2025 Business Index & Consumer Report

New Zealand
January 2026

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Introduction

The Thryv Business Index and Consumer Report is an annual survey of New Zealand's small and medium businesses (SMB) and consumers, tracking:

- SMB business activity over the last twelve months
- Expectations for the next six months
- Overall confidence among SMBs
- Consumer preferences, expectations and satisfaction

The Thryv Business Index and Consumer Report samples SMBs and consumers nationally, enabling broad analysis on this market and relevant trends and issues. It examines differences by location, business size and industry. The aim is to capture the attitudes and behaviours of SMBs, which compromise approximately 97% of New Zealand businesses, alongside a comparison of consumer preferences, expectations and satisfaction in their interactions with these businesses.

About the Survey

This study included 1,009 small business owners or decision makers, employing up to 150 people, and 1,070 consumers from New Zealand.

Data collection took place from 25 August to 3 September 2025.

SMBs and consumers were selected at random and screened to select specific firmographic and demographic groups.

Objectives

SMBs

- Understand small business decision-maker opinions regarding economic activity in New Zealand over the past twelve months and six months into the future.
- Determine their desire for growth and how that growth will be achieved and measured.
- Describe their work-life balance and the impact of running a small business.
- Evaluate software usage with additional detail relating to CRMs usage and adoption.
- Understand their marketing methods and financing needs.

SMBs and Consumers

- Compare SMB opinions about service, social responsibility, and communication with consumers.
- Compare SMB use of digital tools and reviews with consumer desires to use digital tools and their use of reviews.

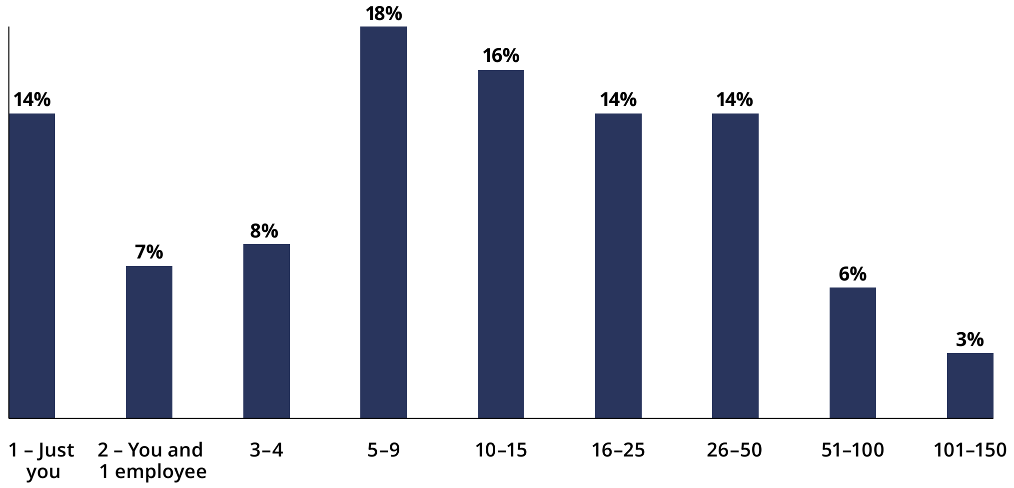
Businesses

Location of Business

	Total
Auckland	47.6%
Rest of New Zealand	52.4%

Size of Business

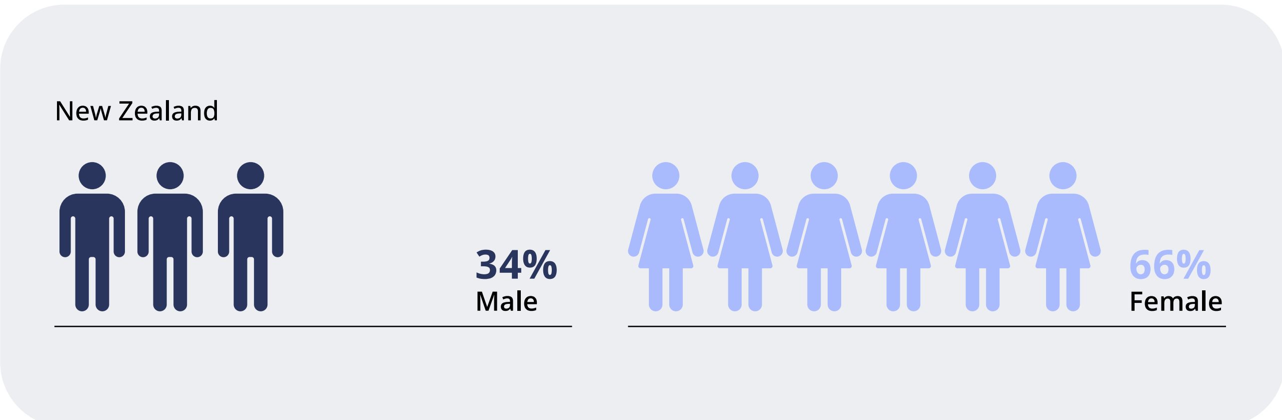
Number of employees 1,009



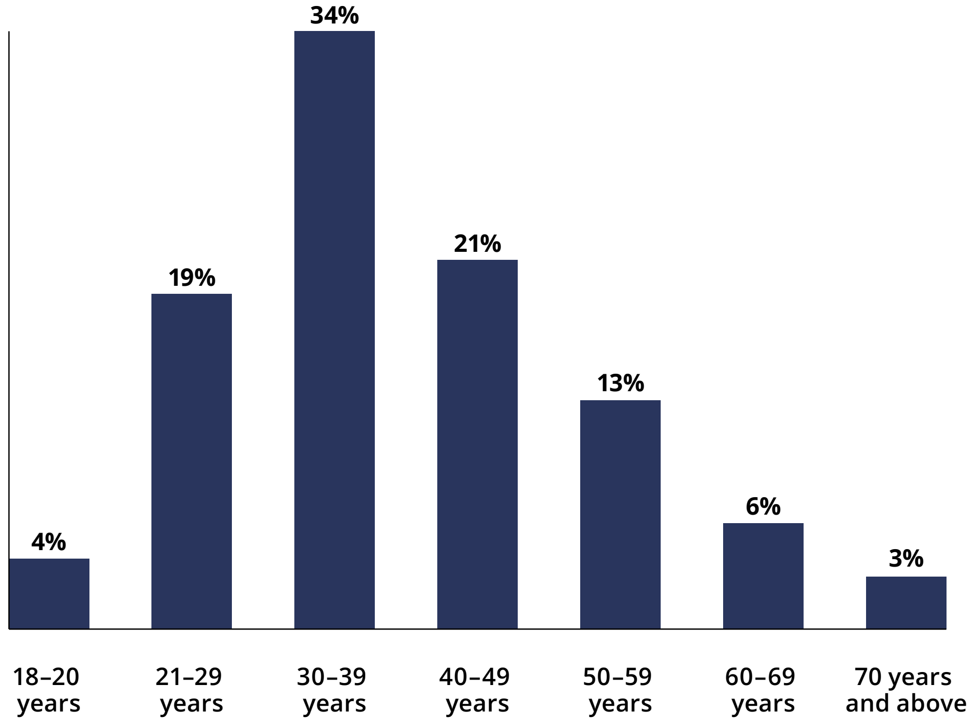
Industry Sector			
Construction	20%	IT	4%
Automotive	10%	Marketing	4%
Healthcare	9%	Travel	3%
Professional Services	8%	Childcare	2%
Restaurant or Entertainment	8%	Petcare	2%
Shopping or Retail	7%	Real Estate	2%
Salon	6%	Industrial or Agriculture	1%
Education or Training	5%	Not-for-profit	1%
Home or Business Services	5%	Transportation	1%
Physical Fitness or Activities	4%		

Consumers

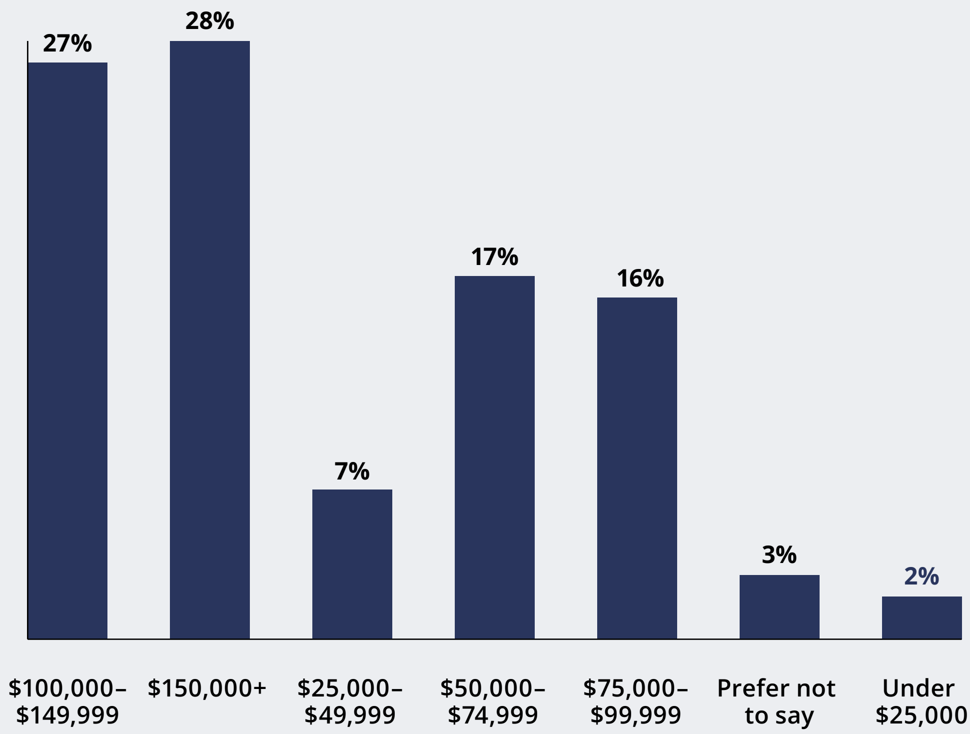
Gender



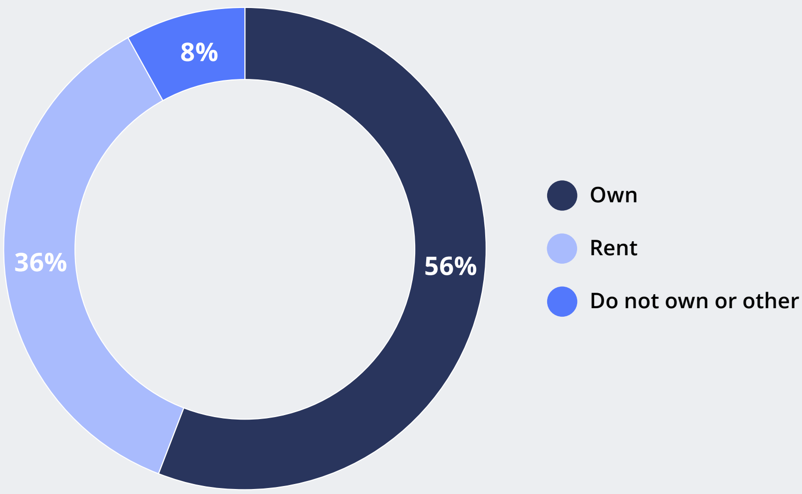
Age



Annual Household Income



Home Ownership



Foreword

Small and medium-sized businesses (SMBs) remain the backbone of New Zealand's economy – resilient, resourceful, and deeply connected to the communities they serve. This year's Thryv Business Index and Consumer Report captures that enduring strength, revealing a sector that continues to outperform expectations while navigating shifting consumer demands and economic pressures.

The findings show clear confidence across New Zealand's business landscape. Revenue forecasts are rising, investment in technology is accelerating and optimism outpaces that of neighbouring markets. Yet alongside this strength, lies a sharper truth: growth increasingly hinges on credibility. Consumers are setting higher standards for service and transparency and loyalty now depends on how consistently businesses deliver against those expectations.

At Thryv, we see this as a moment to align purpose with performance. Technology, when applied with intent, allows small businesses to operate with greater precision, connect with customers more meaningfully, and reinforce the trust that underpins long-term success.

This report offers an unfiltered view of that opportunity – **a portrait of New Zealand businesses that are confident, capable and ready to define the next chapter of growth through connection and credibility**.

Elise Balsillie
Head of Thryv Australia and New Zealand

Executive Summary

The Thryv 2025 Business Index and Consumer Report provides a comprehensive snapshot of New Zealand's small and medium businesses (SMBs) and their customers, revealing a sector that is both resilient and optimistic but under pressure to keep pace with evolving consumer expectations.

Business Outlook & Sentiment

New Zealand SMBs are notably positive about their economic prospects. Over the past year, most reported improved performance, and nearly two-thirds expect continued gains in the next six months. Stability and gradual growth define most business goals, but a significant minority remain focused on rapid expansion. Despite optimism, persistent barriers – economic uncertainty, rising costs, and talent shortages – temper growth ambitions.

Growth, Revenue, and Costs

Profitability and revenue remain core measures of success, and most SMBs reported increases in both over the last year. Looking ahead, nearly three-quarters anticipate further revenue or profit gains. However, cost pressures – especially for goods and labour – persist, prompting widespread price increases to protect margins. Cash flow concerns are amplified by lengthening client payment times.

Investment, Employment, and Access to Finance

A strong investment appetite is evident, with most SMBs planning to boost spending on marketing, technology, and infrastructure. Investment in people is a key theme: 65% of businesses increased wages last year, and the hiring outlook is robust. Nearly half of SMBs have sought new financing in the past six months – with high approval rates and expanding access to funding sources, including both traditional and alternative options.

Work-life Balance, Wellbeing & Owner Motivation

Balancing operational demands with personal wellbeing is a persistent challenge. Over 40% of owners cite work-life balance as an ongoing concern, and 49% have considered stepping away from their business due to burnout. Financial independence and personal passion remain the strongest motivators, but succession planning is rising up the agenda.

Digital Transformation & Customer Experience

Most New Zealand SMBs are confident and proactive about digital adoption, with high rates of tech-savviness, automation, and AI use. However, a gap persists between business perceptions of their digital presence and consumer experiences – three-quarters of SMBs think they have a strong online presence, but only half of consumers agree.

Online Visibility and Customer Acquisition

A diverse digital presence is the norm, with over half of businesses active on Facebook, company websites, and major platforms. For customer acquisition, Facebook is the top source, followed by business websites and search engines – a multi-channel approach is proving essential.

Reviews, Communication & Building Loyalty

Consumers in New Zealand rely heavily on online reviews (over 80% routinely check them), but only 44% of businesses always request reviews and 40% always respond. This review engagement gap presents a clear opportunity to increase trust and conversion. Email is the preferred communication channel, but social media engagement is rising in both business use and consumer preference.

Loyalty is driven primarily by excellent service, competitive pricing, and consistency, but consumers place increasing value on discounts and loyalty programs – areas where SMB offerings lag consumer demand.

Sustainability, Social Responsibility & Government Support

Commitment to sustainability and social responsibility is widespread among businesses, with 81% self-reporting regular adherence to such practices. Consumers also rate these values as important, but only a minority "completely agree" that businesses deliver on them – pointing to the need for more demonstrable impact and clearer communication from SMBs. Both federal and provincial governments are viewed as generally supportive of small business, though pockets of dissatisfaction remain and greater program awareness is needed.

Consumer Report

New Zealand consumers are highly supportive of buying from businesses of all sizes – particularly small businesses, which enjoy robust weekly and monthly purchasing rates. Word of mouth, online search, and community events remain the top discovery channels. Consumers hold high expectations for digital experience: over half expect mobile-friendly websites, online booking, and online stores, and nearly half would switch businesses if these features aren't available. Customer service, price, and product quality remain core loyalty drivers, but digital tools, reviews, and transparency around values are now essential for building trust.

The Path Forward

New Zealand's SMBs are upbeat, resilient, and increasingly digital – but face clear challenges in matching consumer expectations for digital delivery, service quality, and social impact. Businesses that accelerate digital adoption, invest in their people, and communicate transparently about their values and capabilities will be best positioned for growth.

The 2025 Thryv Business Index and Consumer Report sets out these opportunities in detail, providing a roadmap for SMBs and policymakers to help New Zealand's vibrant small business sector thrive in a rapidly evolving marketplace.

Snapshot

SMB

- Small businesses are optimistic.
- Each of the index measures shows that small businesses believe the economy has done well over the past 12 months and they are optimistic about the next 6 months.
- Most believe the government is supportive of small businesses.
- The majority of small businesses are planning for steady, sustainable growth or maintaining their current level of activity.
- They measure growth based on increased profit, revenue, and customer retention.
- Despite their optimism, they say the main barrier to growth is economic uncertainty.
- Their biggest concerns are rising costs and inflation.
- They see hiring quality staff and increased marketing as key to having a positive impact over the next 6 months.
- Plans for the next 6 months are fragmented, but raising prices, cutting costs, and expanding their offerings are the three that are most likely.
- Most are satisfied with their work-life balance.
- Small business decision-makers are motivated by financial independence and a passion for what they do.
- The most time-consuming tasks are highly fragmented, but administrative tasks and customer service require the most time.

- **Consumer**

- Consumers consistently rated small businesses lower than the small businesses rated themselves.
- In particular, consumers rated small businesses much lower on delivering a high level of service.
- This is also the most important attribute according to consumers.
- Fewer than half of small businesses actively encourage review or respond to reviews.
- This is likely an important failure point since most consumers check reviews, and they look for high scores and responses from the businesses.
- Service, product quality, and price are the top three attributes of a business that encourage consumers to return and make another purchase.
- Higher prices are most likely to stop a consumer from making a purchase at a small business.
- A recommendation from someone they know, and excellent communication, are the two things most likely to build consumer trust.

Business Outlook

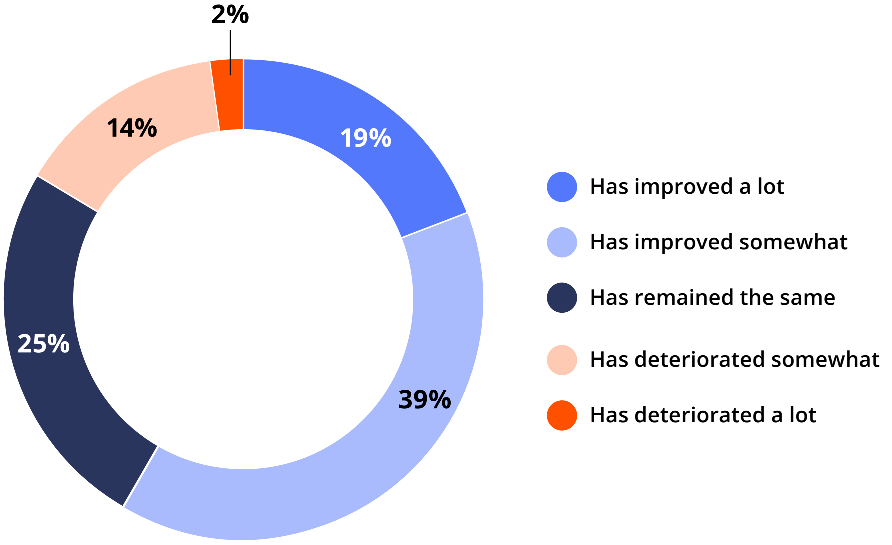
Business Confidence

New Zealanders are very optimistic about their economic outlook, both in retrospect and moving forward, with nearly two thirds expecting improvement over the next six months.

Past Year Perceptions

- Just 2% felt the economy has deteriorated a lot, and 14% believed it has deteriorated somewhat.
- A comparatively larger share – 19% – said the economy improved a lot and 39% said it improved somewhat.
- 25% feel the economy has remained the same.

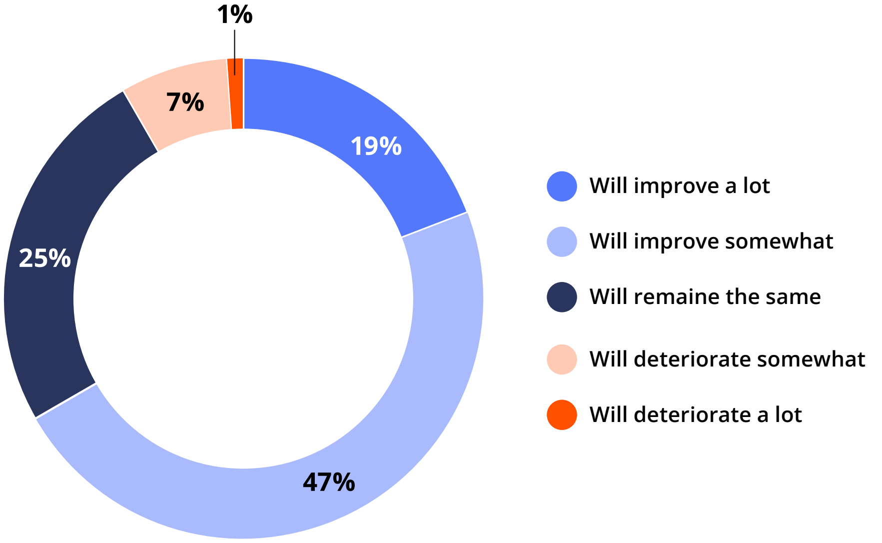
National Economy – Past 12 Months



Next 6 Months Expectations

- Only 1% expect the economy to deteriorate a lot, and 6.9% expect deterioration somewhat.
- Optimism is strong, with 19% expecting a lot of improvement and 47% expecting some improvement.
- 25% expect no change.

National Economy – 6 Months

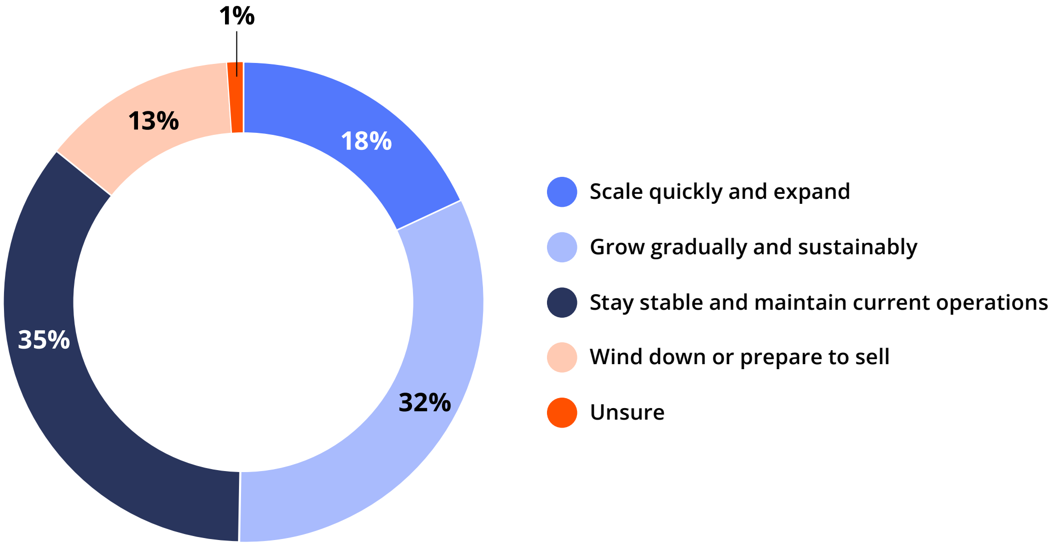


Business Goals and Prospects

Growth Ambitions and Stability Define SMB Priorities Across New Zealand

Most New Zealand businesses favour stability or gradual growth, while a notable proportion are pursuing fast expansion. With over 13% looking to wind down or sell, this indicates a mix of resilience and caution in the market. Overall, gradual growth and maintaining stability are the priorities for the majority over the next 12 months.

Primary business goal for the next 12 months

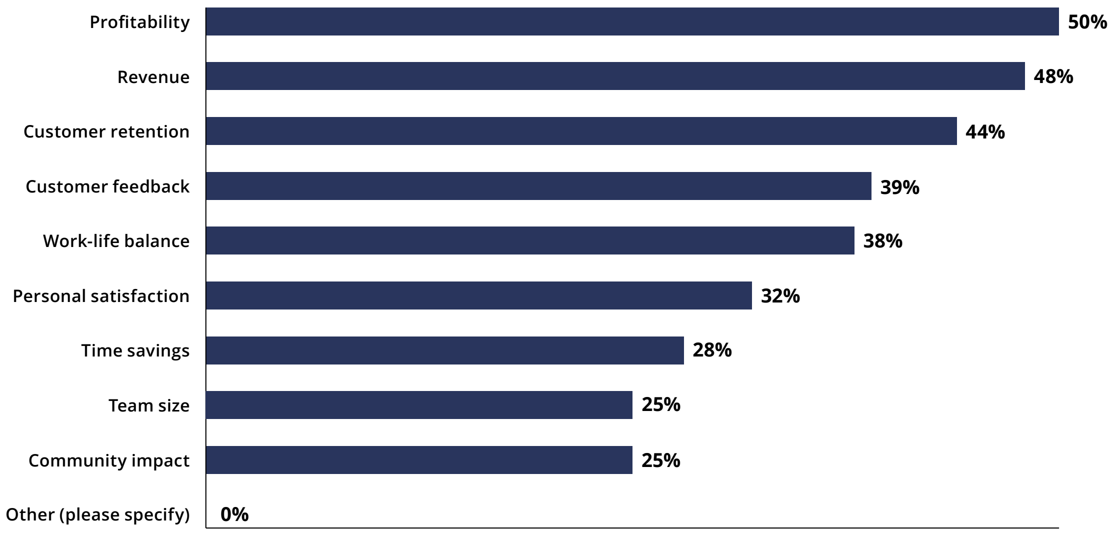


Growth

Measuring Growth

New Zealand SMBs most commonly measure growth and success through financial metrics, with profitability (50%) and revenue (48%) being the highest priorities. Customer-focused measures are also important, with customer retention (44%) and customer feedback (39%) widely used to assess performance. Additionally, non-financial measures such as work-life balance (38%) and personal satisfaction (32%) demonstrate that many businesses consider a holistic view of success. Time savings (28%), team size (25%), and community impact (25%) are referenced by a notable minority, revealing diverse perspectives across New Zealand's small and medium businesses on what constitutes business achievement.

How do you measure growth or success in your business?



50%

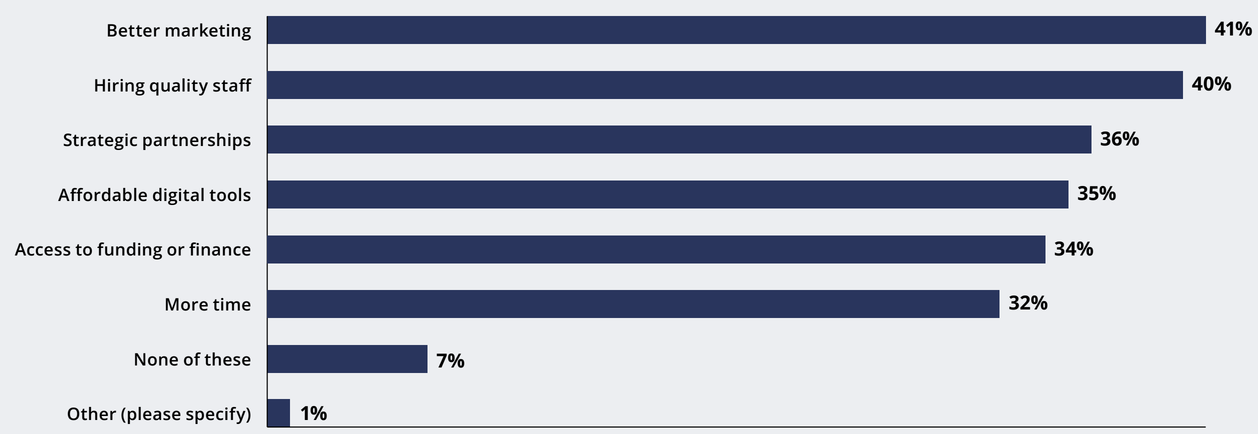
of small and medium sized businesses cite **profitablity** as key

thryv

Growth Drivers: What Will Propel SMB Success in the Next Six Months?

SMBs see better marketing (41%) and hiring quality staff (40%) as the leading factors expected to positively impact business growth in the next six months. Strategic partnerships (36%) and affordable digital tools (35%) are also highly valued, followed by access to funding or finance (34%) and having more time (32%) to focus on the business. Only 7% of respondents feel that none of these drivers will benefit their growth, indicating strong overall optimism and active pursuit of opportunities. New Zealand businesses are prioritising marketing, talent acquisition, collaboration, and technology to support their near-term growth ambitions.

Will any of these things have a positive impact on your business growth over the next six months?



Balancing Growth and Cost: SMB Plans for the Next Six Months

New Zealand small and medium businesses are navigating the next six months with a balanced strategy that seeks growth opportunities while maintaining careful cost control.

In terms of concrete plans, 33% of SMBs plan to increase prices and 33% aim to expand their business offering within six months. Additionally, 31% expect to increase their marketing spend and 30% are focused on expanding their online presence, signalling an intent to capture new customers and market segments.

Cost Control and Efficiency Measures

Cost management remains a strong focus, with 31% planning to reduce other costs and 26% looking to invest in technology to reduce costs and improve efficiency.

Steps such as reducing staff (17%) or moving/downscaling their location (17%) are under consideration by a minority, indicating some scrutiny of operational expenses as businesses adapt to current conditions.

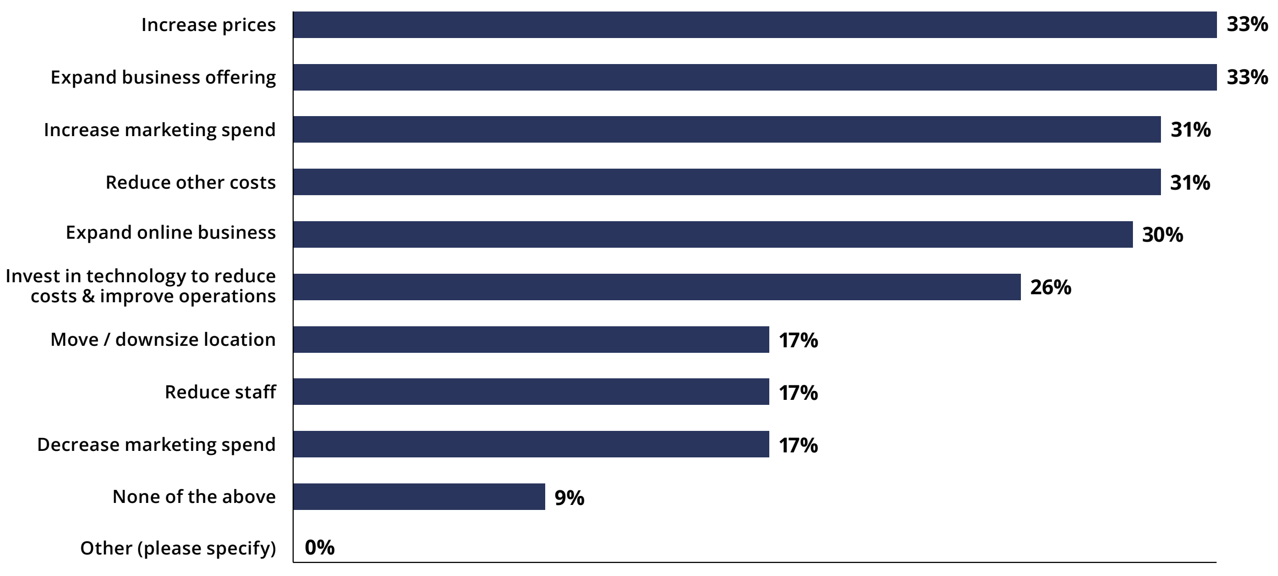
17% are planning to decrease marketing spend, reflecting a careful approach to promotional investment amid growth ambitions.

Strategic Adaptation

Only 9% say they will not undertake any major actions, suggesting that the majority of SMBs are actively evaluating and adjusting their operations for both expansion and efficiency.

New Zealand SMBs are showing a pragmatic, dual-minded approach in managing growth and costs. Growth-oriented actions such as expanding business offerings, boosting marketing, and building their online presence are being matched by active efforts to review and reduce costs and improve operational efficiency. The concurrent planning to increase prices and curb expenditure underlines a focus on maintaining financial stability while pursuing new opportunities. This considered balance positions New Zealand businesses to adapt quickly and thrive, even in a changing economic environment.

Are you planning to do any of these things in the next 6 months?



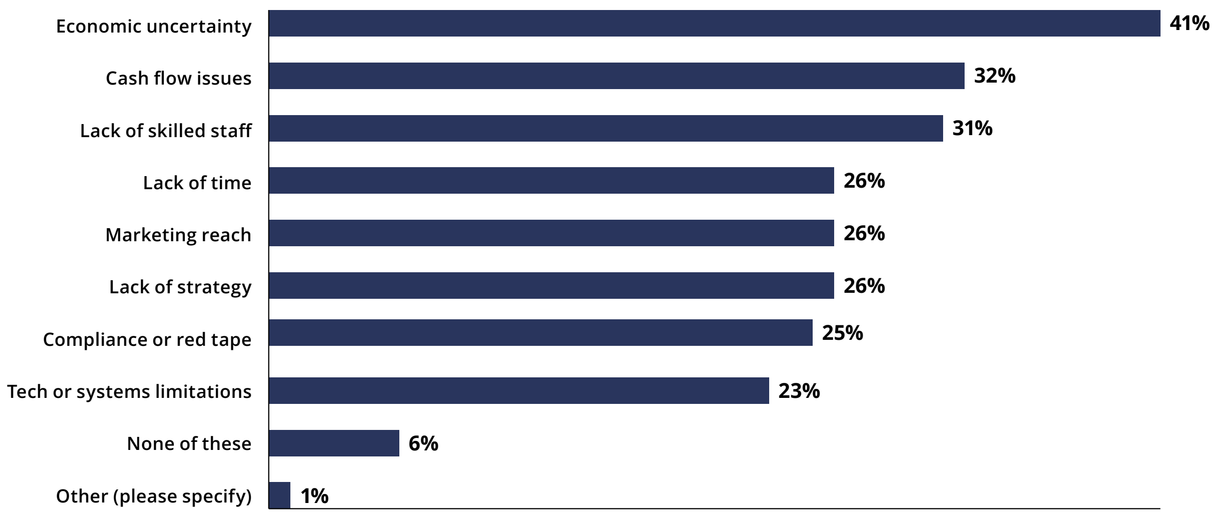
Barriers to Growth

New Zealand SMBs are facing an evolving landscape of operational and economic headwinds. From inflation and escalating costs to ongoing skills shortages, these challenges are putting pressure on business confidence and future growth opportunities. SMBs identify economic instability, talent shortages, and cash flow difficulties as the most formidable obstacles to achieving their ambitions.

Growth At Risk: Inflation and Rising Costs Challenge New Zealand SMBs

- Economic uncertainty is the most cited barrier to growth for New Zealand SMBs, with 41% highlighting its impact.
- Cash flow issues (32%) and a lack of skilled staff (31%) are significant growth impediments.
- Time constraints, marketing reach, and lack of effective strategy are identified as barriers by 26% each, while compliance and red tape present challenges for 25%.
- Technology or operational system limitations hinder growth for 23% of respondents.
- Only 6% report no growth barriers, indicating an environment where most businesses are actively grappling with multiple hurdles.

Are any of these barriers to your business growth?

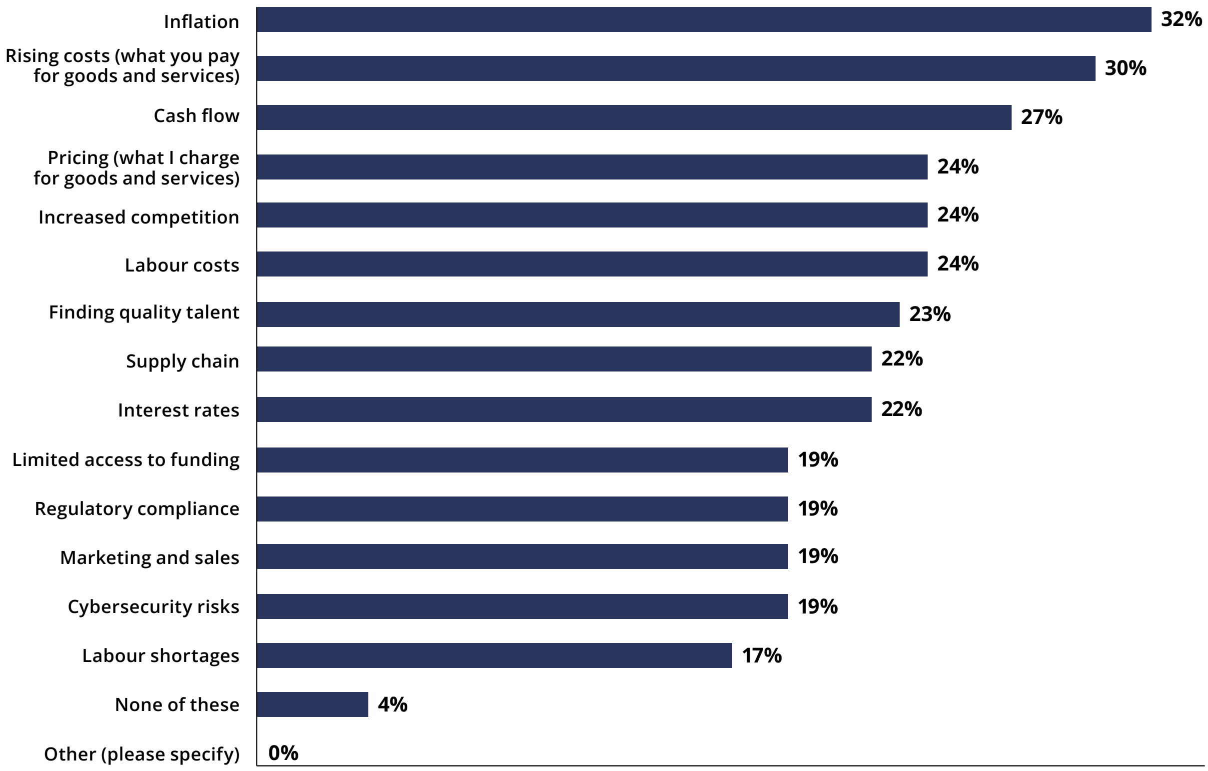


SMBs Grapple with Rising Costs and Inflation

- 32% of New Zealand SMBs are concerned about inflation, while 30% are struggling with rising costs for goods and services.
- Cash flow constraints (27%), pricing issues (24%), increased competition (24%), and labour costs (24%) round out the main financial and market pressures.
- Finding quality talent (23%), supply chain challenges (22%), and increased interest rates (22%) are also contributing to heightened business stress.
- Additional concerns include limited access to funding, regulatory compliance, marketing, cybersecurity, and labour shortages – all affecting 17-19% of SMBs.

Notably, only 4% of respondents report no significant concerns, demonstrating the breadth and depth of pressures facing New Zealand businesses.

Are you concerned about any of these things currently affecting your business?



Revenue, Profit and Costs

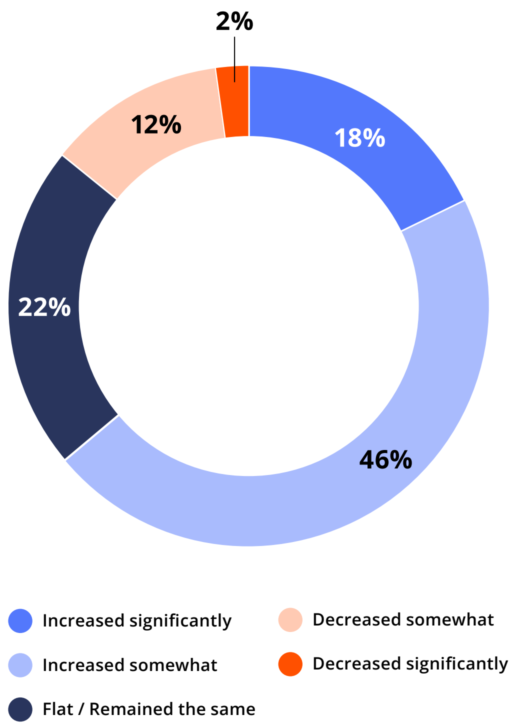
Optimism Continues Amongst Growing Cost Pressures

New Zealand businesses are proving resilient amidst economic uncertainties, registering steady growth in revenue and profit margins. Increasing costs and price adjustments remain top-of-mind, but SMBs remain confident about future opportunities.

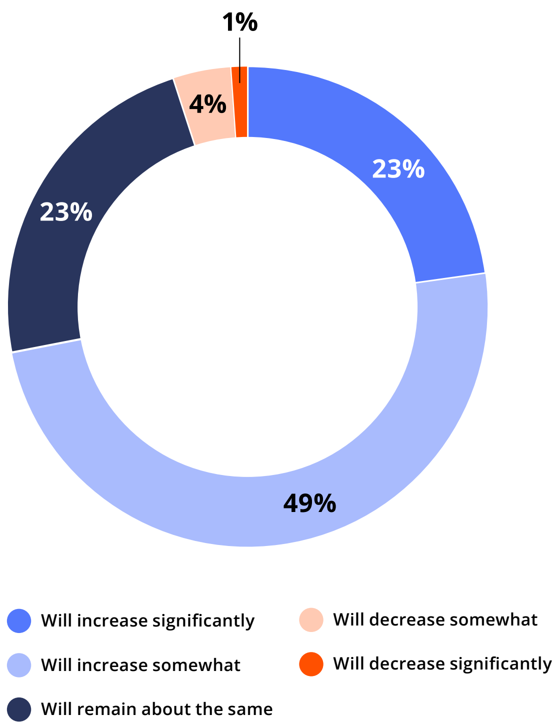
Robust Revenue Increases Among New Zealand SMBs

- 64% experienced revenue growth in the past year (18% significantly, 46% somewhat), while 22% saw no change and 14% reported a decrease.
- Expectations for the next six months are upbeat: 72% predict revenue increases (23% significantly, 49% somewhat), with just 5% expecting declines.

Past Year



Next 6 Months

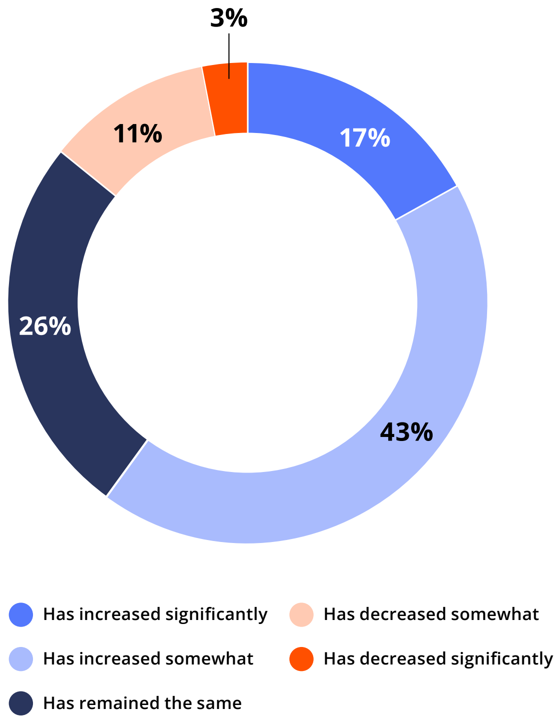


Profit Margins on the Upswing Across NZ Businesses

- Almost 60% reported margin improvements over the year (17% significantly, 43% somewhat); 26% experienced no shift in profit margins.
- In the coming half-year, 67% expect growth in profit margins (23% significantly, 44% somewhat) and only 7% foresee a decrease.

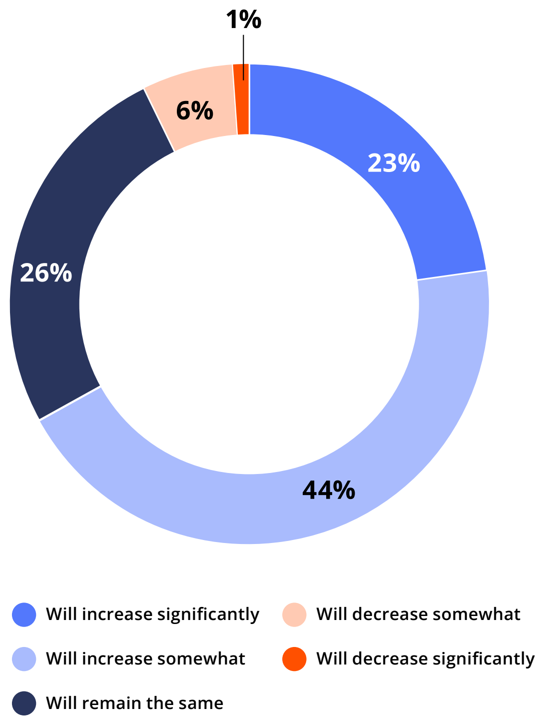
Past Year

How have your company's profit margins changed over the past year?



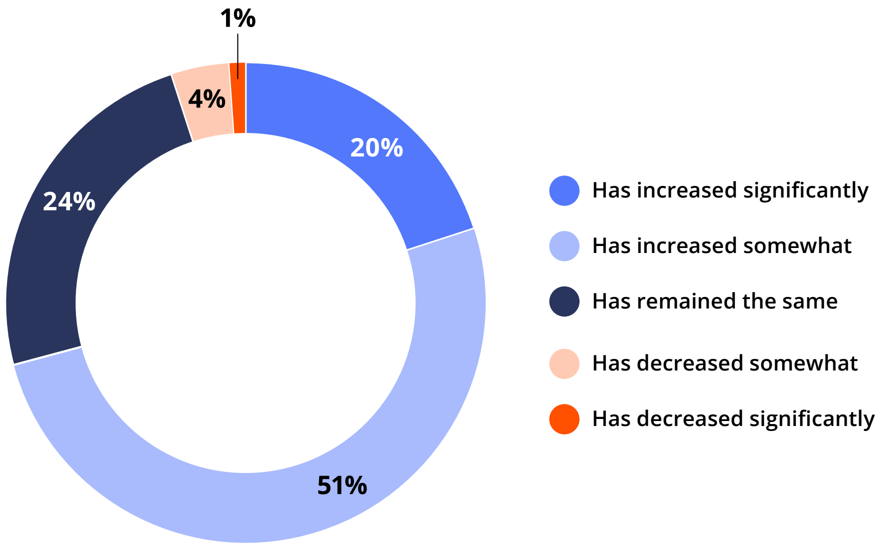
Next 6 Months

How do you expect your company's profit margins to change over the next 6 months?



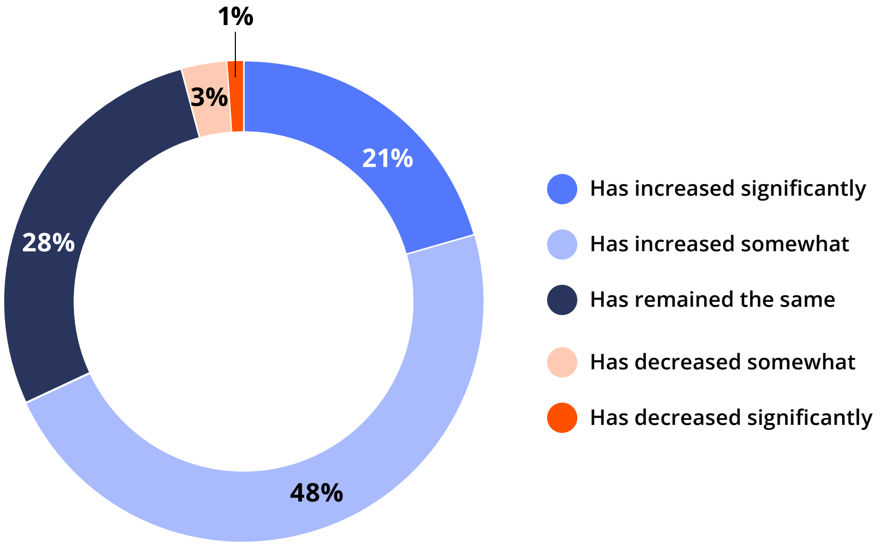
Growing Cost of Goods Impacts Business Finances

- Rising costs are a persistent issue, with 71% seeing increases (20% significantly, 51% somewhat) to their cost of goods over the past year.
- Cost reductions were rare (5%), and 24% say costs stayed the same.



Price Hikes Widespread in Response to Economic Pressures

- Most have responded to pressures by raising prices: 69% increased prices (21% significantly, 48% somewhat); decreases were infrequent.
- 28% report prices remained stable.

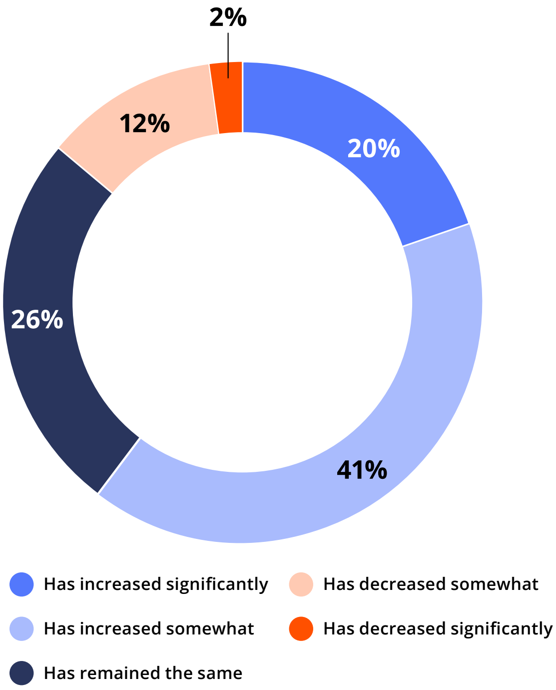


New Zealand SMBs Expand Customer Base in Challenging Times

- New Zealand SMBs expanded their client base last year, with 61% reporting growth (20% significantly, 41% somewhat) and just 14% experiencing decline.
- Looking ahead, 68% expect increased customer/client numbers, while 6% anticipate a drop, and 26% foresee stability.

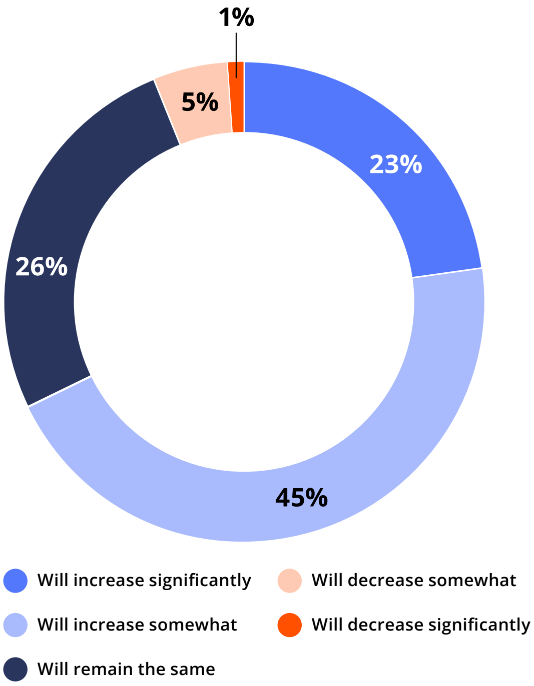
Past Year

How have the number of customers or clients changed over the past year?



Next 6 Months

How do you expect the number of customers or client to change over the next 6 months?



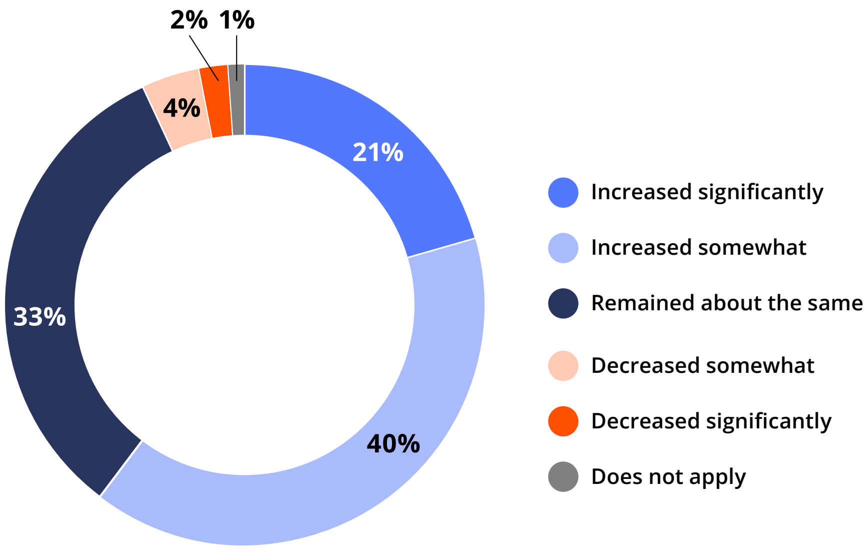
Cashflow and Customer Payment Behaviours

Rising Payment Times Impact New Zealand SMBs

Underlining a clear challenge in New Zealand, a majority of SMBs are now waiting longer for customer payments, adding pressure to business liquidity and cash flow.

Recent months have seen a strong trend of lengthening payment periods among New Zealand businesses.

- 21% said payment times have increased significantly.
- 40% indicated payment times have increased somewhat.
- 33% experienced little or no change in payment times.
- Only 4% reported a slight decrease, and 1% a significant decrease.
- 2% say this does not apply to their business.

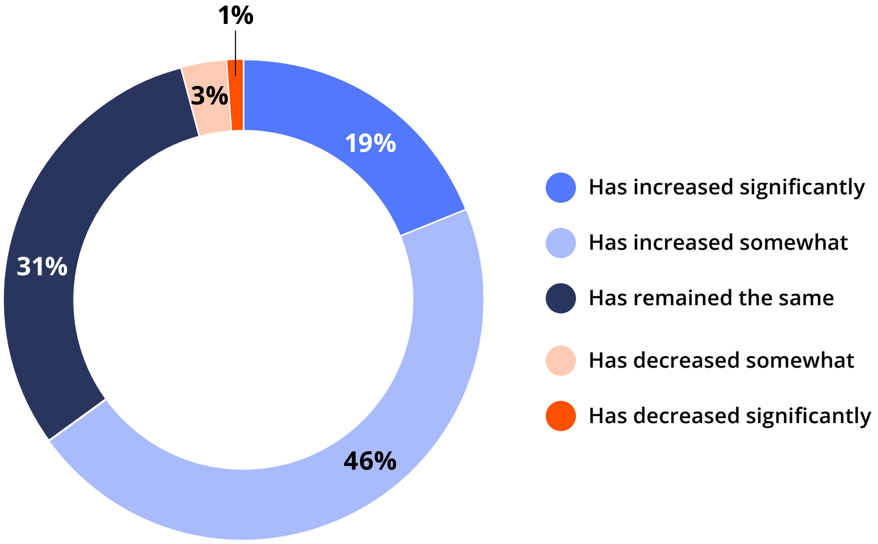


Employment and Wages

New Zealand businesses have demonstrated strong momentum in increasing wages and expanding teams, with plans for more hiring in the months ahead – a sign of business confidence and growth ambitions.

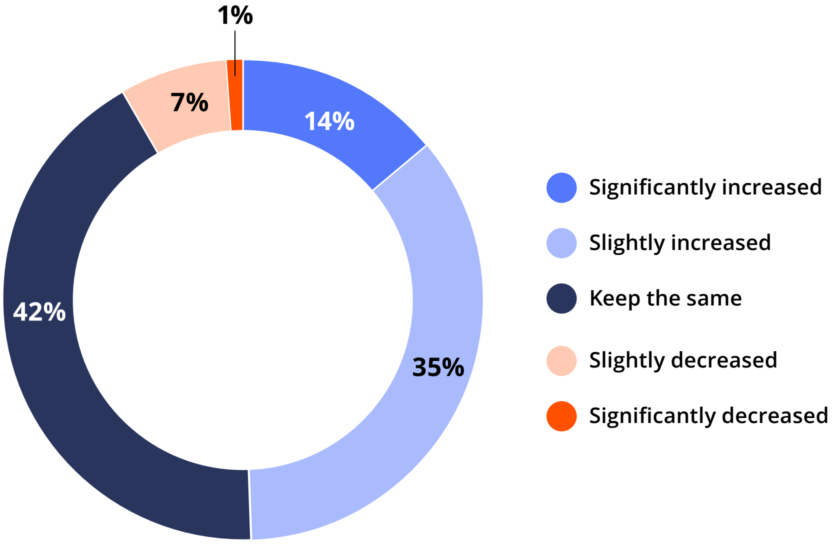
Boosting Wages and Expanding Teams

- Over the last year, 19% of New Zealand SMBs raised wages significantly, and 46% raised wages somewhat.
- Wage reductions were infrequent: 3% decreased wages somewhat and 1% significantly.
- 31% kept wages unchanged.
- Overall, 65% have increased salaries (significantly or somewhat).



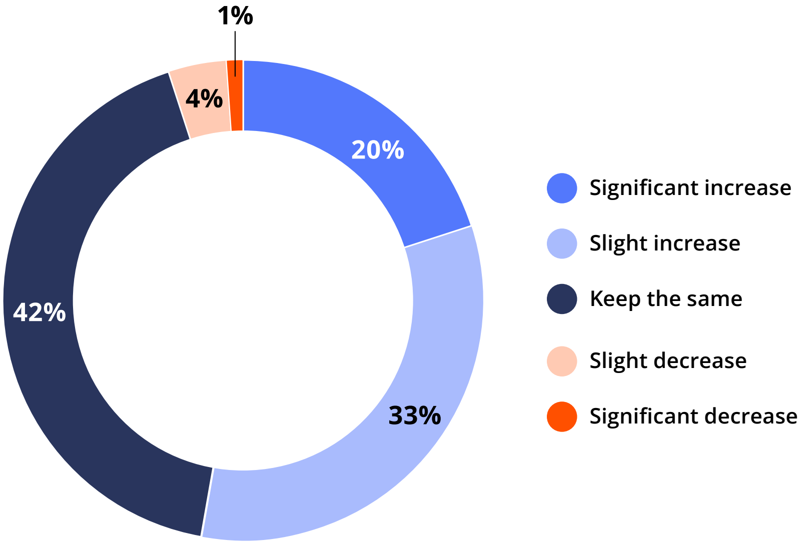
Staffing Changes Over the Past Year

- 42% maintained the same number of employees, 14% boosted staff significantly, and 35% increased headcount slightly.
- Staff reductions were much less common (1% significant, 7% slight).



Hiring Outlook for the Next Six Months

- Over the next six months, 20% plan a significant increase in staffing, 33% expect a slight increase, and 42% predict no change.
- Only 5% expect any level of staff decrease.

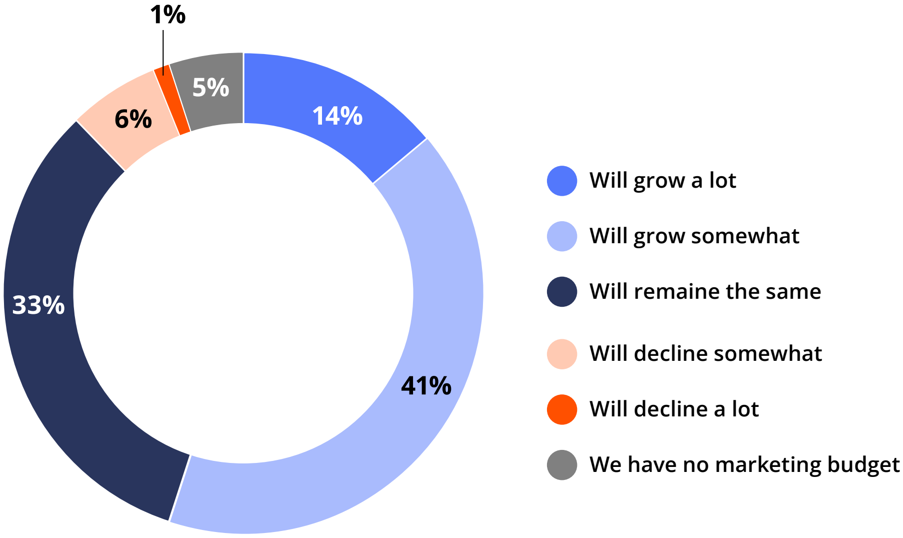


Investment Focus

New Zealand SMBs are taking an assertive stance on investment, with most businesses looking to boost spending on equipment, infrastructure, marketing, and technology in the months ahead. Forward-looking budget increases reflect growing optimism and commitment to innovation and growth. This investment momentum highlights the sector's ongoing resilience and ambition to adapt and thrive amid evolving market conditions.

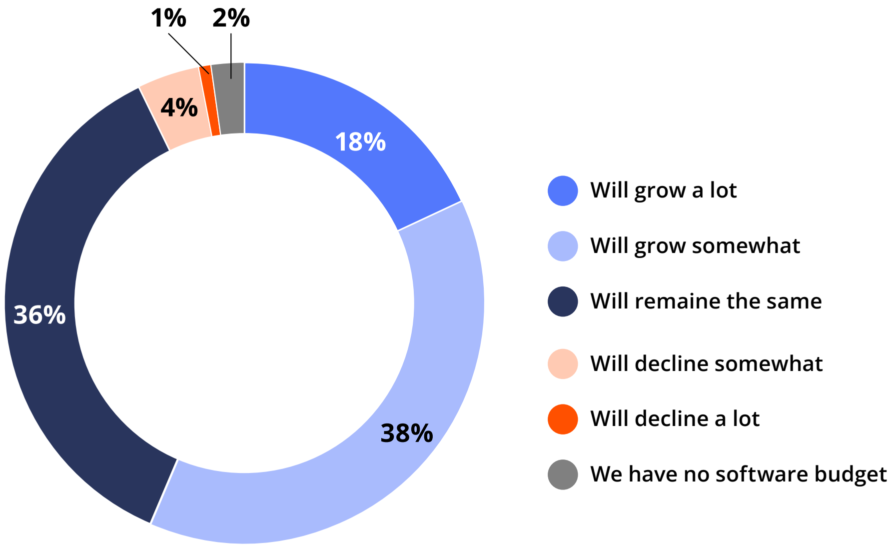
Marketing Budget Expectations

A majority of New Zealand businesses plan to advance their marketing efforts, with 55% expecting to increase their budgets (14% a lot, 41% somewhat). About a third (33%) expect to maintain current levels, 7% foresee declines, and 5% report no marketing budget.



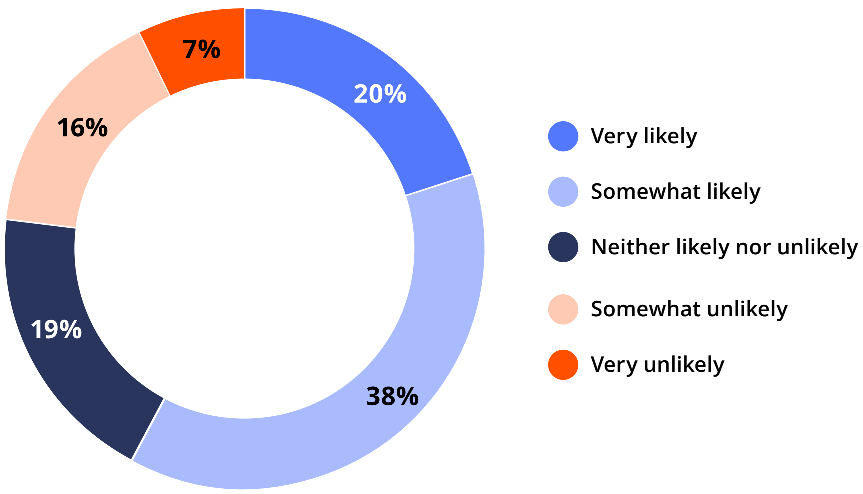
Software Budget Outlook

New Zealand SMBs are committed to tech investment, with 56% aiming to increase their software budgets (18% a lot, 38% somewhat) and 36% keeping budgets flat. Only 5% expect declines in their software spend, while 2% have no software budget line.



Investment Plans for Equipment & Infrastructure

Investment appetite is strong among New Zealand SMBs, with 58% likely to invest in equipment or infrastructure over the next six months (20% very likely, 38% somewhat likely). 19% remain undecided and 23% say they are unlikely to invest.



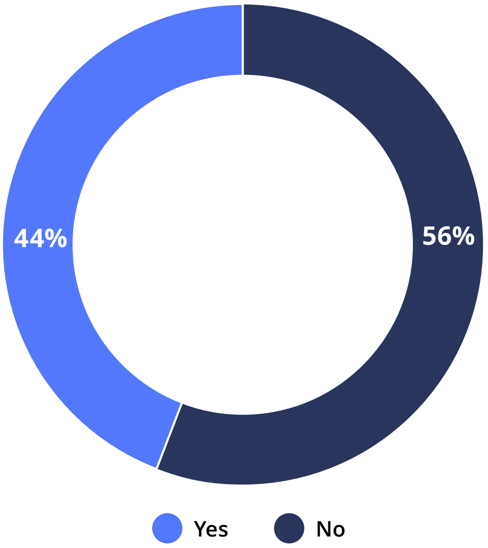
Financing Access and Preferences

New Zealand SMBs are actively engaging with financial providers, with nearly half having sought new business financing in recent months. The likelihood of securing finance is strong, and the ease of access is widely seen as improving or holding steady. This environment of accessible funding bolsters business confidence and enables ongoing investment in operations and growth.

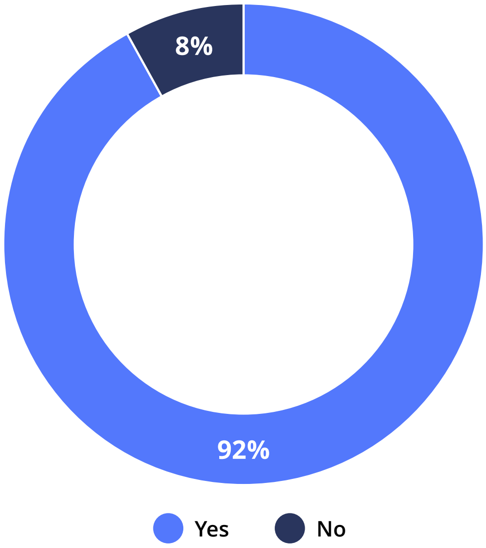
Recent Attempts to Secure Financing

During the past six months, 44% of New Zealand SMBs have pursued new financing for their business operations. Of those, an impressive 92% were able to secure the funding they sought. This demonstrates a supportive environment for New Zealand businesses looking for capital to fuel their growth.

Tried to obtain finance

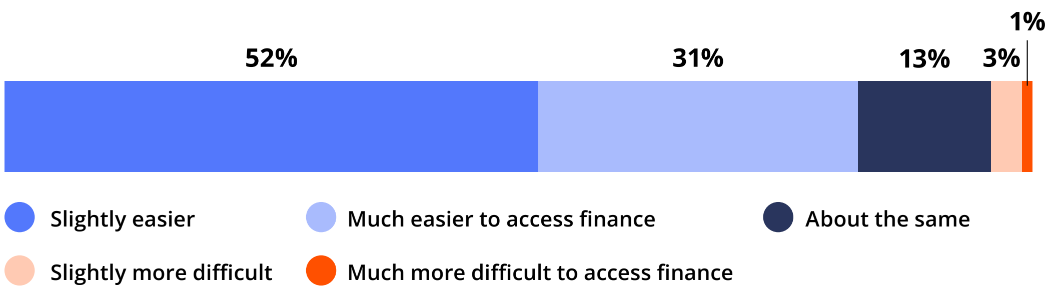


Success in securing finance



Changing Ease of Access

Most New Zealand SMBs perceive that access to finance is easier or unchanged compared to the previous period, with 83% stating they find it easier to secure funding. Very few report that it has become more difficult, underscoring broad availability of capital and strong support for business investment and expansion throughout the sector.



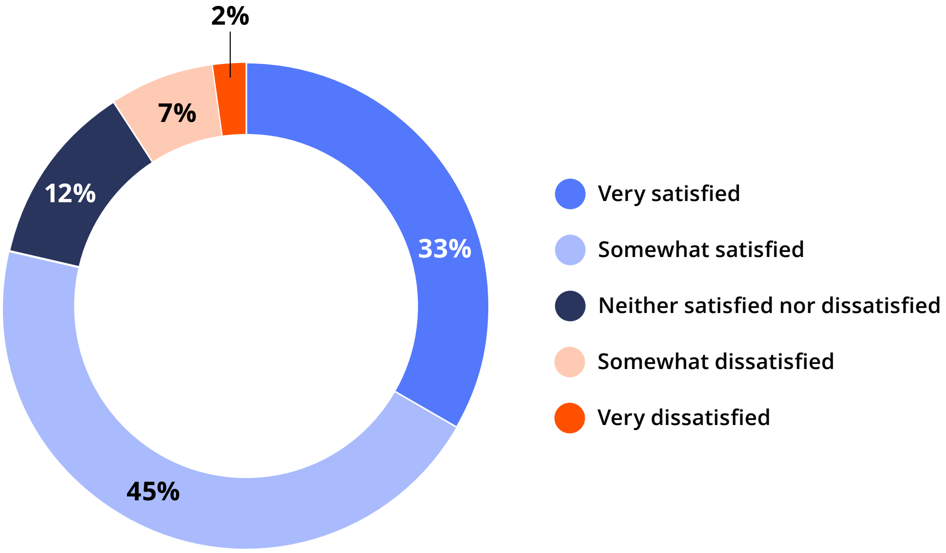
New Zealand SMBs Willing to Leverage Multiple Funding Sources

Businesses in New Zealand anticipate utilising a range of financing avenues if the need arises in the coming six months. Bank loans (44%), personal savings (35%), credit cards (34%), and overdrafts (24%) are popular options. Many also look to friends and family (27%), government loans (22%), equity capital raising (20%), and buy now pay later services (18%) as viable sources. Just 7% indicate they would not consider any of the listed options, and 1% mention alternative sources. These findings highlight New Zealand SMBs' flexibility and openness in navigating future financial requirements.

Funding Option	New Zealand
Bank loan	44%
Personal savings	35%
Credit card	34%
Friends and family	27%
Overdraft	24%
Government loan	22%
Equity capital raising	20%
Buy Now Pay Later	18%
None of these	7%
Other	1%

Work-life Balance and Wellbeing

While most SMBs are satisfied with their work-life balance, it's also one of the top three ongoing challenges.

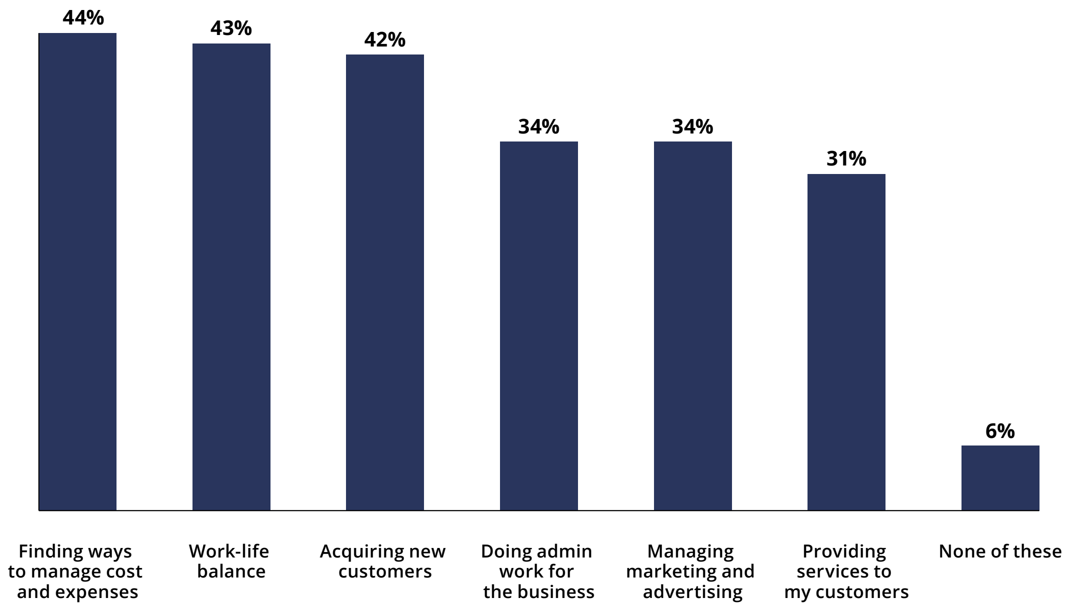


Cost Management and Work-Life Balance Are Persistent SMB Challenges

New Zealand SMBs continue to face a variety of ongoing challenges impacting day-to-day operations and growth. Managing costs and expenses is the most frequently cited issue, affecting 44% of businesses. Work-life balance is also a significant concern for 43% of respondents, alongside the challenge of acquiring new customers (42%).

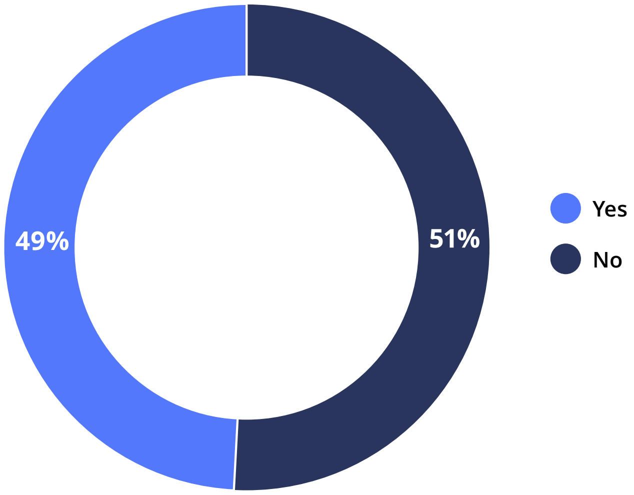
Other ongoing hurdles include dealing with administrative work (34%), managing marketing and advertising (34%), and providing services to customers (31%). Only 6% indicate that none of these issues present ongoing difficulties for their business.

These findings show that cost control and personal wellbeing are top priorities for New Zealand SMBs, while sales growth and effective operations remain central to long-term success.

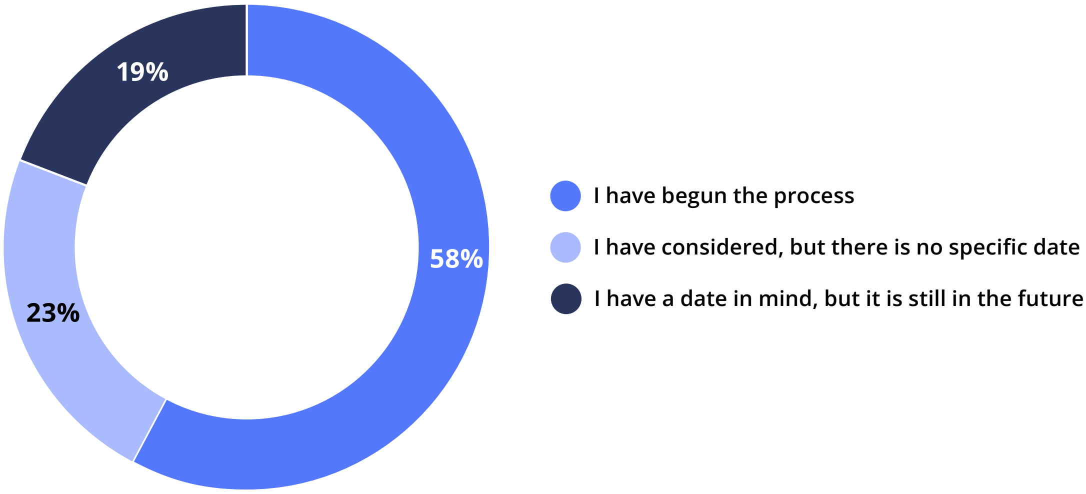


Owner Burnout and Succession Considerations

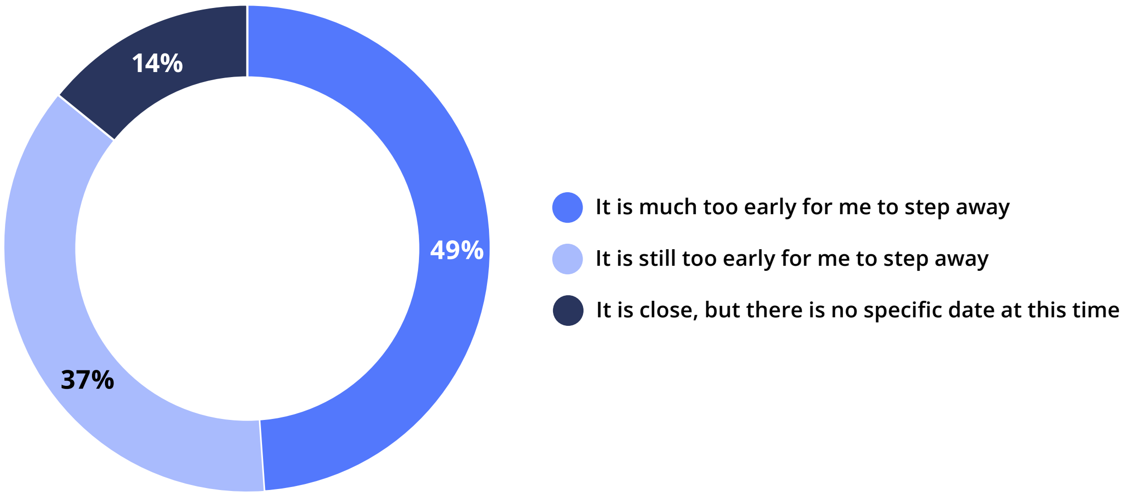
Burnout and workload have led 49% of New Zealand SMB owners to consider exiting the business.



Of those, 58% have already begun preparations, 19% have set a future date, and 23% have considered it without a specific date yet.

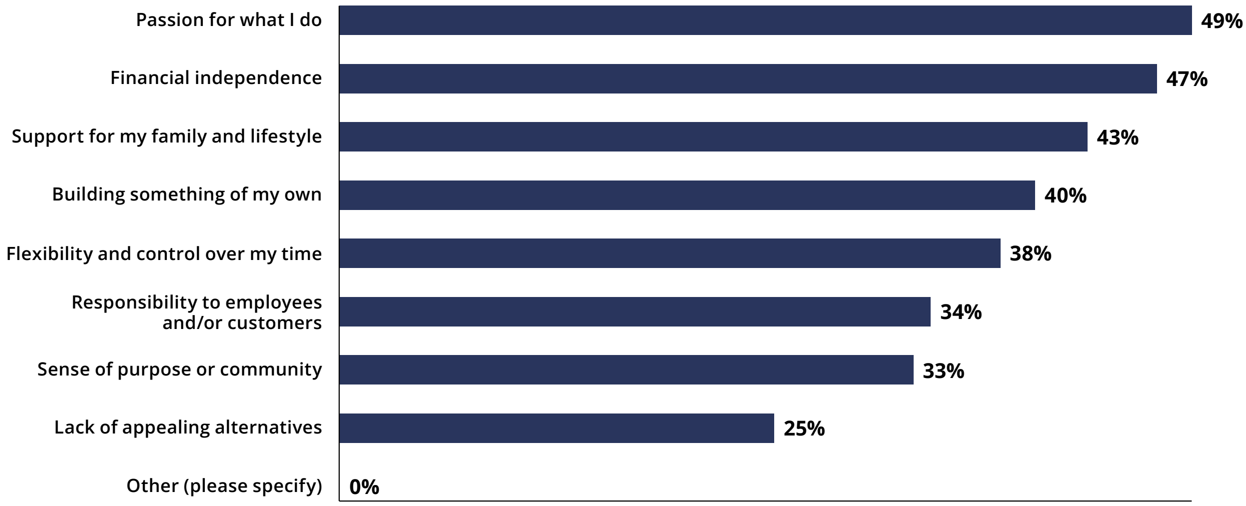


Among those not considering stepping away, nearly half (49%) say it is too early to contemplate, reflecting both sector pressures and longer-term owner intentions.



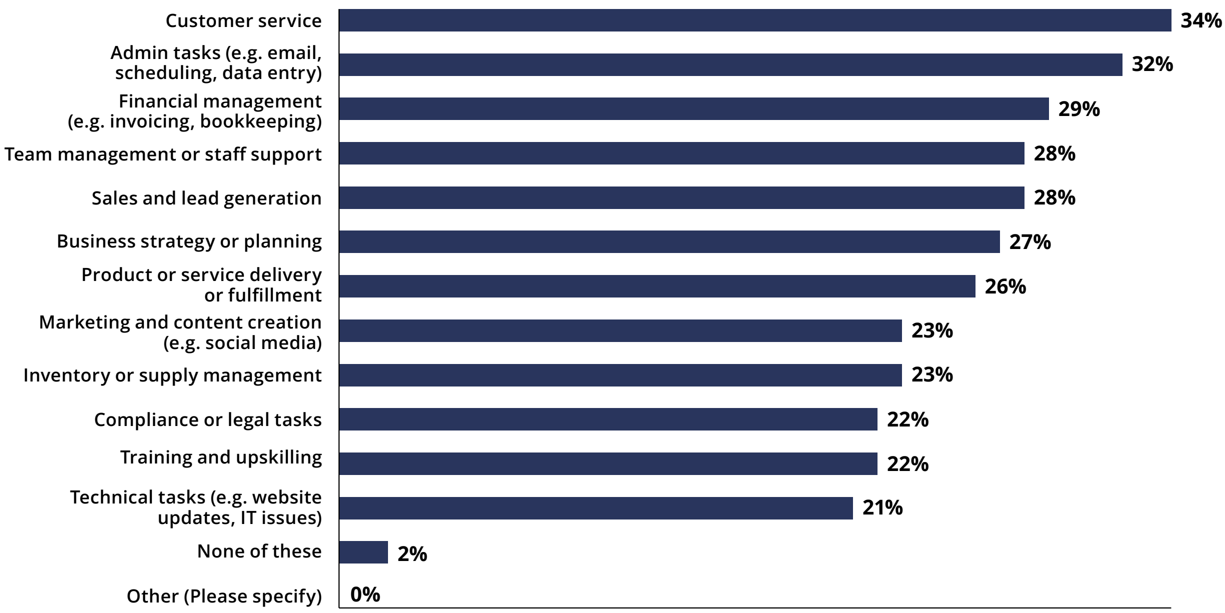
Why SMB Owners in New Zealand Keep Going

Motivation for continuing is anchored in financial independence (47%) and passion (49%). Other drivers include supporting family and lifestyle (43%), flexibility/control (38%), responsibility to teams/customers (34%), building something of their own (40%), and community purpose (33%). Just one in four (25%) say they continue due to a lack of alternatives, suggesting most remain positively driven.



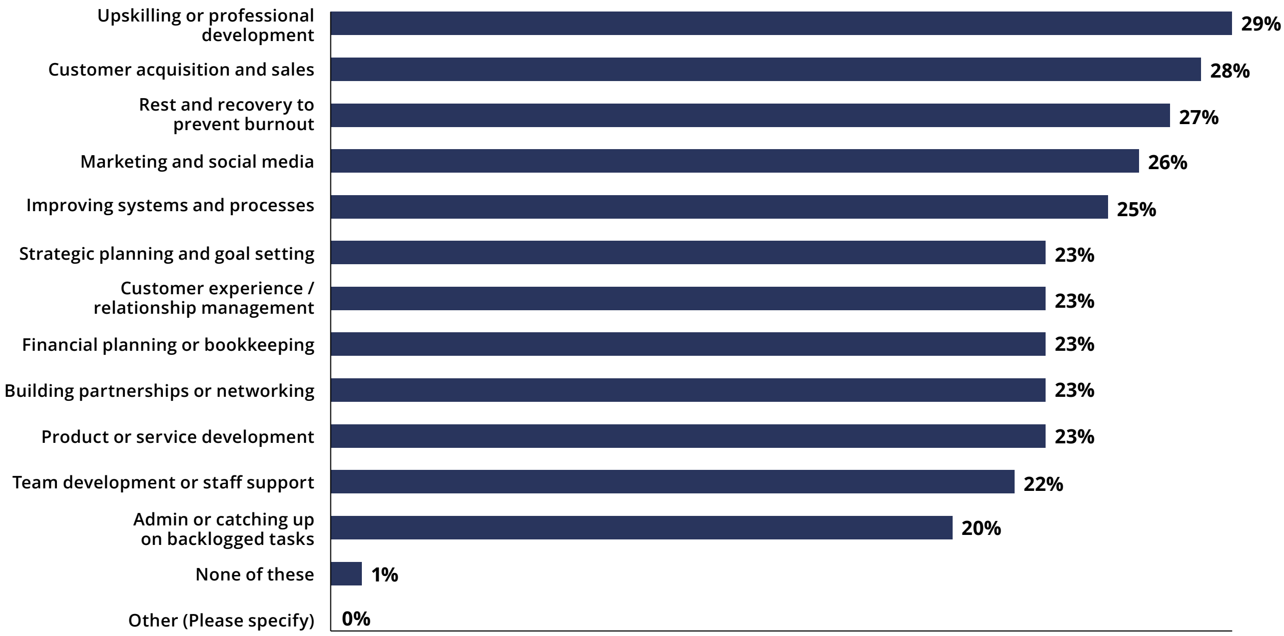
The Weekly Workload: What Takes Up the Most Time for SMB Owners?

New Zealand SMB owners say that admin tasks (32%) and customer service (34%) consume the most time each week. Financial management (29%), team management (28%), sales/lead generation (28%), and activities including business planning, delivery/fulfillment, marketing, training, compliance, inventory, and technical tasks also take up large portions of their time. Only 2% say none of these activities are major time drains, underscoring the multifaceted realities of ownership.



Extra Hours, Extra Impact: Where Would SMB Owners Focus?

With 10 extra hours each week, New Zealand SMB owners would most frequently dedicate time to upskilling (29%), customer acquisition/sales (28%), and rest/recovery (27%). Improving systems/processes (25%), marketing/social media (26%), strategic planning, partnerships, customer experience, product/service development, and financial planning are also among top priorities, revealing a similarly broad range of business and personal focus areas.

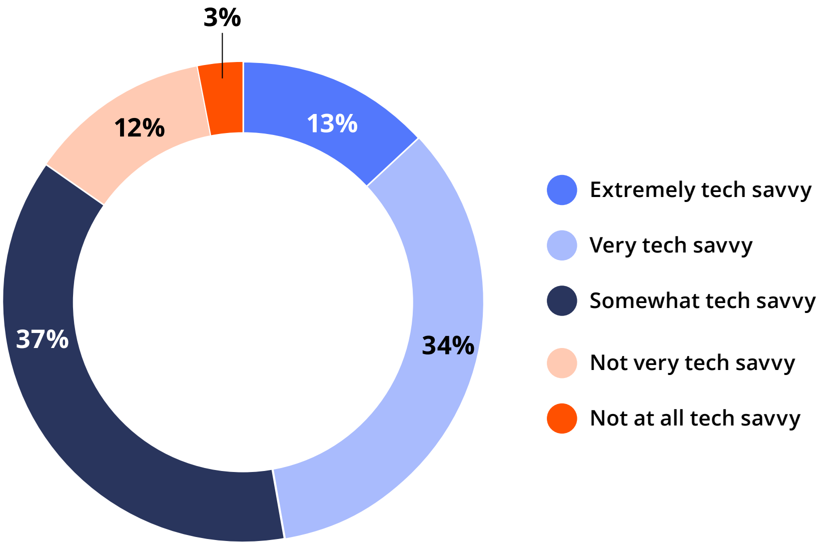


Digital Adoption and Technology

SMBs in New Zealand are steadily progressing in their digital transformation journey. The majority are confident and willing to adopt digital solutions and AI – but full automation is rare. Owners largely trust their software platforms to manage customer data and relationships securely. While most feel tech savvy, a notable minority are still not fully comfortable or automated, highlighting opportunities for further digital education and support.

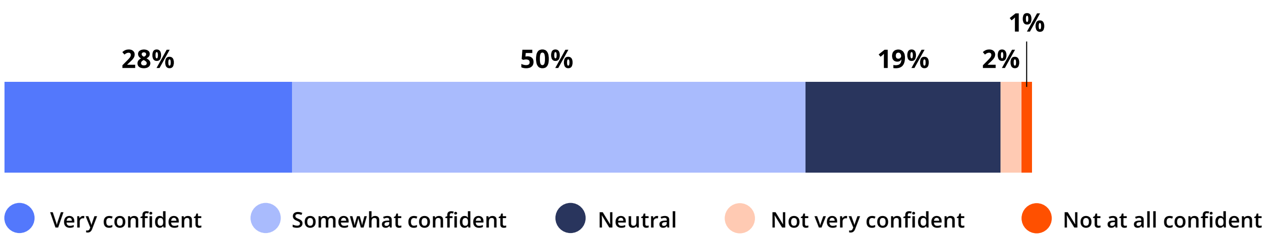
Self-Perceived Tech Savvy

Most SMB owners in New Zealand identify as somewhat or very tech savvy, with just a few feeling extremely tech savvy or not tech savvy at all.



Digital Confidence

Confidence in digital tools and platforms is high, with nearly 80% of respondents reporting they are somewhat or very confident using tech for growth and efficiency.



Nearly **80%** of respondents in both countries are **somewhat or very confident** about using tech for growth and efficiency

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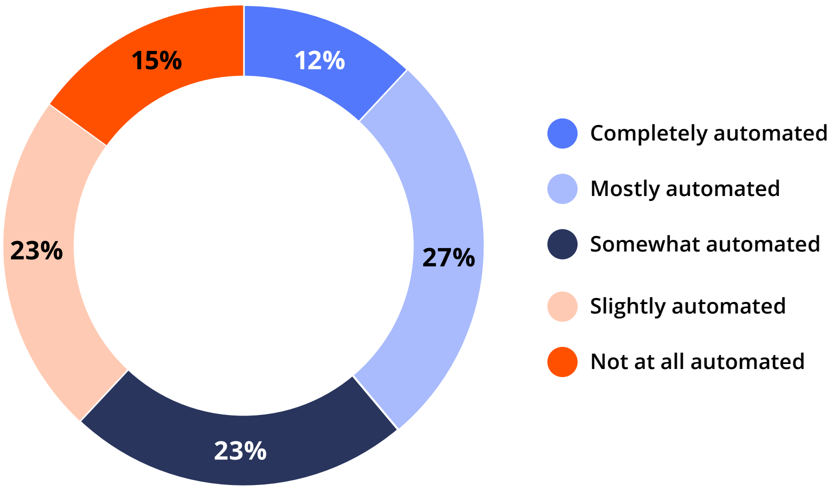
Automation of Business Processes

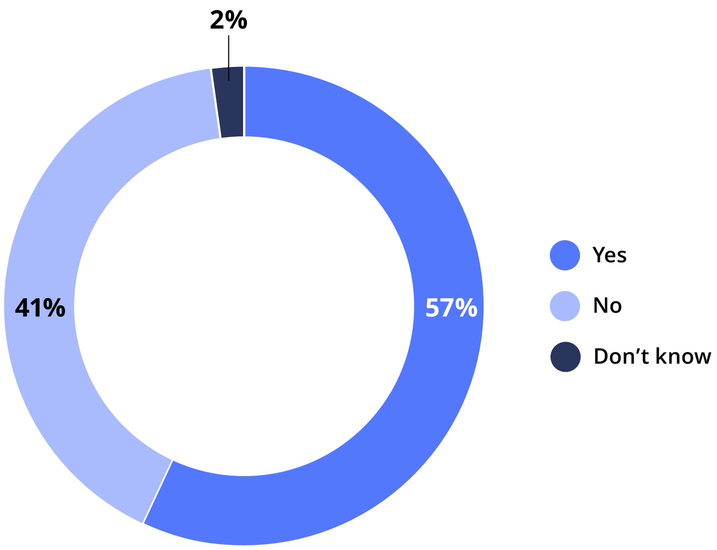
Automation remains a work in progress for most businesses. Only about one in ten say their back-office and customer management processes are completely automated, while most are either “mostly” or “somewhat” automated.



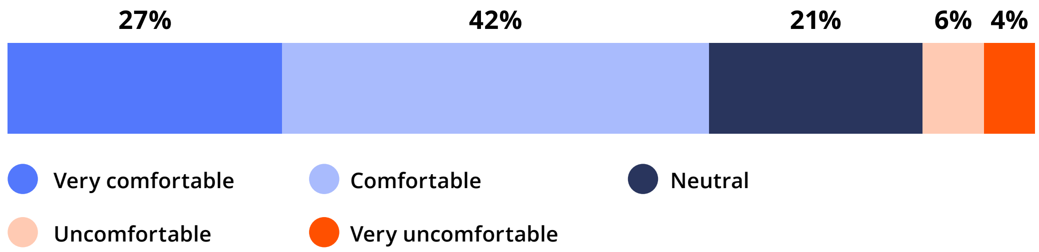
Artificial Intelligence (AI) Adoption & Comfort

The majority of SMBs are using AI (including AI-enabled software), with comfort levels toward AI tools also high.

Currently using AI?



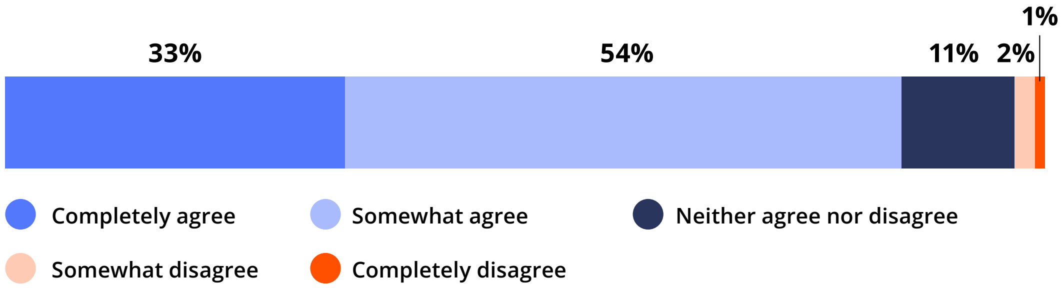
Comfort levels using AI to support business operations



Service and Consumer Experiences

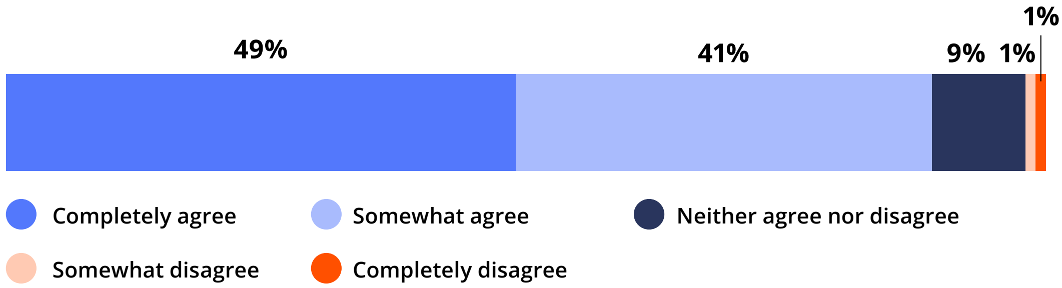
Delivering a Seamless Customer Experience

Most SMB owners in New Zealand are satisfied that their business provides a seamless customer experience. One third (33%) completely agree, while more than half (54%) somewhat agree, that customers enjoy smooth and hassle-free interactions. Just 11% are neutral, showing that seamless service delivery is a top priority for businesses looking to strengthen customer loyalty and differentiation.



Delivering Consistently High Customer Service

New Zealand SMB owners demonstrate high levels of confidence in the service they provide. Nearly half (49%) completely agree, and 41% somewhat agree, that their business delivers consistently high customer service. Only 9% are neutral, while very few express disagreement, highlighting a culture of dedication to customer satisfaction and excellence.

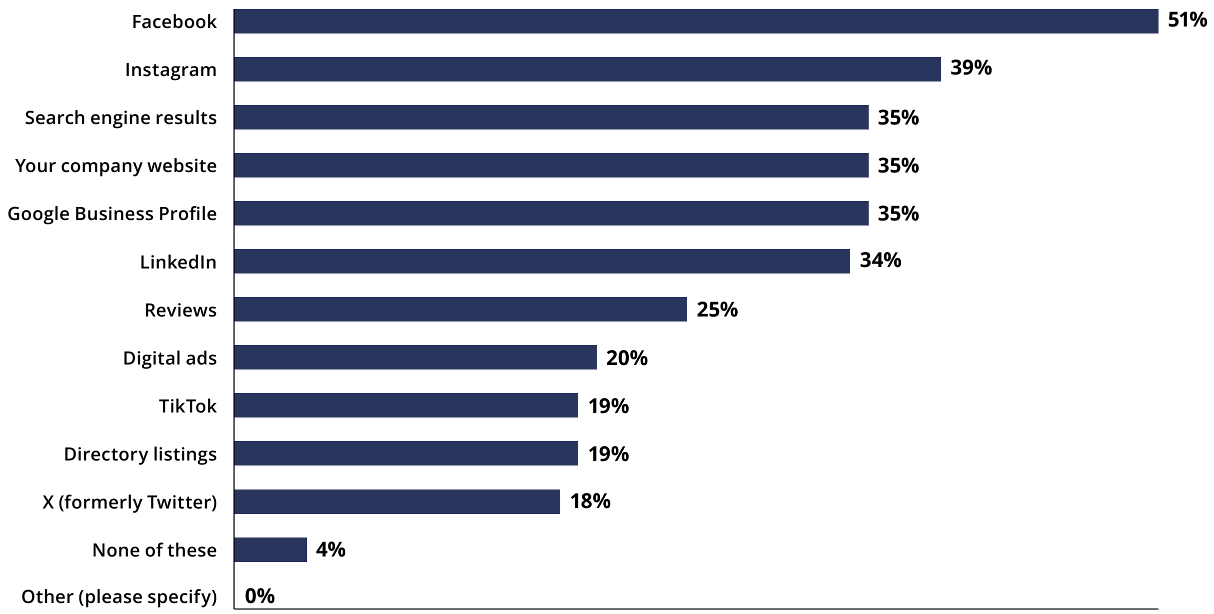


Online Visibility and Customer Acquisition

Online Visibility of Small Businesses in New Zealand

Small businesses in New Zealand maintain a diverse and robust digital presence. Over half (51%) of businesses can be found on Facebook, with strong representation also on Instagram (39%), company websites (35%), search engine results (35%), and Google Business Profiles (35%). LinkedIn (34%) is another commonly used platform for online visibility. Additional digital touchpoints include reviews (25%), digital ads (20%), TikTok (19%), directory listings (19%), and X (formerly Twitter, 18%). Only 4% of businesses are not present on any of these online channels, highlighting the widespread adoption of digital platforms to reach customers and enhance brand visibility in New Zealand.

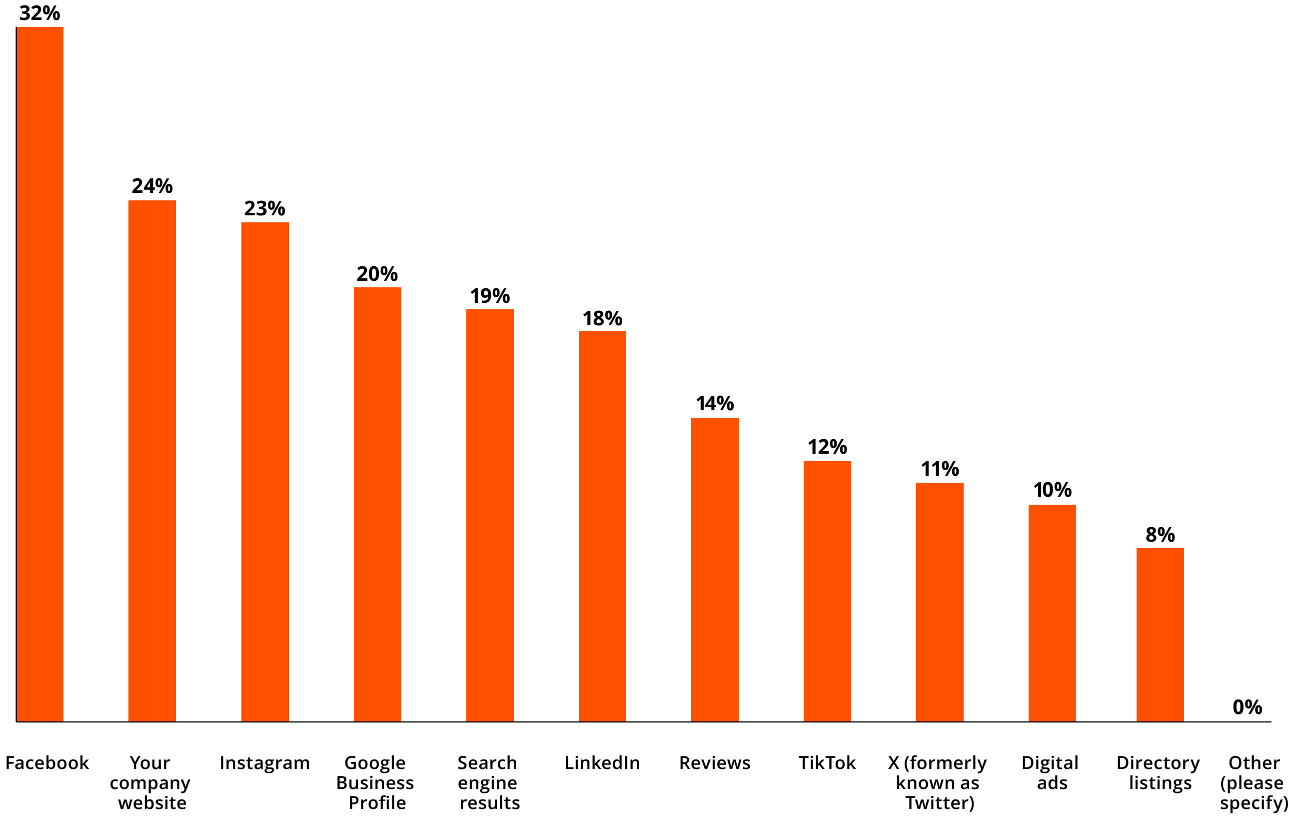
Can your business be found online through any of these sources?



Customer Acquisition

New Zealand small businesses report that Facebook is the leading online source for attracting customers, with 32% selecting it as their top channel. Their website follows at 24%, while Instagram (23%), Google Business Profile (20%), and search engine results (19%) also contribute significantly. LinkedIn (18%), online reviews (14%), TikTok (12%), X (11%), digital ads (10%), and directory listings (8%) round out the mix. These results highlight the central role of Facebook and an active social media presence, combined with website optimisation, in driving customer acquisition in New Zealand.

Of the sources where your business can be found online, which brings you the most customers?



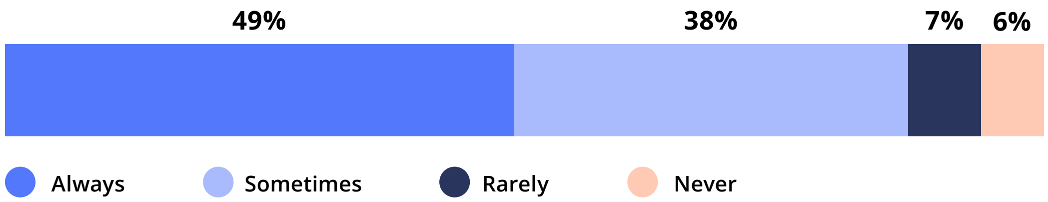
Reviews and Reputation Management

New Zealand SMBs demonstrate a strong commitment to engaging with customer feedback and fostering positive relationships. Nearly half (49%) of businesses always respond to customer reviews, while 38% do so sometimes. Only a small minority rarely (7%) or never (6%) reply to customer reviews, indicating that the vast majority actively manage their online reputation.

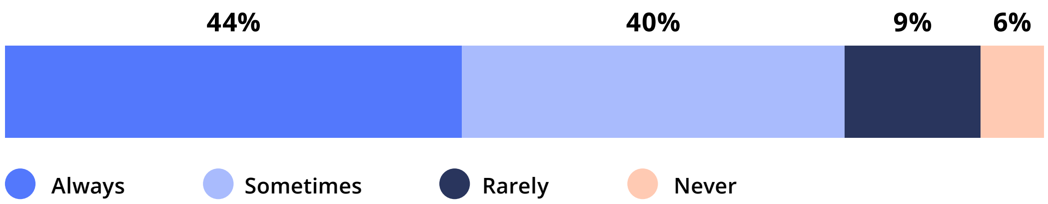
Encouragement of customer feedback is also prevalent. 44% of New Zealand companies always encourage customers to write reviews, and 40% do so sometimes. Just 9% rarely ask for reviews, and 6% never do.

This suggests that New Zealand SMBs view reviews as a vital tool for gathering insights, building trust, and continuously improving the customer experience.

Does your business respond to customer reviews?



Does your company actively encourage customers to write reviews?



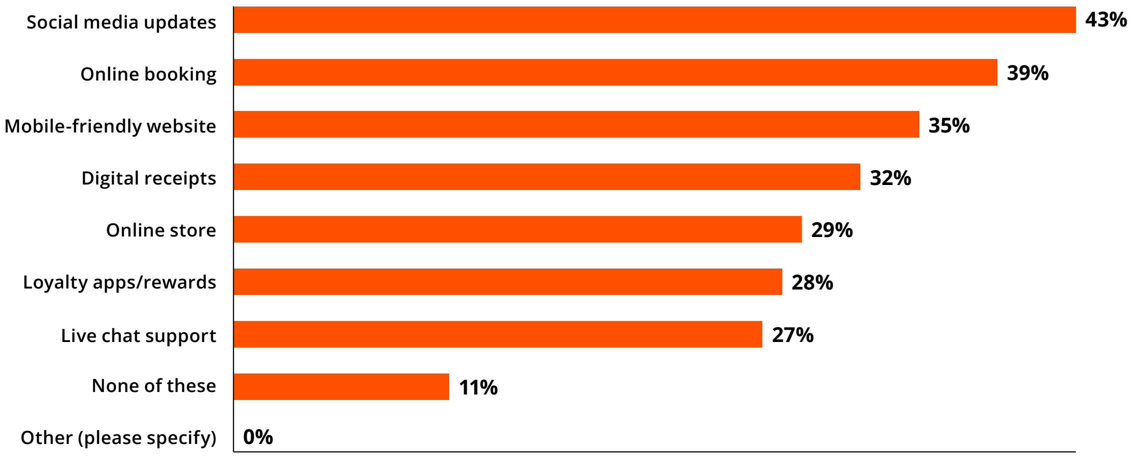
49% of businesses report that they **always respond** to customer reviews

Communication and Engagement Preferences

Digital Tools and Features Offered to Customers

New Zealand SMBs are adopting a broad range of digital tools to improve customer experience and streamline interactions. Popular features include social media updates (43%), online booking (39%), and mobile-friendly websites (35%). Many businesses also offer digital receipts (32%), online stores (29%), loyalty apps or rewards programs (28%), and live chat support (27%). Only 11% of businesses report not offering any of these digital tools, highlighting widespread digital adoption among New Zealand SMBs.

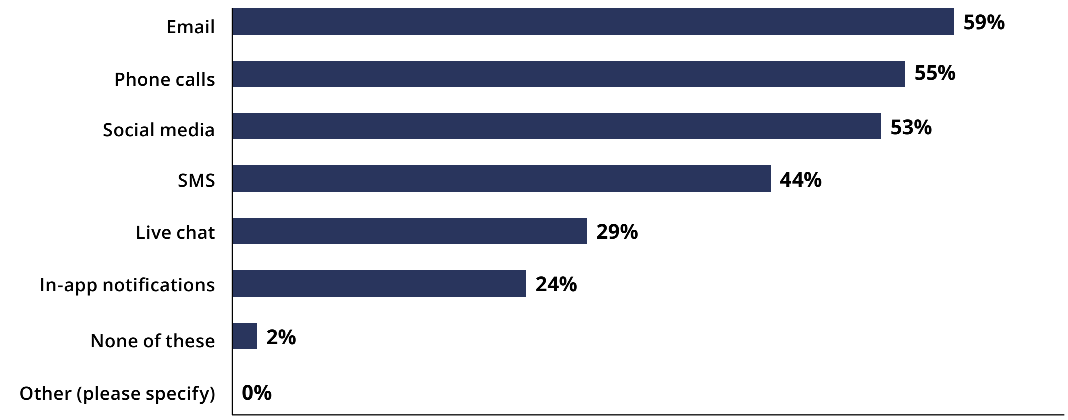
Does your business offer your customers any of these digital tools or features? Select all that apply.



Communication Channels Used to Engage Customers

New Zealand SMBs connect with customers through a mix of traditional and digital communication channels. Email (59%) and phone calls (55%) are the most commonly used, followed closely by social media (53%) and SMS messaging (44%). Live chat (29%) and in-app notifications (24%) also feature in the communication mix. Just 2% of businesses do not use any of these channels, showing a strong commitment to customer engagement and responsiveness across the sector.

Does your business use any of these communication channels to engage with your customers?



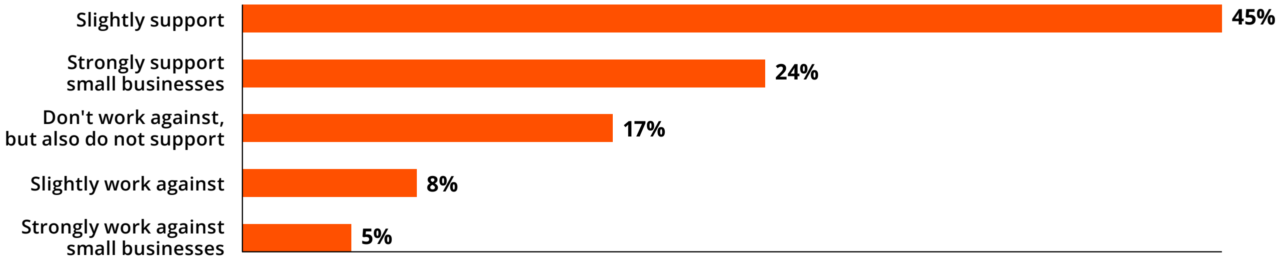
Government

Government Policies and Support

Federal Government

Most New Zealand small businesses feel that current government policies are supportive, with 45% saying policies “slightly support” small businesses and 24% believing the government “strongly supports” them. Seventeen percent feel policies are neutral – neither supporting nor working against small businesses. However, some concerns remain, with 8% stating policies “slightly work against” and 5% saying they “strongly work against” their interests. This overall trend reflects a majority who see positive but often moderate support, while a notable minority wish for stronger backing.

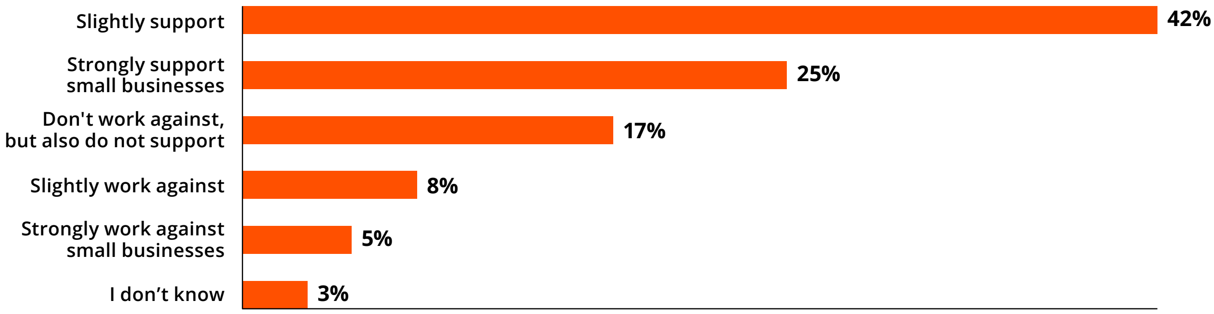
Overall, do you believe that the Government’s current policies are supportive of small businesses?



Local Government

Perceptions of local government support are similar: 42% of SMBs say policies “slightly support” small businesses, and 25% feel “strong support.” Seventeen percent believe policies are neutral, neither supporting nor opposing small business interests. Eight percent state policies “slightly work against,” and 5% “strongly work against” small businesses, with 3% unsure. These findings indicate that while local governments are generally viewed as supportive, there remain pockets of dissatisfaction and calls for more dedicated advocacy for small business needs.

Do you believe that your provincial government’s policies are supportive of small businesses?

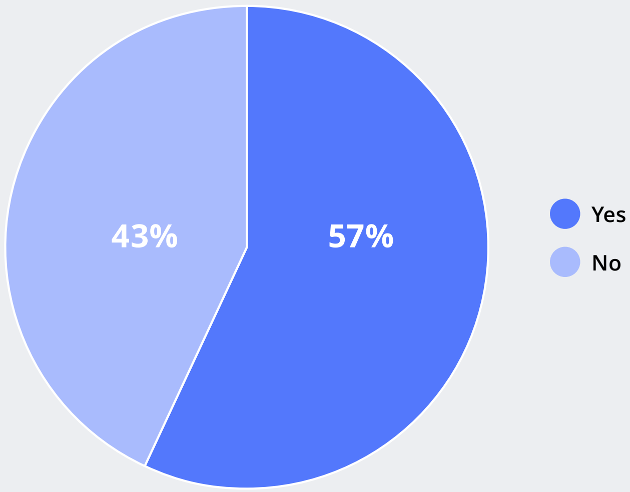


Government Programs

Awareness of Government and Industry Support for Digital Adoption

A clear majority (57%) of New Zealand SMBs are aware of government or industry programs and incentives aimed at supporting digital adoption. Meanwhile, 43% remain unaware of these opportunities. These results point to widespread – but not universal – knowledge about available support, indicating that continued outreach and communication could help more businesses benefit from digital transformation initiatives.

Are you aware of government or industry support programs or incentives for digital adoption?

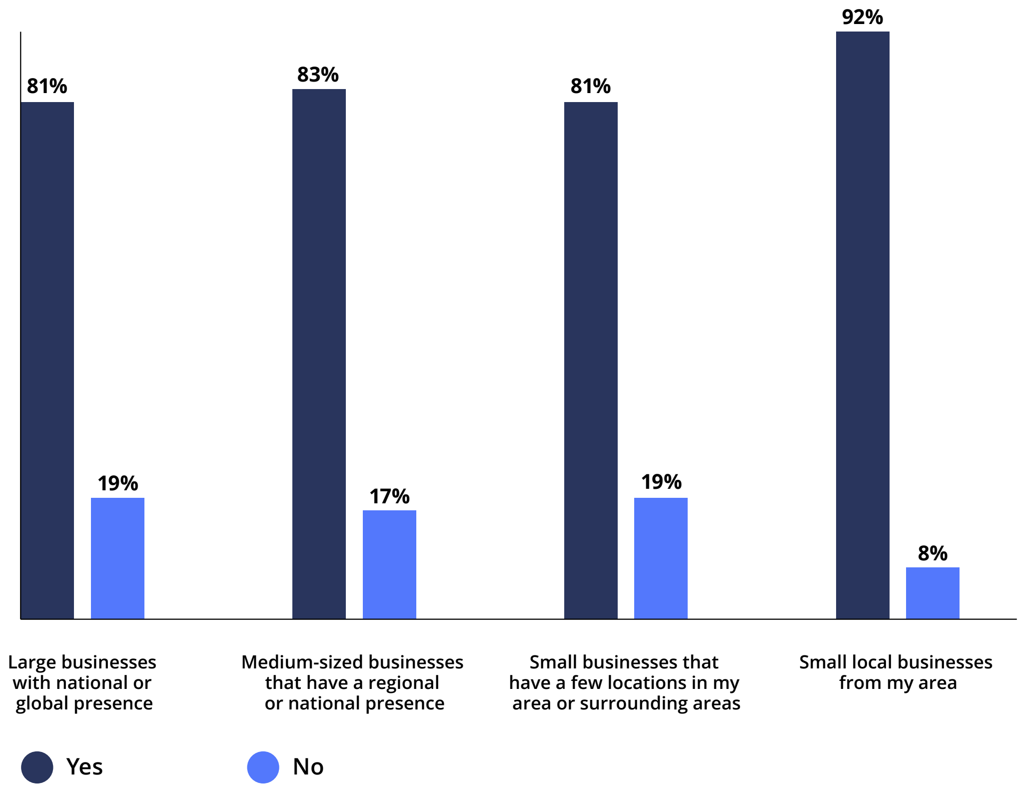


Consumer Report

Where are Consumers Shopping?

Purchases by Business Size

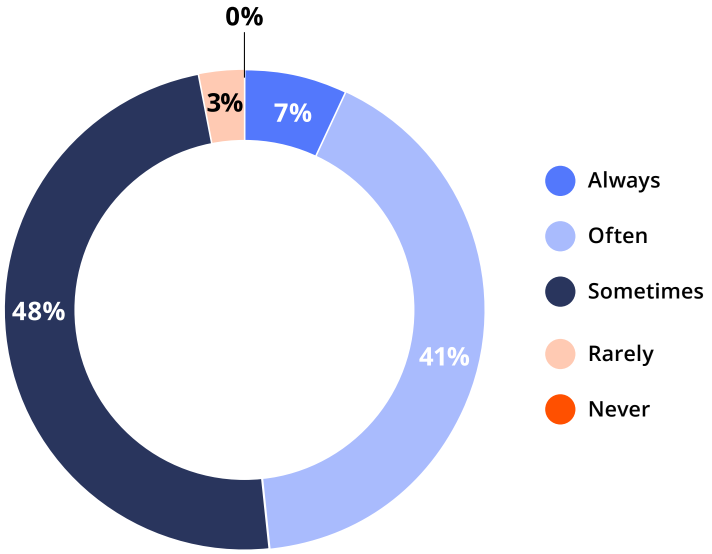
Over the past 12 months, New Zealand respondents have displayed strong purchasing activity across all business sizes. An overwhelming majority (92%) have bought from large businesses with a national or global reach. Support for medium-sized businesses with a regional presence, small businesses with a few locations, and small local businesses is also high, with 81%–83% of respondents purchasing from each type. Only a small segment (8%–19%) have not made purchases from these categories, highlighting the broad engagement with New Zealand's business community at every level.



Likelihood to Purchase from a Small Business vs Big Business

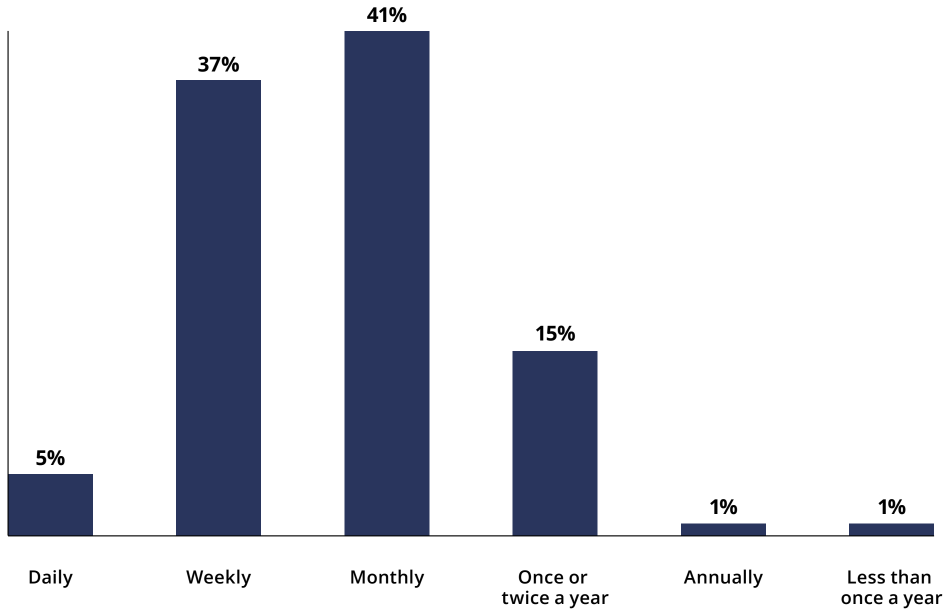
In New Zealand, the preference for small businesses is notable. 7% of respondents always choose a small business over a large retailer, 41% do so often, and 48% sometimes opt for small businesses. A minimal 3% rarely make this choice, and none say they never do. These findings reinforce strong and ongoing consumer backing for New Zealand's small business community.

How likely are you to choose a small business over a large retailer?



Purchasing Frequency from Small Businesses

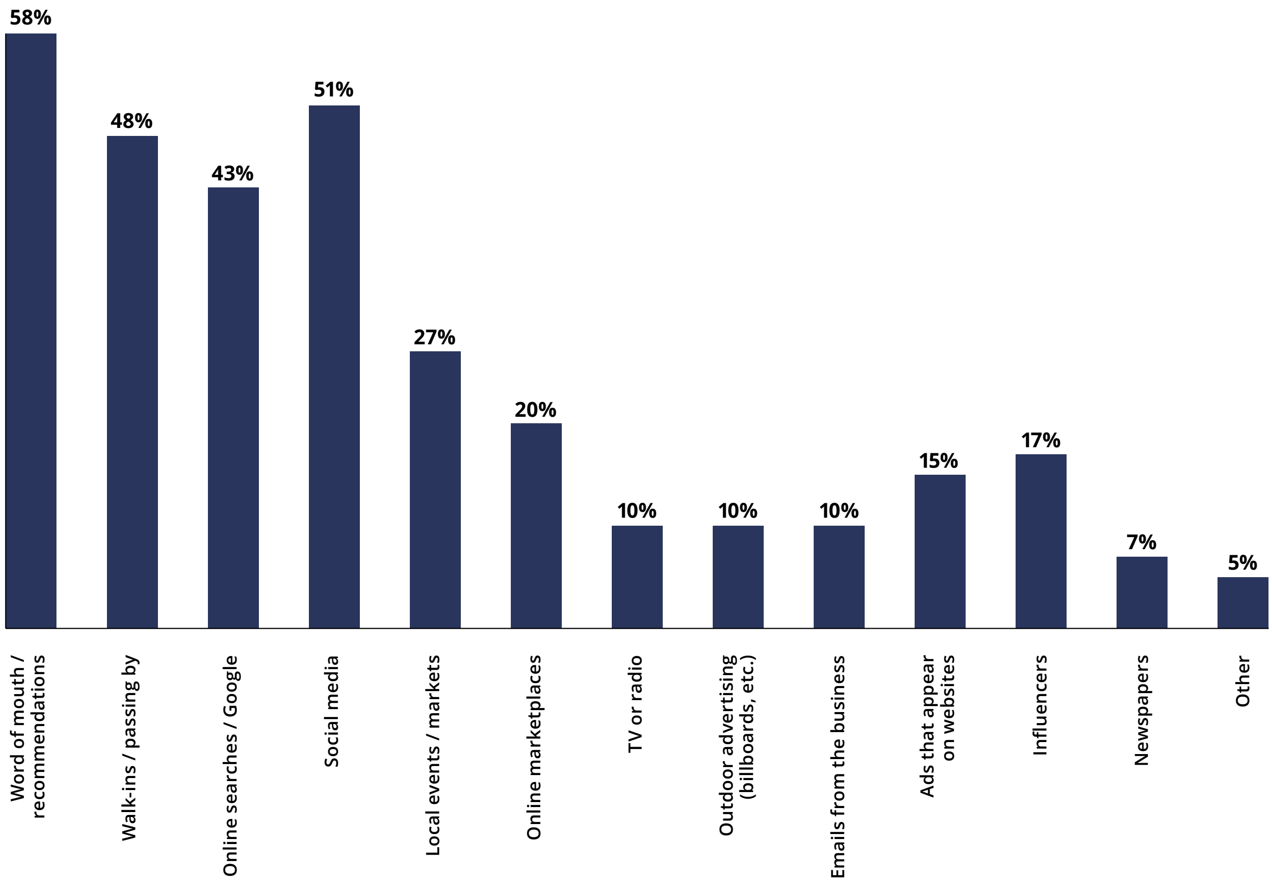
New Zealand respondents indicate strong ongoing support for small businesses, with 37% making purchases weekly and 41% buying monthly. Daily purchases occur for 5% of respondents. Less frequent engagement includes 15% who purchase once or twice a year, and just 1% who buy annually or less than once a year. These results show regular, sustained consumer support for New Zealand's small business sector.



Discovering New SMBs: What Works?

Top discovery channels

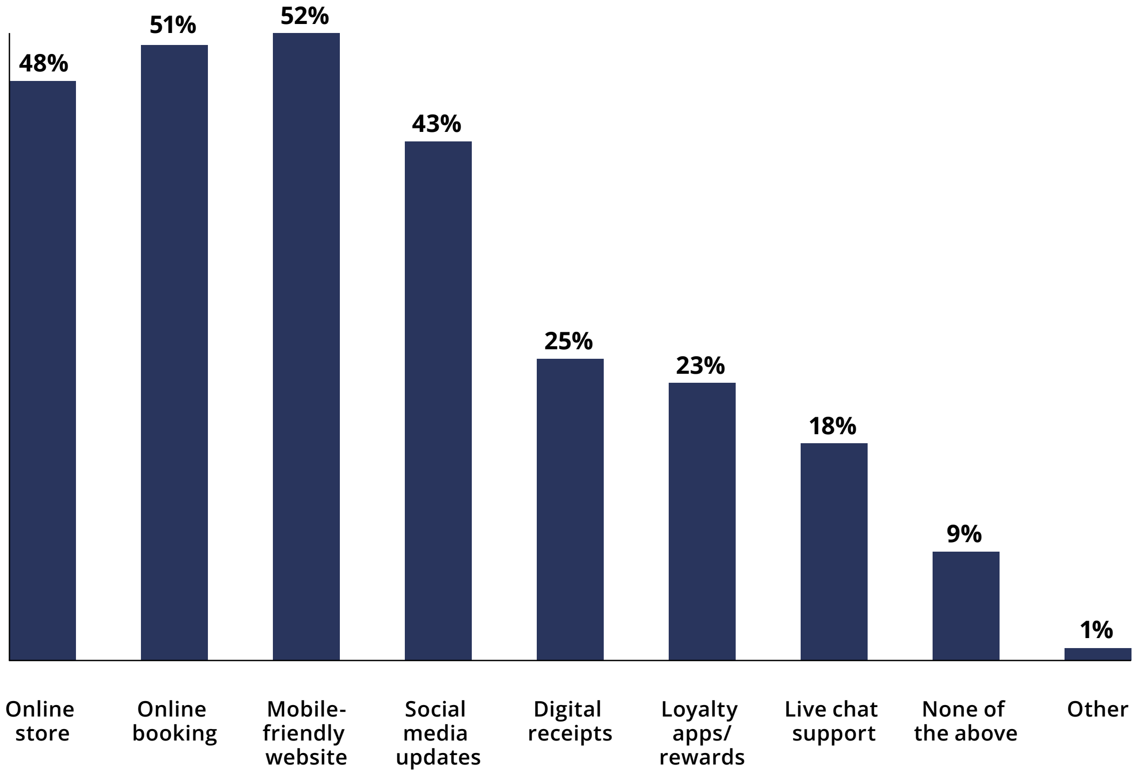
Word of mouth and recommendations are the leading way that New Zealanders discover new small businesses, with 58% of respondents relying on this channel. Online searches, including Google, are another popular pathway at 43%, followed by social media at 51%. Local events and markets play a significant role as well (27%), with online marketplaces (20%) and traditional media channels such as TV, radio, outdoor advertising, business emails, website ads, newspapers, and influencers making up the rest of the discovery mix. The data demonstrates that New Zealanders favour a mix of personal connections, digital sources, and community events when searching for new small businesses, making an integrated approach to visibility essential for business growth.



Digital Features: What Consumers Want

The Essential Digital Features for Small Businesses

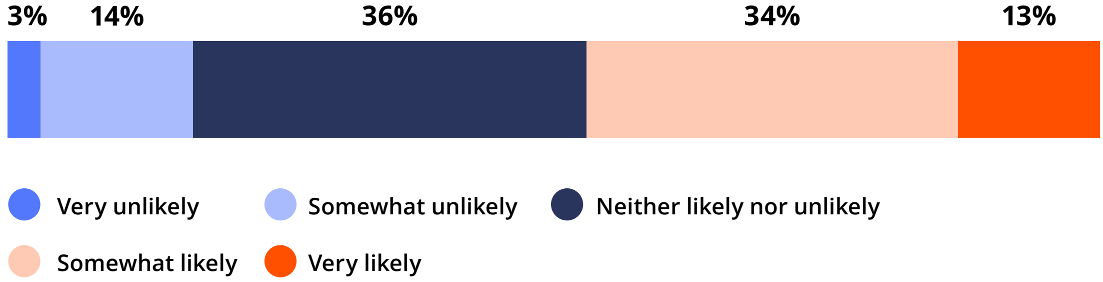
Digital readiness is prominent among consumer expectations. Over half expect small businesses to provide online booking (51%), mobile-friendly websites (52%), and online stores (48%). Social media updates are anticipated by 43%, digital receipts by 25%, loyalty apps/rewards by 23%, and live chat support by 18%. Only 9% of New Zealand respondents say none of these features are expected, highlighting a higher bar for digital capabilities and customer-focused technology.



How Lack of Digital Features Impacts Loyalty

For New Zealanders, digital readiness has a strong influence on purchasing behaviour. A decisive 47% would be likely to choose another business (34% somewhat likely, 13% very likely) if digital tools like online ordering or mobile payments are absent. Meanwhile 14% are somewhat unlikely to switch, 3% are somewhat unlikely, and 36% are neutral. These results highlight that while digital features are not universally required, the lack of them can put small businesses at a competitive disadvantage for a significant portion of New Zealand customers.

If a small business did not offer digital tools like online ordering or mobile payments, how likely are you to choose another business?

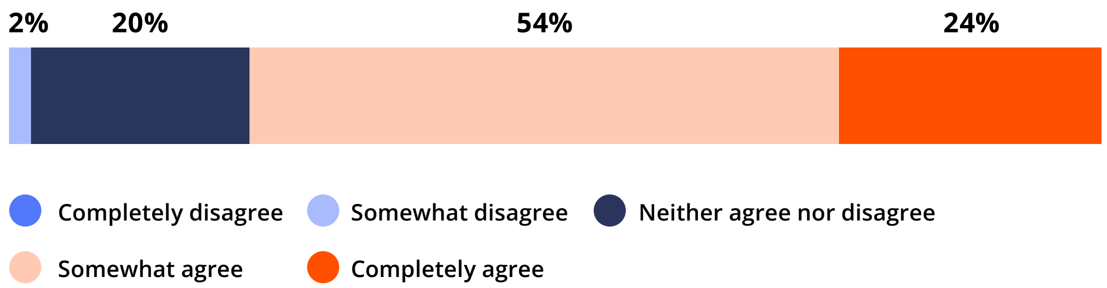


Customer Service and Experience

Service Levels

In New Zealand, the perception of small business service quality is even more pronounced. More than half (54%) somewhat agree that small businesses tend to offer consistently high service, and 20% completely agree. About a quarter (24%) neither agree nor disagree. The data shows a strong endorsement of small business service standards among New Zealand consumers.

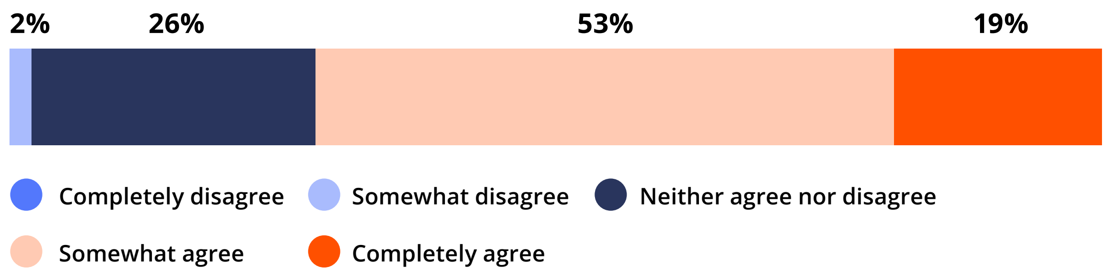
How much do you agree or disagree that small businesses tend to offer consistently high service?



Seamless Experience

New Zealand consumers express strong confidence in the customer experience provided by small businesses. A majority (53%) somewhat agree and 19% completely agree that small businesses offer a seamless experience. 26% are neutral, and few disagree. These insights indicate that small businesses in New Zealand are widely regarded for delivering efficient and positive customer journeys.

How much do you agree or disagree that small businesses tend to offer a seamless customer experience?

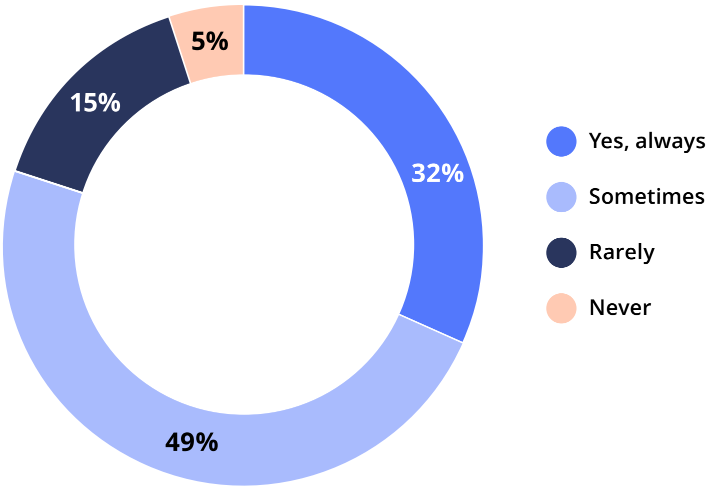


Online Reviews

Checking Online Reviews Before Purchasing

Online reviews play a significant role in purchase decisions for New Zealand consumers: 32% always check reviews before buying from a small business, and 49% sometimes do. Just 15% rarely check, and only 5% never look at reviews. This signals that review platforms are a vital and trusted resource for most New Zealanders evaluating small businesses.

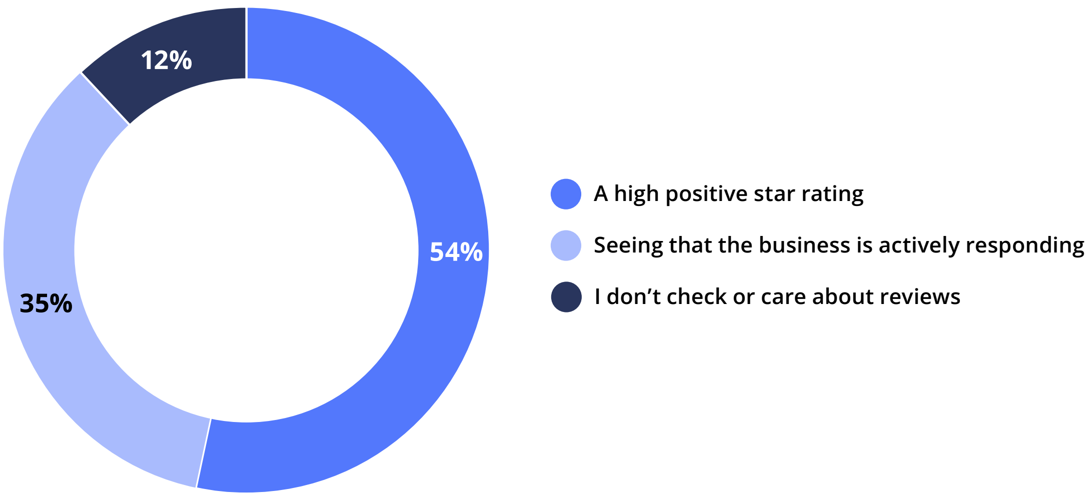
Do you check online reviews before buying from a small business?



Importance of Reviews to New Zealand Consumers

When looking at reviews, New Zealanders prioritise positive feedback – 54% say a high positive overall rating is most important. For 35%, seeing that the business responds to reviews matters most, emphasising the value placed on engagement and responsiveness. Only 12% do not check or consider reviews, showing that the vast majority of New Zealand consumers rely on online feedback when making purchasing decisions.

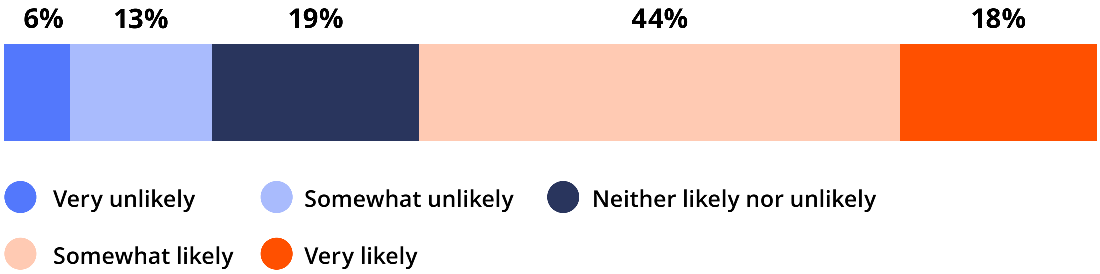
When looking at reviews, what is more important to you?



Likelihood to Leave a Review or Feedback

New Zealanders generally show willingness to leave reviews or feedback after a purchase or service. Eighteen percent are very likely and 44% are somewhat likely to provide feedback, while 19% are neutral. A lower proportion (13%) are very unlikely to leave a review. Overall, these responses underline a high level of consumer readiness to share their experiences, reinforcing the importance of customer feedback and business responsiveness in maintaining reputation and trust in the New Zealand market.

How likely are you to leave a review or give feedback after a purchase or service?

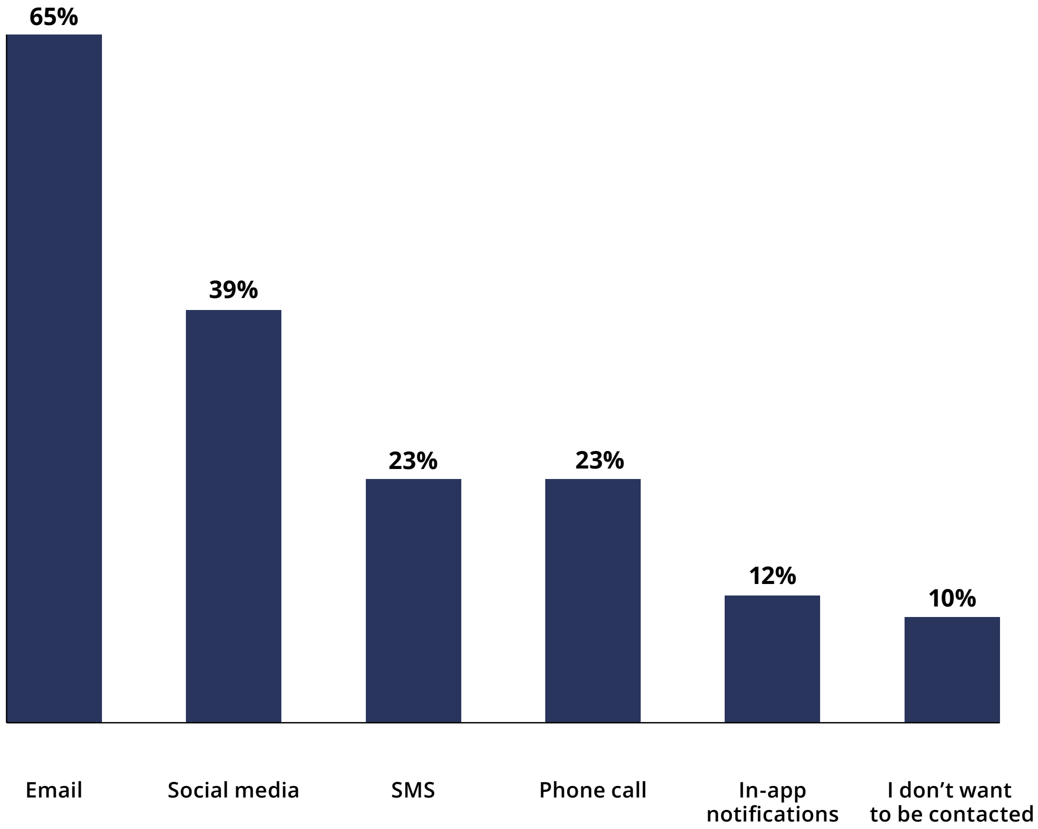


Communication Channels

Preferred Communication Channels

Email is by far the leading channel for communication, preferred by 65% of New Zealand consumers. Social media follows at 39%, with SMS (23%) and phone calls (23%) also gaining traction. In-app notifications are favoured by 12%, and only 10% do not wish to be contacted at all. This spread highlights the need for multi-channel communication strategies to engage a wide audience.

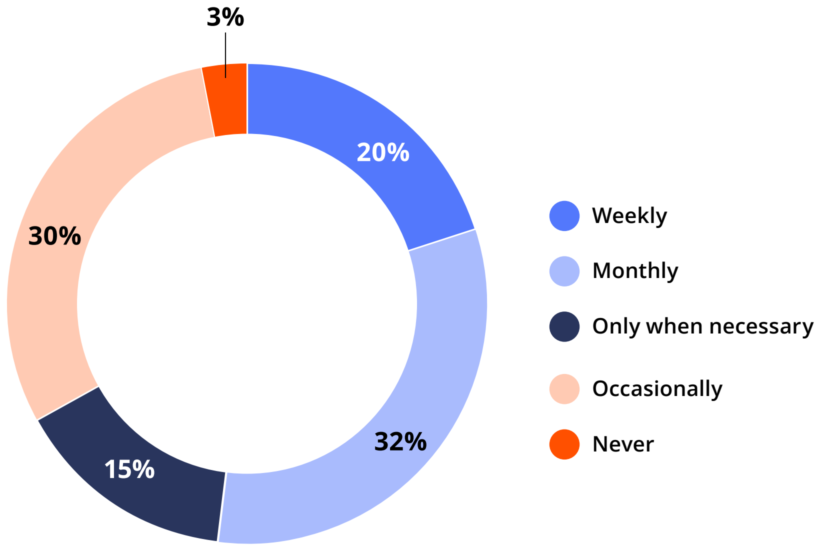
How do you prefer small businesses to communicate with you?



Promotions: Preferred Frequency and Channel Sensitivity

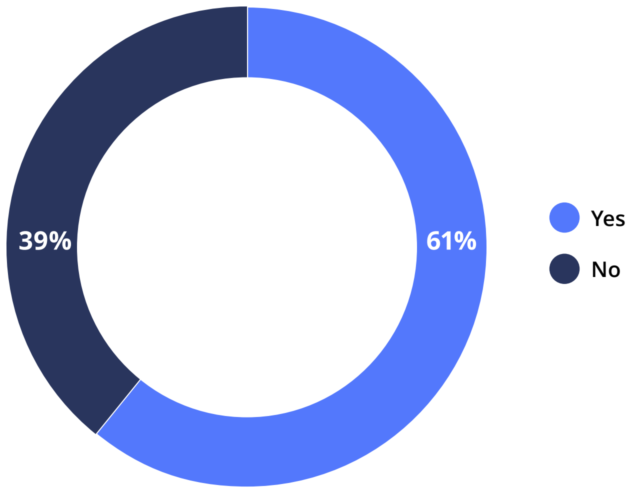
When it comes to hearing about promotions, monthly (32%), occasionally (30%), and weekly (20%) are the most preferred frequencies. Only 3% never want promotional messages, while 15% only want to be contacted when necessary.

How frequently do you want to hear about promotions from the small businesses you buy from?



Frequency preferences differ by channel for most (61%, compared to 39% who do not adjust frequency), emphasising the need for adaptive communication approaches based on the medium used and individual customer preferences.

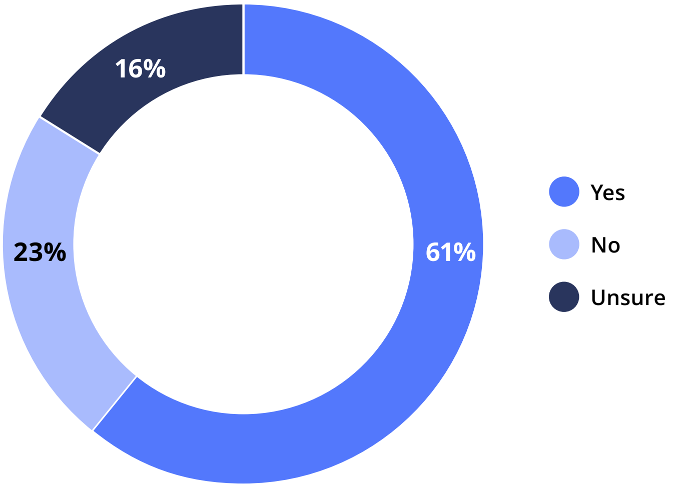
Does your preferred frequency differ depending by channel, for example, email versus text?



Preference for Personalisation

Sixty-one percent of New Zealanders prefer small businesses that personalise their products, services, or communications based on their preferences or past behaviour. Just 16% do not want this personalisation, while 23% are unsure. This reflects a strong desire among New Zealanders for tailored experiences when dealing with small businesses.

Do you prefer small businesses that personalise their products, services, or communications based on your preferences or past behaviour?

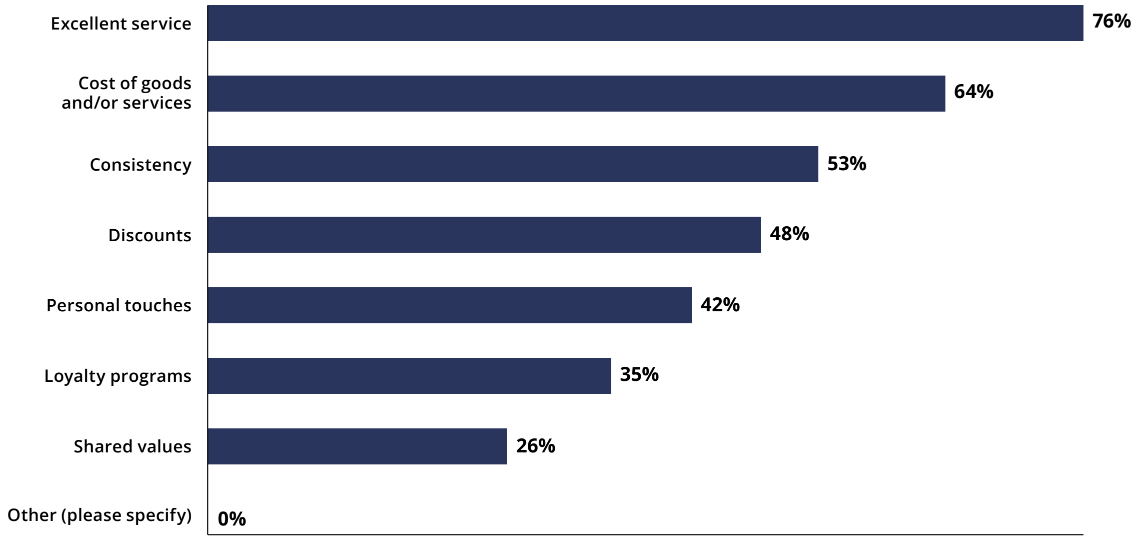


Loyalty Drivers

Top 3 Loyalty Triggers

In New Zealand, consumers point to excellent service (76%) as the leading factor encouraging business loyalty. Cost (64%) and consistency (53%) also rank highly. Nuanced motivators include discounts (48%), personal touches (42%), loyalty programs (35%), and shared values (26%). The broad distribution of responses reflects a multi-faceted approach to loyalty, with service and value consistently at the core.

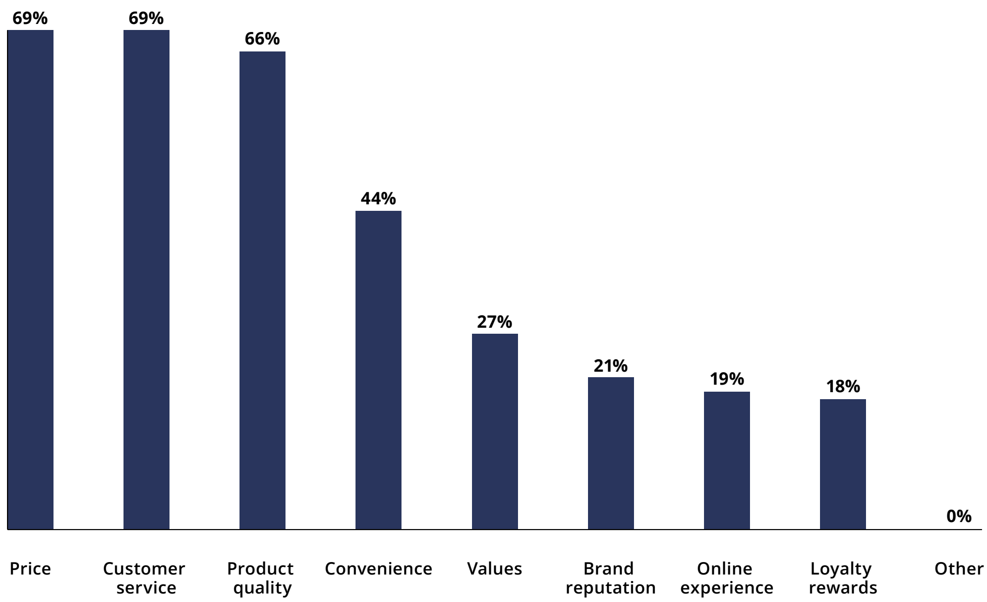
What would encourage you to be more loyal to a business?



Top 3 Factors That Influence Returning to a Small Business

Price and customer service are equally the top influencers for returning to a small business, each cited by 69% of respondents. Product quality follows closely at 66%, while convenience is selected by 44%. Secondary factors include values (27%), brand reputation (21%), online experience (19%), and loyalty rewards (18%). No respondents chose 'other' factors, signalling a strong alignment around the leading motivators for repeat business in New Zealand's small business sector.

What are the top 3 factors that influence your decision to return to a small business?

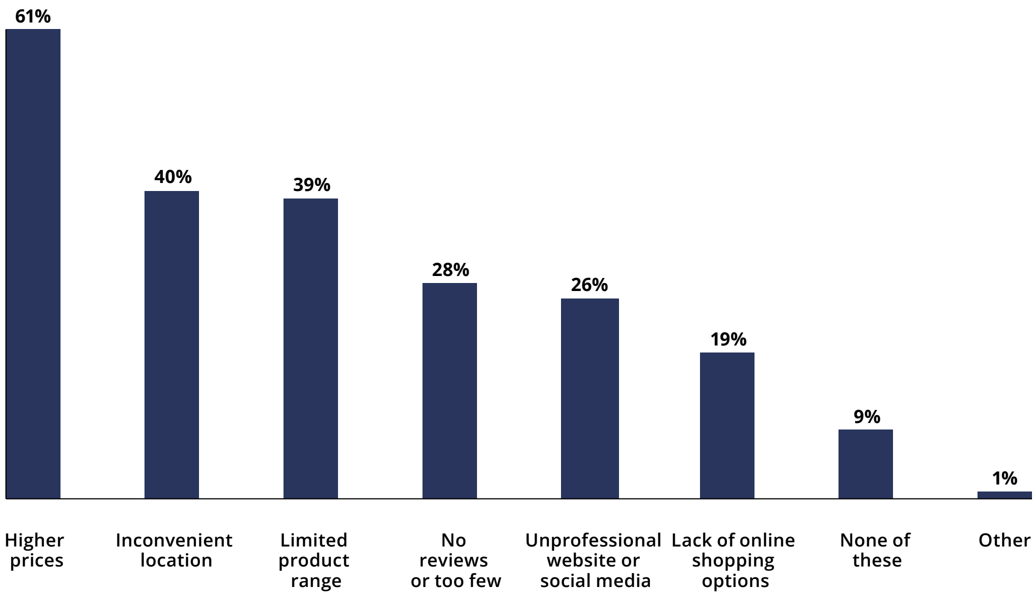


Barriers to Purchase and Trust Builders

Barriers to Buying from Small Businesses

In New Zealand, higher prices are the primary barrier to purchasing from small businesses more often, with 61% of respondents identifying it as a deterrent. Inconvenient locations (40%) and limited product ranges (39%) are also significant obstacles. Other barriers include the absence or scarcity of reviews (28%), an unprofessional website or social media presence (26%), and lack of online shopping options (19%). Only 9% say none of these factors stop them from buying from small businesses, and 1% mention other reasons. These findings highlight the importance of competitive pricing, convenience, robust digital profiles, and accessible product offerings in driving repeat business and customer loyalty in New Zealand.

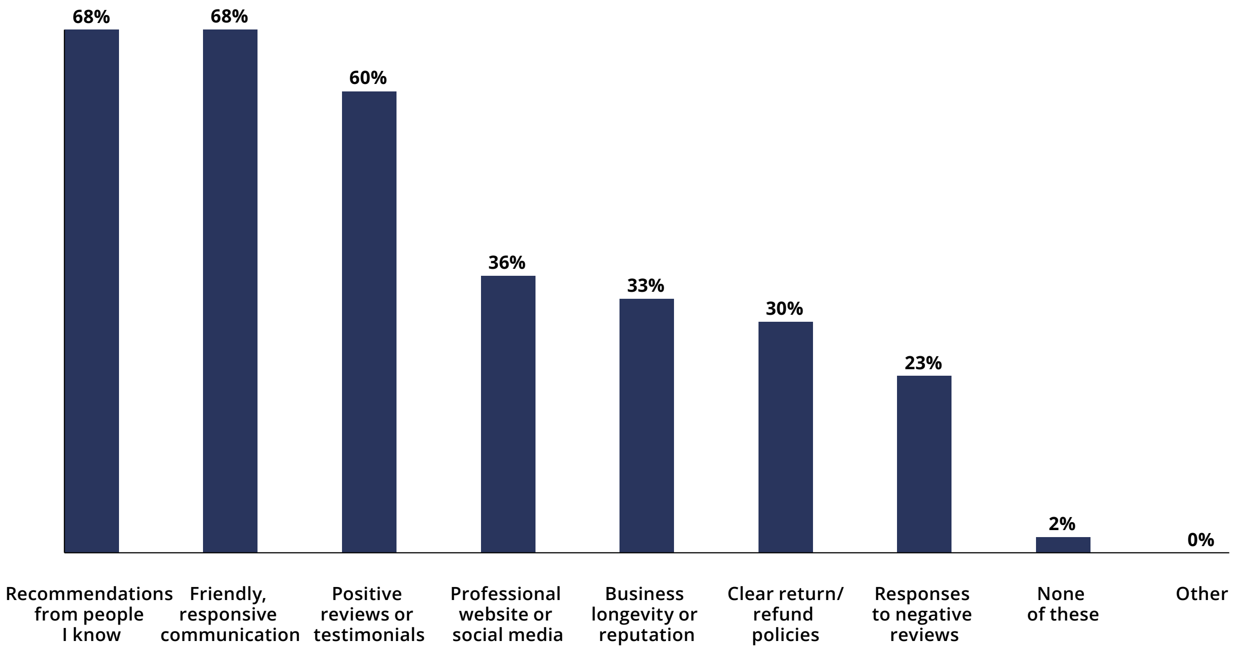
Have any of these things stopped you from buying from small businesses more often?



Factors That Build Trust in a Small Business

Consumers in New Zealand look to recommendations from people they know (68%) and friendly, responsive communication (68%) as the leading trust builders before making a purchase from a small business. Positive reviews or testimonials are the next most important factor, cited by 60% of respondents. Other key signals include a professional website or strong social media presence (36%), business longevity or reputation (33%), and clear return or refund policies (30%). Responses to negative reviews matter for 23%, and only 2% say none of these factors influence their trust. These results underscore how personal connection, reputation, and digital professionalism all contribute to trust in New Zealand's small business sector.

Do any of these things make you trust a small business before making a purchase?



A Reality Check: Expectation vs. Experience

Summary

Are Businesses Meeting Consumer Expectations?

Small and medium-sized businesses (SMBs) are the backbone of the economy in New Zealand. But as consumer digital habits, service expectations, and loyalty drivers evolve, are SMBs keeping pace?

SMBs are making significant efforts to meet evolving consumer expectations, especially in terms of digital presence and online service delivery. However, the data clearly shows perceptual gaps between what businesses believe they offer and what consumers actually experience – particularly in consistent service, seamless experiences, and sustainability.

During this period of transition – managing increasing responsibilities with a hybrid of manual and digital solutions – the winners will be those who can balance operational demands with strategic investment in digital tools, upskilling, and a readiness to innovate.

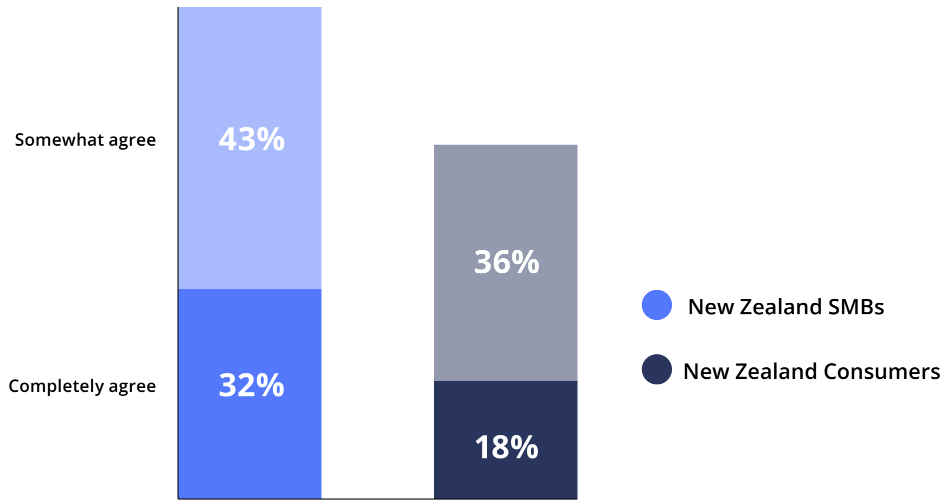
This report examines how business delivery stacks up against modern consumer demands – where they're aligned, and where gaps remain.

Digital Presence

Comparison: Consumer vs. Business Perceptions of Small Business Online Presence

In New Zealand, small business owners similarly rate their online presence much more favorably than consumers do. Three-quarters of business owners (32% completely agree, 43% somewhat agree) say their online presence is strong, while only 54% of New Zealand consumers (18% completely agree, 36% somewhat agree) agree. Consumers are more likely to be neutral (31%), whereas just 16% of businesses feel the same. Businesses are less likely to somewhat disagree (5% vs 14% consumers) or completely disagree (4% vs 1% consumers). The data highlights a significant gap between business self-perception and consumer experience, pointing to an opportunity for businesses to better showcase and communicate their digital capabilities to connect more effectively with customers.

Strong Online Presence



Customer Experience

Where the Delivery Gap Exists

Consistent Service Quality

SMBs and consumers both rate consistently high customer service as the most important attribute.

49% of NZ SMBs “completely agree” they provide it, but only 24% of consumers agree.

Consistently High Service	SMBs (NZ)	Consumers (NZ)
Completely agree	49%	24%
Somewhat agree	41%	54%

Seamless Customer Experience

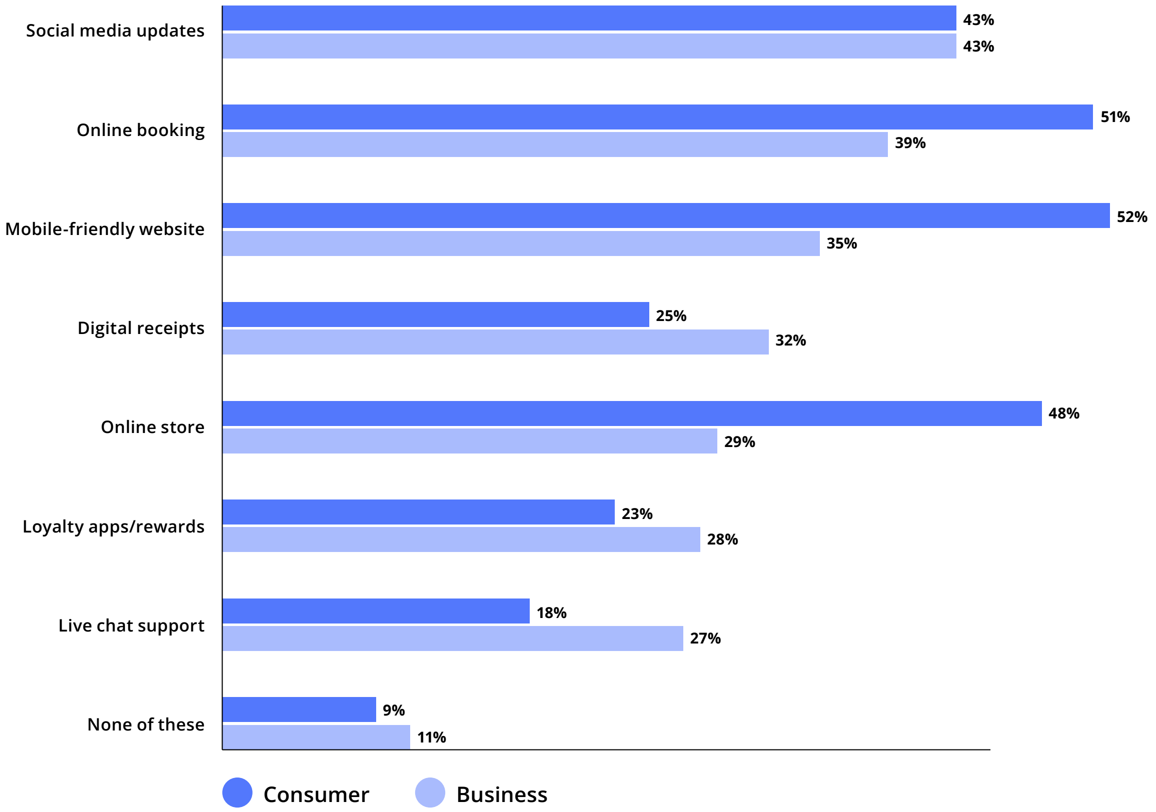
Again, the gap persists. 33% of SMBs completely agree they deliver a seamless customer experience, compared to only 19% of consumers.

Seamless Experience	SMBs (NZ)	Consumers (NZ)
Completely agree	33%	19%
Somewhat agree	54%	53%

Digital Tools and Features

Consumer Expectations vs. SMB Offerings

New Zealand consumers have even higher expectations for digital features, particularly for mobile-friendly websites (52%), online booking (51%), and online stores (48%). In contrast, only 35% of businesses provide mobile-friendly websites, 39% offer online booking, and 29% have online stores – revealing gaps of up to 23 percentage points between what customers want and what businesses offer. Social media updates (43% expected vs. 43% offered) are well matched, while digital receipts (25% expected vs. 32% offered), loyalty apps/rewards (23% expected vs. 28% offered), and live chat support (18% expected vs. 27% offered) show some areas of over-delivery. 9% of consumers expect none of these features, compared to 11% of businesses who offer none. Overall, New Zealand SMBs face even stronger pressure to close the gap and meet customer demands for a fully digital experience.

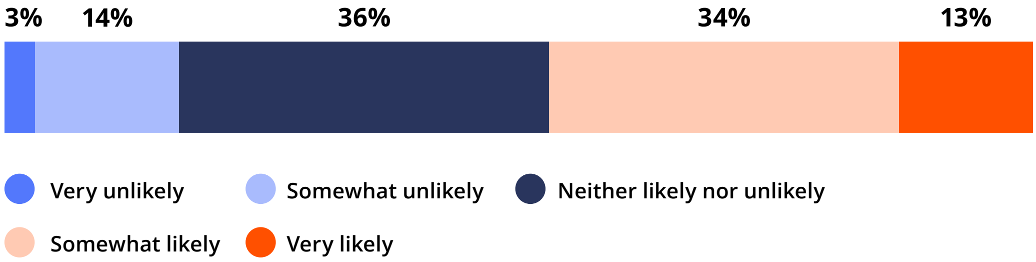


Online Ordering & Payments

Digital tools like online ordering and mobile payments are preferred by consumers:

Consumers say they are more likely to choose another business if these are not offered: (13% very likely, 34% somewhat likely).

If a small business did not offer digital tools like online ordering or mobile payments, how likely are you to choose another business?



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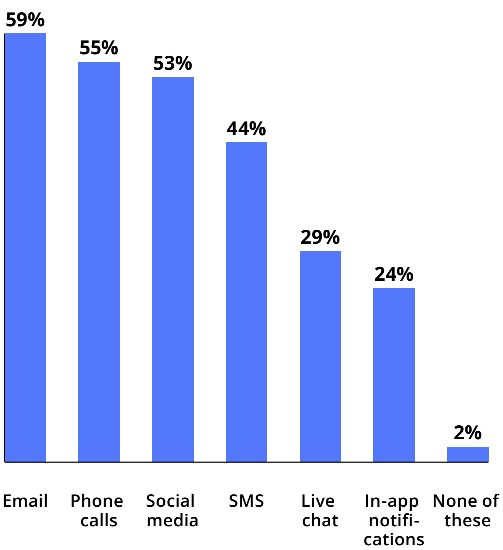
Communication Channels

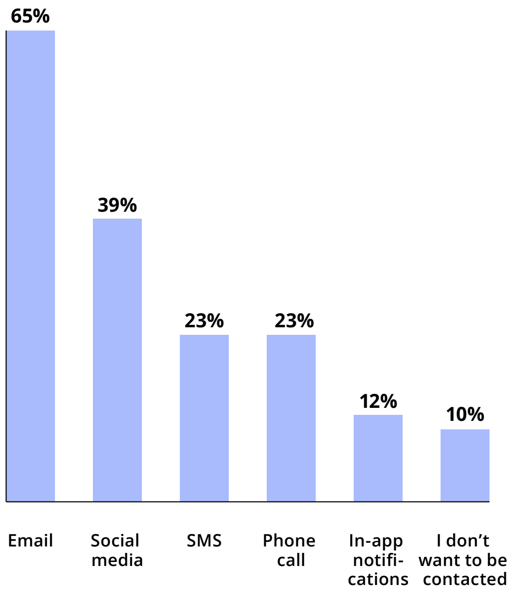
Preferences vs. Practice

New Zealand SMBs most frequently use email (59%), phone calls (55%), social media (53%), and SMS (44%) to engage customers. Live chat (29%) and in-app notifications (24%) are less common, and only 2% use none of these channels. New Zealand consumers, on the other hand, express a clear preference for email (65%), followed distantly by social media (39%), SMS and phone calls (23% each), in-app notifications (12%), and 10% who do not want to be contacted. The biggest alignment is around email, while social media is twice as preferred by consumers than SMBs are actively using, and SMS/phone call preferences are less pronounced on the consumer side. These findings highlight the need for New Zealand SMBs to prioritize email and social media in communication efforts and to calibrate other channels to meet specific customer preferences.

SMBs



Consumers



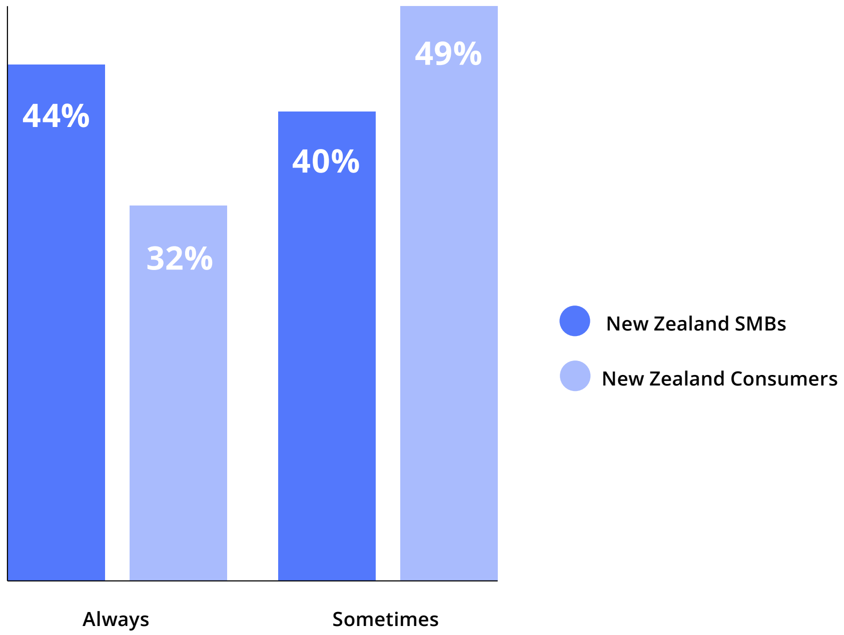
Feedback and Reviews

Consumer Review Reliance Outpaces Business Encouragement

In New Zealand, consumer reliance on online reviews is high – almost a third (32%) of customers always check reviews before buying from a small business, and nearly half (49%) do so sometimes. Only 15% rarely look at reviews, and just 5% never check them, meaning 81% regularly consult reviews as part of their decision-making.

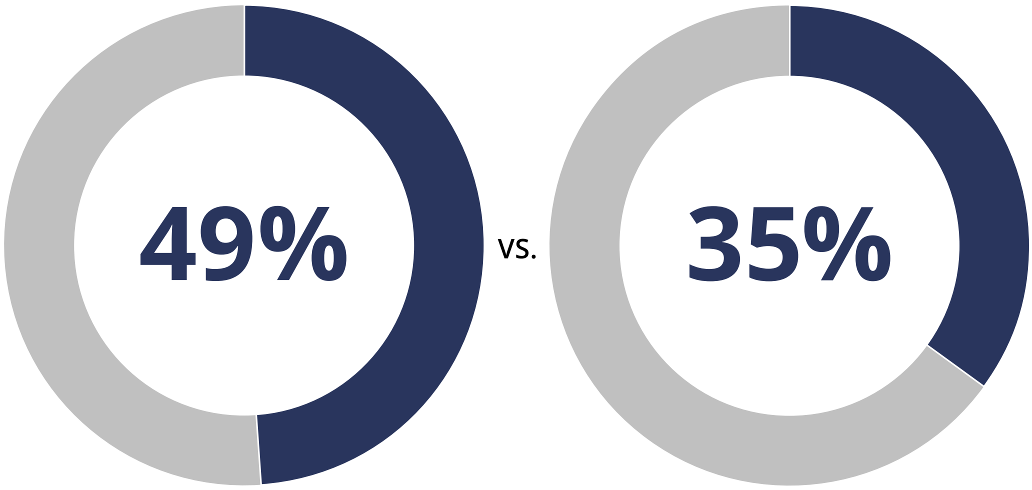
By contrast, business engagement with reviews is slightly lower. Only 40% of New Zealand small businesses always encourage customers to leave reviews, and 44% do so sometimes. That leaves 6% rarely and 9% never requesting reviews, showing that over half do not consistently prompt feedback.

This misalignment means more New Zealand consumers rely on reviews than businesses actively seek them. The data highlights a clear opportunity: small businesses that make review solicitation routine are better positioned to meet consumer expectations, build trust, and drive sales. Closing this review gap can help New Zealand SMBs leverage the power of feedback and reputation for growth in a market where nearly everyone checks reviews before buying.



Businesses Responsiveness to Reviews Outpaces Consumer Expectations

In New Zealand, 49% of small businesses always respond to customer reviews, with another 38% sometimes doing so. This proactive engagement with feedback is widespread among New Zealand SMBs. For consumers, 35% say that seeing a business respond to reviews is important when looking at reviews prior to purchase. A sizeable portion of businesses prioritise responsiveness, and while just over a third of consumers claim it's important, it remains key for online reputation.



of businesses **always respond to reviews**

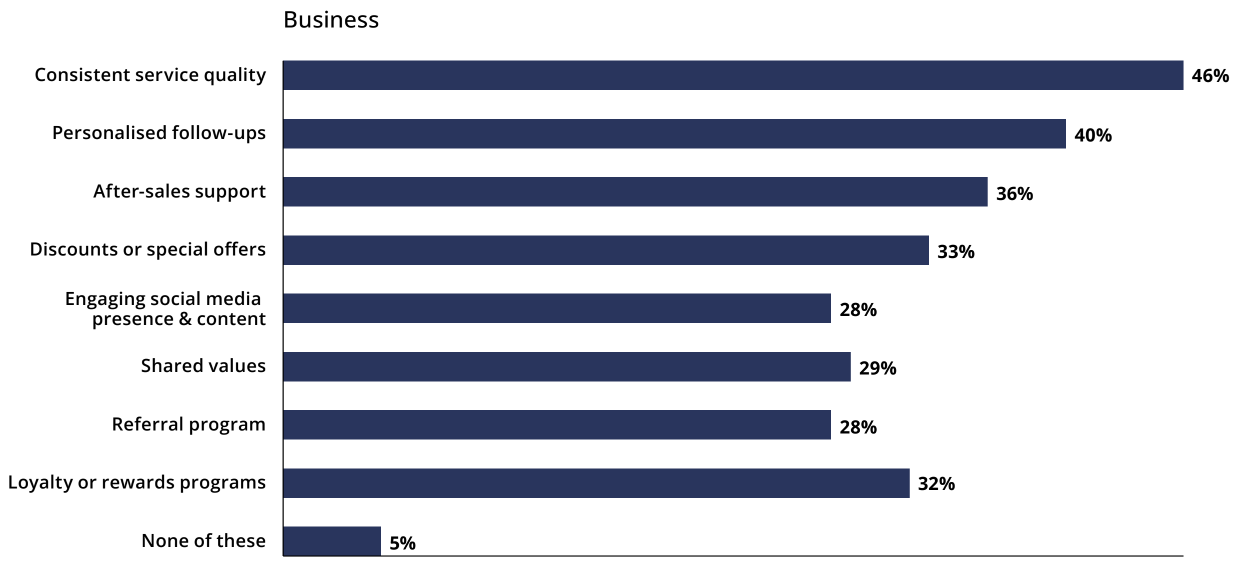
of consumers say it's **important to see businesses responding**

Customer Loyalty

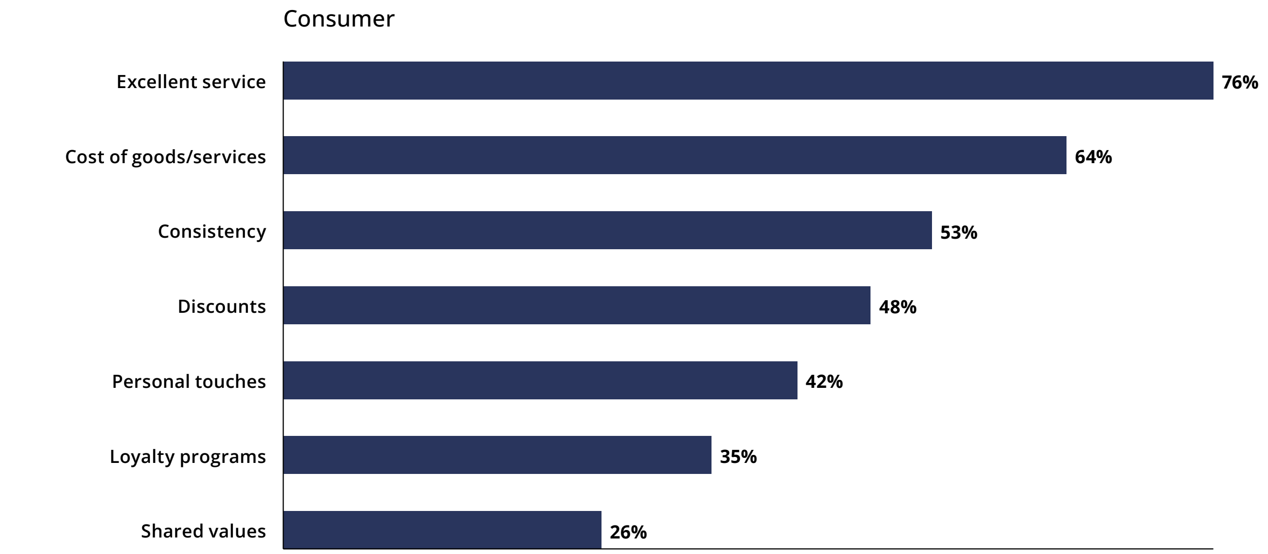
New Zealand SMBs build customer loyalty through consistent service quality (46%), personalised follow-ups (40%), after-sales support (36%), and discounts/special offers (33%). Loyalty programs (32%), shared values (29%), engaging social media (28%), and referral programs (28%) are commonly used, with only 5% of businesses not using any loyalty strategies.

Consumers in New Zealand are most encouraged by excellent service (76%), cost of goods/services (64%), consistency (53%), and discounts (48%). Personal touches (42%), loyalty programs (35%), and shared values (26%) are also important. The consumer demand for discounts and loyalty programs is notably higher than the rate at which SMBs actually offer these incentives, indicating businesses may have an opportunity to further align with what drives customer loyalty.

Does your business use any of these strategies to build customer loyalty?



What would encourage you to be more loyal to a business?

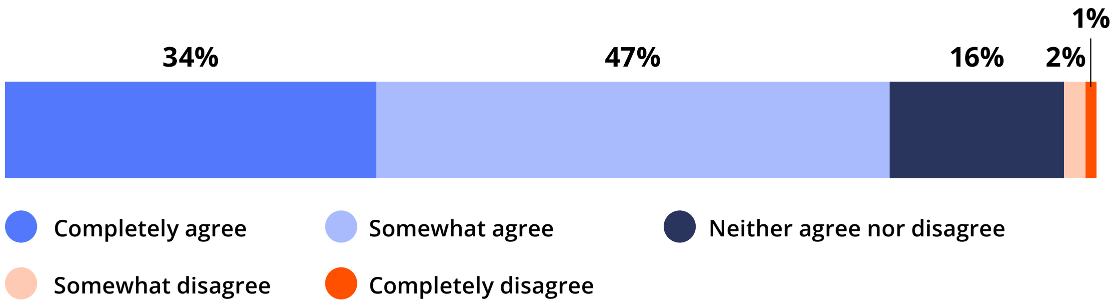


Sustainability and Social Responsibility

In New Zealand, small businesses express strong confidence in their sustainability and social responsibility practices, but consumer agreement is notably more restrained. More than eight in ten businesses (81%) agree that they consistently adhere to these practices, including 34% who completely agree, reinforcing a strong sense of internal conviction. Consumers, however, are less decisive: while a majority (58%) agree that small businesses tend to act sustainably, this is driven largely by “somewhat agree” responses, with only 13% expressing strong agreement. At the same time, more than a third of consumers remain neutral, indicating uncertainty rather than scepticism. This contrast points to a visibility gap – New Zealand SMBs believe they are doing the right things, but many consumers are not fully convinced or aware of those efforts.

SMBs

How much do you agree or disagree that your business consistently adheres to practices of sustainability and social responsibility?



Consumers

How much do you agree or disagree that small businesses tend to consistently adhere to practices of sustainability and social responsibility?