



Small business and ecommerce

The latest small business survey provides a good snapshot of small business in New Zealand.

Every year CPA Australia surveys small and medium enterprises – SMEs – in New Zealand, Australia, China, Indonesia, Malaysia, Singapore, Hong Kong and Vietnam, giving an overall picture of the state of small business in the Asia Pacific region.

The picture that emerges of New Zealand is generally confident. Most New Zealand small businesses surveyed achieved growth last year and have positive expectations about their growth, the growth of economy, and their hiring expectations for 2017.

However the survey's main finding raised a worrying issue for New Zealand.

The survey's main finding was that *small businesses focusing on innovation, ecommerce, social media and exporting are significantly more likely to be growing than those that are not.*

This was the case for all Asia Pacific countries surveyed, but it is particularly important for New Zealand because of our low scores for online sales.

New Zealand came 7th out of 8 countries for ecommerce.

The survey found only 38 percent of New Zealand small businesses are earning revenue from online sales, compared with an average of 69 percent in the other countries.

And only 11 percent of New Zealand small businesses expect to grow their ecommerce presence this year, compared with an average of 34 percent in the other countries.

As a small market remote from larger markets overseas, New Zealand offers less scope for small businesses to grow. So it is even more important for smaller New Zealand businesses to get into online selling and exporting.

Online selling, particularly to overseas markets, is a critical skill for small business to master.

The most recent New Zealand data, Statistics NZ's Business Operations Survey, showed a similar picture of how New Zealand small businesses are approaching ecommerce.

It found that 92 percent had access to broadband, but only 66 percent had a website, and only 44 percent were set up for online sales.

This research was done in 2014, so we can expect the figures to have improved since, although from a low base.

Meanwhile many consumer surveys, here and overseas, show that shoppers expect in the future to do more shopping online.

The message to small business from these research studies is clear – it's important to get set up to trade online.

There are many options available for a small business to make a start at ecommerce.

Gaining an internet presence can be as simple as starting a Facebook page.

Online selling can begin with only a few changes to an existing website. Setting up a basic shopping cart and secure payment processing facility on a website can now be achieved without high technical skills or large upfront costs.

But it could be the single most important move a small business could make.

Online selling could be the critical first step towards making export sales and transforming from a small business into a larger one.

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