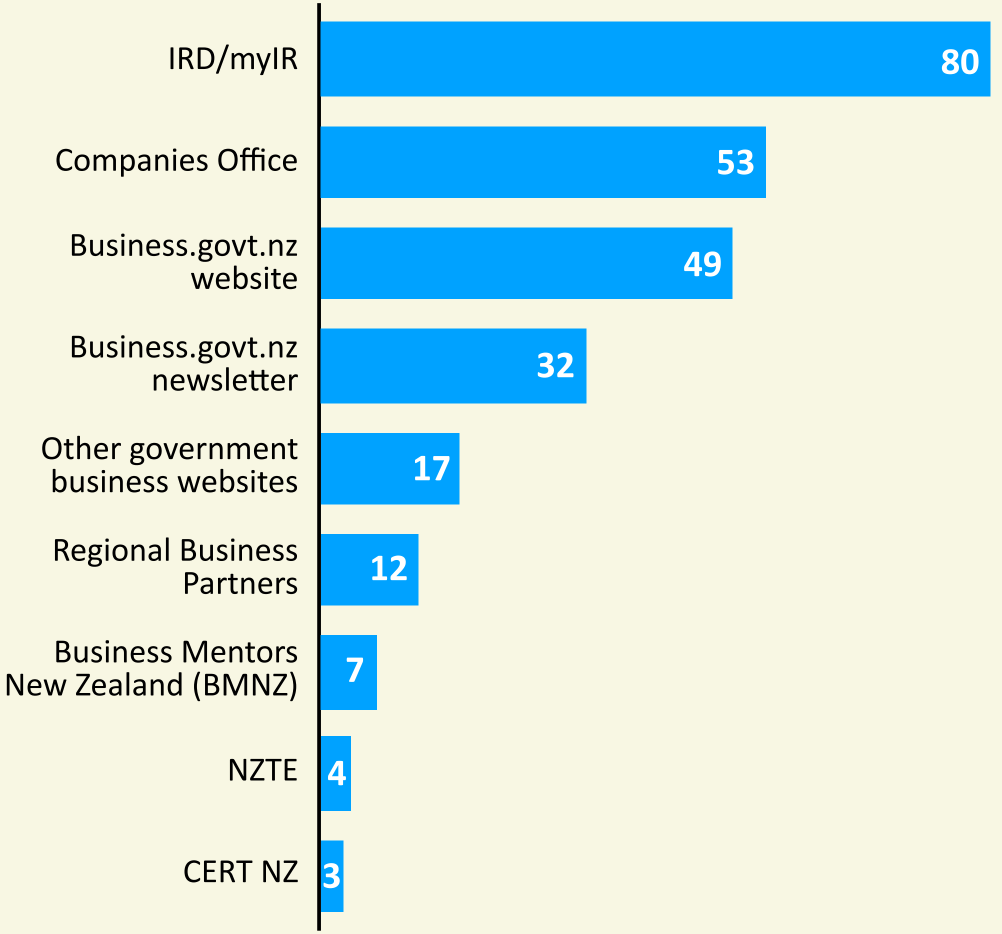
Awareness of government websites and services (%)



Q. Which of the following government websites or services are you aware of that provide business support, information, or guidance? (n=2,364)

Figure: 11

Usage of government websites and services (based on respondents using government websites or services in the last two years) (%)



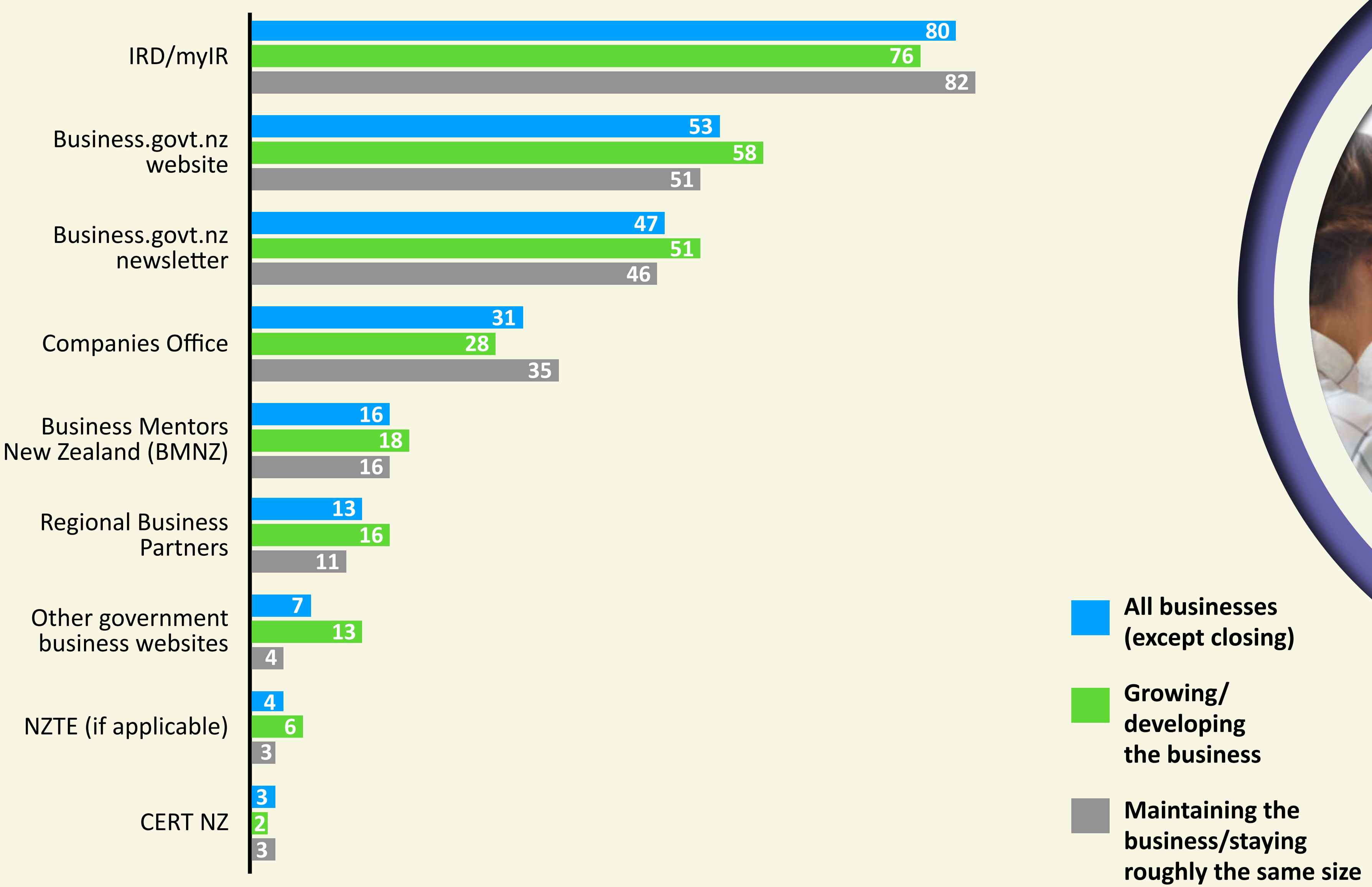
Q. Which services has your business used (in the last 2 years)? (n=919)

Few differences between growth-focused and maintenance-focused business owners in terms of their use of government websites or services

As the graph shows, respondents who owned or managed growth and maintenance-focused businesses, and who had used any government website or service in the last 2 years for support, had used these websites and services to more or less the same extent.

Figure: 12

Usage by growth and maintenance focused businesses (based on respondents using government websites or services in the last two years) (%)



Q. Which services has your business used (in the last 2 years)? (n=759)

Appendix

Method

The sample of businesses used for the Business Health and Digital Monitor in 2025 came from previous surveys conducted for MBIE including the B4B Business Monitor, the B4B Business Health and Digital Monitor, and the Digital Boost research. All these surveys had ‘repeat’ respondents who had agreed to be recontacted for a follow-up survey. As such, very new businesses were not included in the survey.

Respondents were invited in a way to fill pre-set quotas based on **business size and industry category**. This ensured that the achieved sample would be representative of all New Zealand businesses.

Respondents were primarily **business owners** (and some managers).

All interviewing was completed **online**.

Although quotas were set on the basis of business size and industry category, the achieved sample was weighted by business size and industry to ensure it is **representative** of the New Zealand business population. The weighting parameters were sourced from Statistics New Zealand’s ‘Enterprises, geographic units, and employee count’, tables by industry (ANZSIC06) as at February 2025.

Although geographic region was not used to set quotas against, the profiles of the unweighted and weighted samples are very similar in terms of this characteristic.

Results based on the total weighted sample of n=2,508 are subject to a maximum margin of error of +/- 2.8% (at the 95% confidence level). This means that when interpreting the results based on this total sample, differences of more than 3% should be considered **statistically significant**.