

A photograph of three business professionals in a modern cafe setting. In the foreground, a man in a dark suit and light blue shirt is seated at a light-colored wooden table, typing on a silver laptop. A blue cup of coffee sits on the table next to him. Behind him, a woman in a light-colored blouse is also seated at the table, looking at a tablet device. Further back, another person in a dark suit is partially visible, holding a smartphone. The scene is brightly lit with natural light, and green plants are visible in the background.

**Shaping
Business
Study 2025.**





Foreword by Andrew Fairgray

2degrees Chief Business Officer

We are incredibly proud to be able to present the sixth edition of the Shaping Business Study.

What started as an investigation into a post-Covid economy has matured into a longitudinal look at the mood of Kiwi businesses.

We invest in the study as a way to help NZ businesses get valuable insights into the latest state of NZ Inc.

We are firm believers that there's something in here that every business leader can use to plan for a better future for their organisation.

This study gives business leaders the chance to pause, reflect, and understand where they stand in the bigger picture. What are others prioritising? Where are the biggest challenges - and the biggest gains?

The 2025 results are enlightening. Business optimism is at its highest level since the study began. Businesses are channelling this optimism into productivity drivers, and AI is (of course) on the table.

I hope the study helps you in your drive to boost business productivity and outcomes!



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Method

- 2degrees commissioned Matter to undertake the 2025 version of the annual Shaping Business Research.
- Fieldwork was completed from mid April to early May 2025.
- We captured a total of n=506 employing decisions makers, ranging from businesses with 1 employee to over 51 employees.
- The audience we spoke to are business decision makers, including Owners, CEOs, Directors, General Managers and C-Suite.
- The results will be viewed at a total level, and where applicable, will be shown in comparison to 2024, 2023, 2022 and 2021 results.
- Statistically significant skews across business size splits, including small businesses (1-20 employees), medium businesses (21-50 employees) and larger businesses (51+ employees) will be called out, along with other industry and regional skews.

Results weighted to be naturally representative of the New Zealand employing business landscape

- 1-20 employees: 65%
- 21-50 employees: 32%
- 51+ employees: 3%

*Matter Intelligence Ltd is a full-service, independent insights agency, proudly owned and operated in New Zealand. Our mission is to empower businesses with a comprehensive understanding of their customers and markets, driving informed, strategic decision-making.





Highlights

- Although general sentiment is more positive in 2025, rising costs are still an issue of concern. Although fewer businesses are now facing increased costs relative to a few years ago, these cost increases are occurring at typically higher rates vs 2024. Consumers can expect to see yet more price rises with 1 in 2 businesses surveyed indicating they plan on increasing prices in the next 12 months.
- In 2025 there are significantly more businesses who have added a new product or service in the past year, and perhaps unsurprisingly, significantly more businesses deem themselves to be more productive vs last year. This behavioural change may be helping fuel growing positive attitudes, with an upwards lift in the proportion who are now more optimistic vs 2024. In support of this, the areas that are more likely to be seeing increased investment are business development, sales and marketing, R&D, and data and insights.
- AI is now significantly more likely to be considered as a tool for achieving higher levels of productivity and over time more and more businesses see AI as having a role in increasing productivity.
- There hasn't been any significant change in the proportion of businesses operating hybrid working models, however there is some emerging evidence to suggest the volume of time at work may be shifting towards in office vs at home. This is supported via a significant rise in businesses who want to increase the time their staff spend in the office.
- There is a growing decline in concern around cyber attacks which may be linked to a long-term rise in cyber security spend. The indication being that businesses may be more in tune with the needs in this space and getting themselves prepared.



1. How NZ businesses are doing





How NZ businesses are doing – summary

How NZ businesses are feeling

- The general outlook across businesses is more positive in 2025. There is a significant lift in the proportion who are feeling more optimistic about the status of their business and a significant increase in the proportion who anticipate revenue growth in the year ahead.
- In 2025, over two thirds of businesses surveyed agree that growth is a key business goal in 2025 and the focus here is on growing profit/revenue growth.
- There is evidence of a gradual upward increase in the proportion of businesses who identify as thriving, up 5 percentage points from 2022 (now sitting at 19%).

Snapshot of current business challenges

- The two biggest challenges facing businesses are still decreasing customer spending and increased input costs.
- Just under 80% of businesses surveyed have seen their running costs increase in the past 12 months, and for those in this situation costs are generally increasing at higher rates vs 2024.
- To help balance rising costs and the changing customer landscape, around 1 in 2 businesses are planning to increase prices in the next 12 months, and as seen with running costs, the rate of these increases is also trending higher vs 2024.
- Businesses are twice as likely to deem the current level of competition as healthy rather than poor and larger businesses (51+ employees) feel even more strongly about this.

What will help businesses

- Cashflow continues to dominate as a key growth driver while better technology/digital skills are becoming more prominent in 2025.
- Tax breaks/tax incentives are most commonly identified as a mechanism for how central Government can support businesses and kick start the economy. Addressing inflation/rising cost of living is also prominent as a means of support.

Surviving, reviving, thriving, or starting?

The proportion of businesses classifying themselves as surviving remains stable year on year and has been relatively consistent since 2023.

- Since 2022 there has been some long-term growth in the proportion of businesses who are thriving, potentially indicating a post Covid era recovery.
- In 2025, business size and turnover tend to be the stronger determinants in whether businesses are surviving, thriving or starting.

Surviving

We are just getting by, its challenging and quite stressful, I worry about the viability of my business long term.

Reviving

We have had our challenges, but we are slowly getting things back on track.

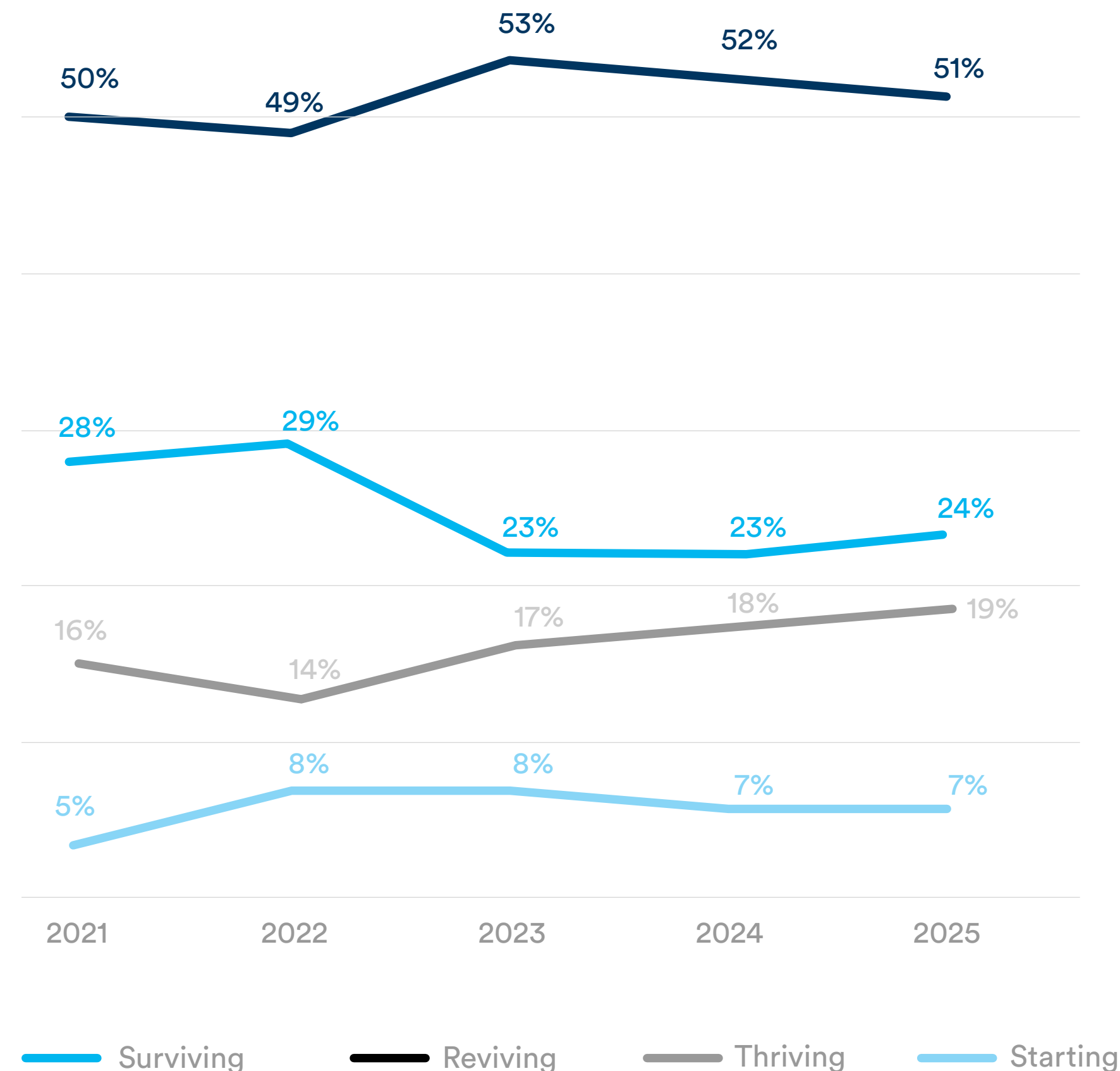
Thriving

We are stronger than we have ever been, and business is doing well.

Starting

We have new opportunities that have enabled us to start a new business or adapt an existing business.

Q: What best describes your business at the moment?



Businesses with 1-20 employees (30%) are more likely to be 'surviving'.

Financial and insurance service businesses (23%) are more likely to be 'Starting'.

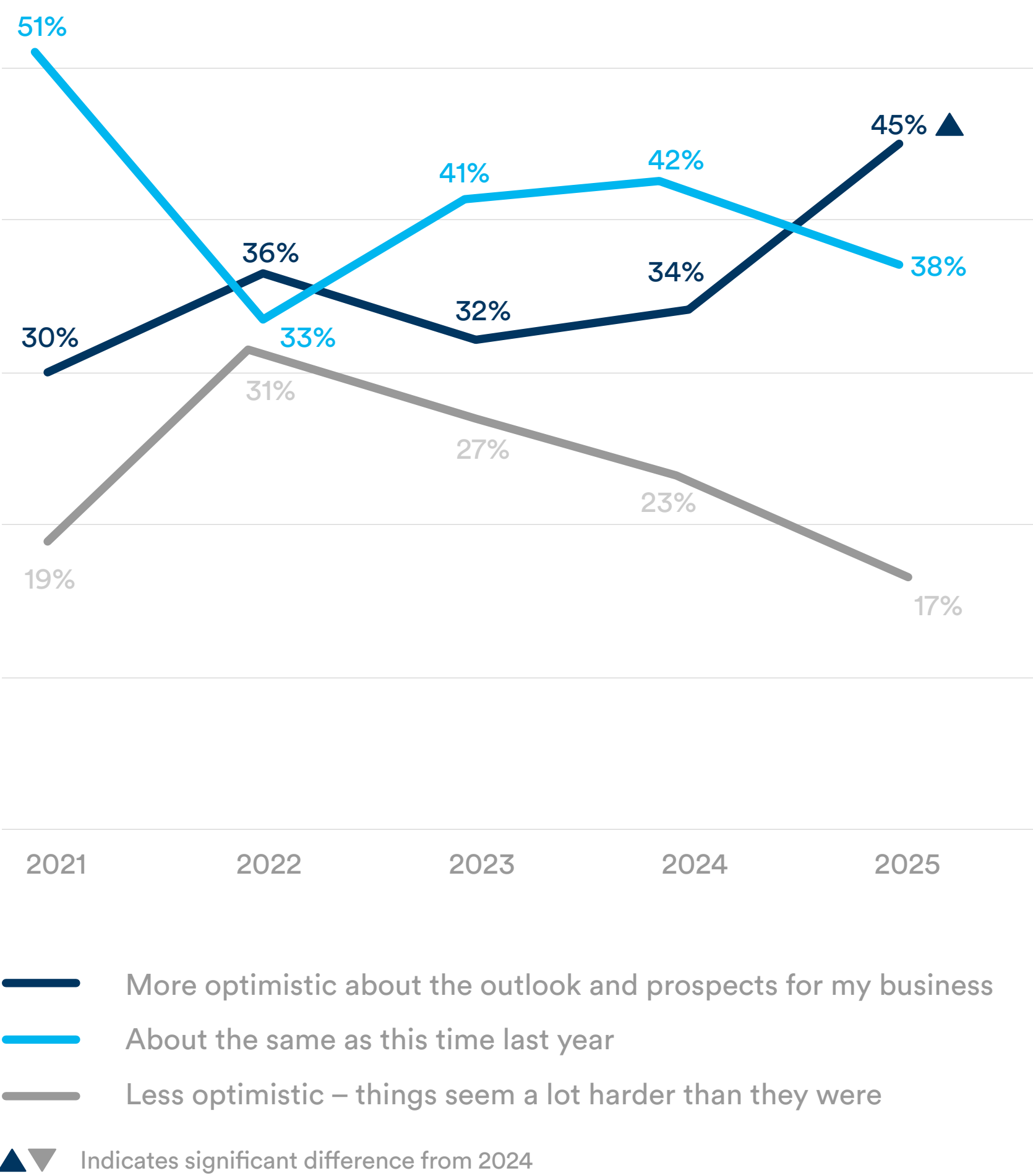
Base: Total Employing Business decision makers, 2025 (n=506), 2024 (n=704) 2023 (n=701), 2022 (n=702), 2021 (n=1,003).

Business status

Since 2024 there has been a shift in optimism with positive sentiment now much higher than negative sentiment (and up significantly from 2024).

As seen in previous years, optimism tends to grow with business size and is also heavily linked to whether businesses deem themselves as surviving, thriving or starting.

Q: How are you feeling about the status of your business compared to last year?



Businesses who are thriving (62%) or starting (81%) are more likely to feel 'more optimistic'.

Businesses who are surviving (44%) are more likely to feel 'less optimistic'.

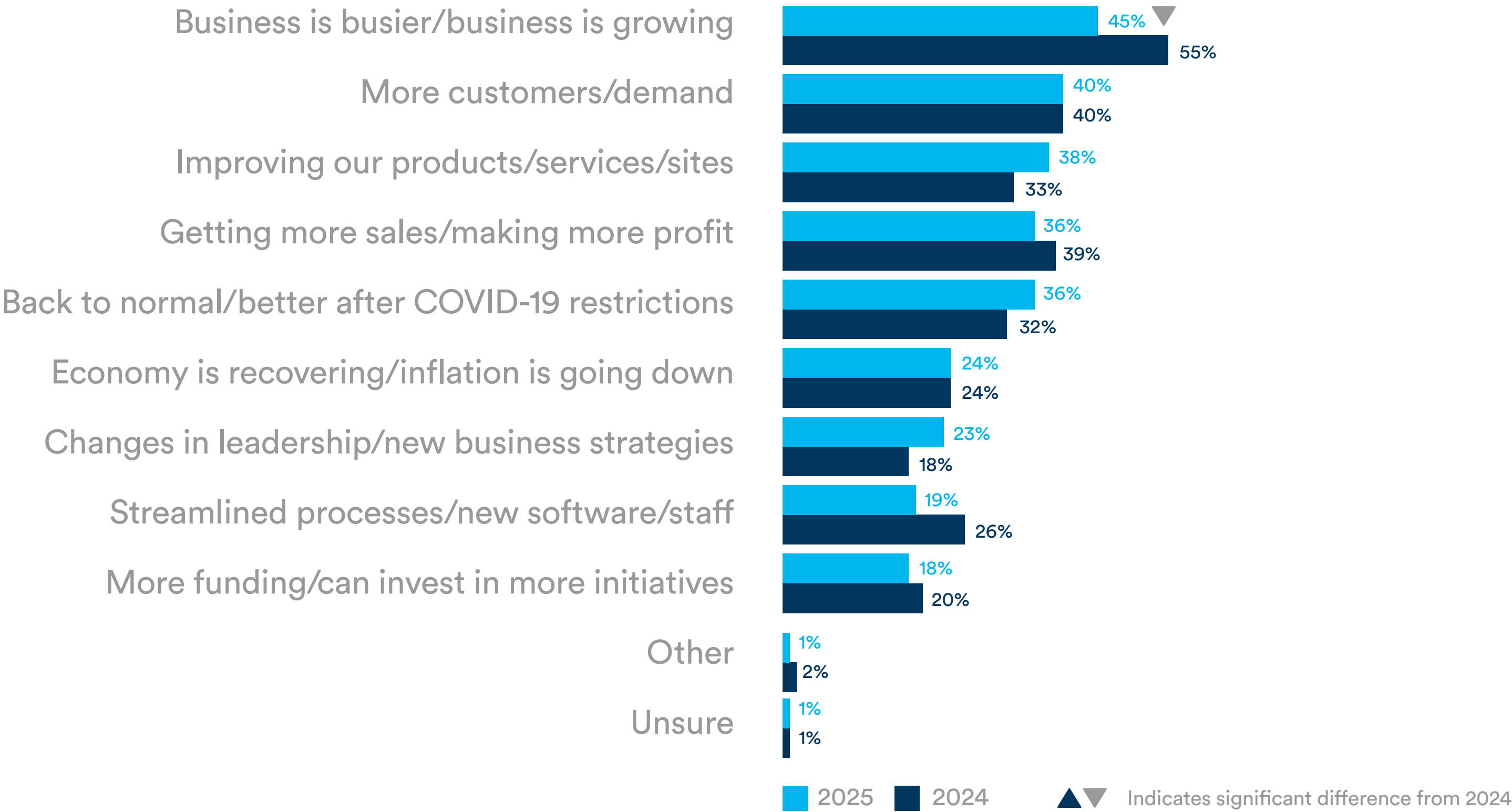


Feeling more optimistic

The ranking of factors that lead to greater optimism remains relatively similar to 2024, with business growth remaining the key factor year on year (although down significantly from 2024).

- Secondary to this, growth in customers/demand remains the 2nd ranked contributor year on year with improvements to products/services/sites rounding out the top 3.

Q: Why are you feeling more optimistic about the status of your business compared to last year (2024)? (Select all that apply)



Base: Among businesses who feel more optimistic about the status of their business, 2025 (n=285), 2024 (n=241), 2023 (n=222). *Note this question changed to 'multiselect' in 2024, so comparisons have been limited to these time periods.

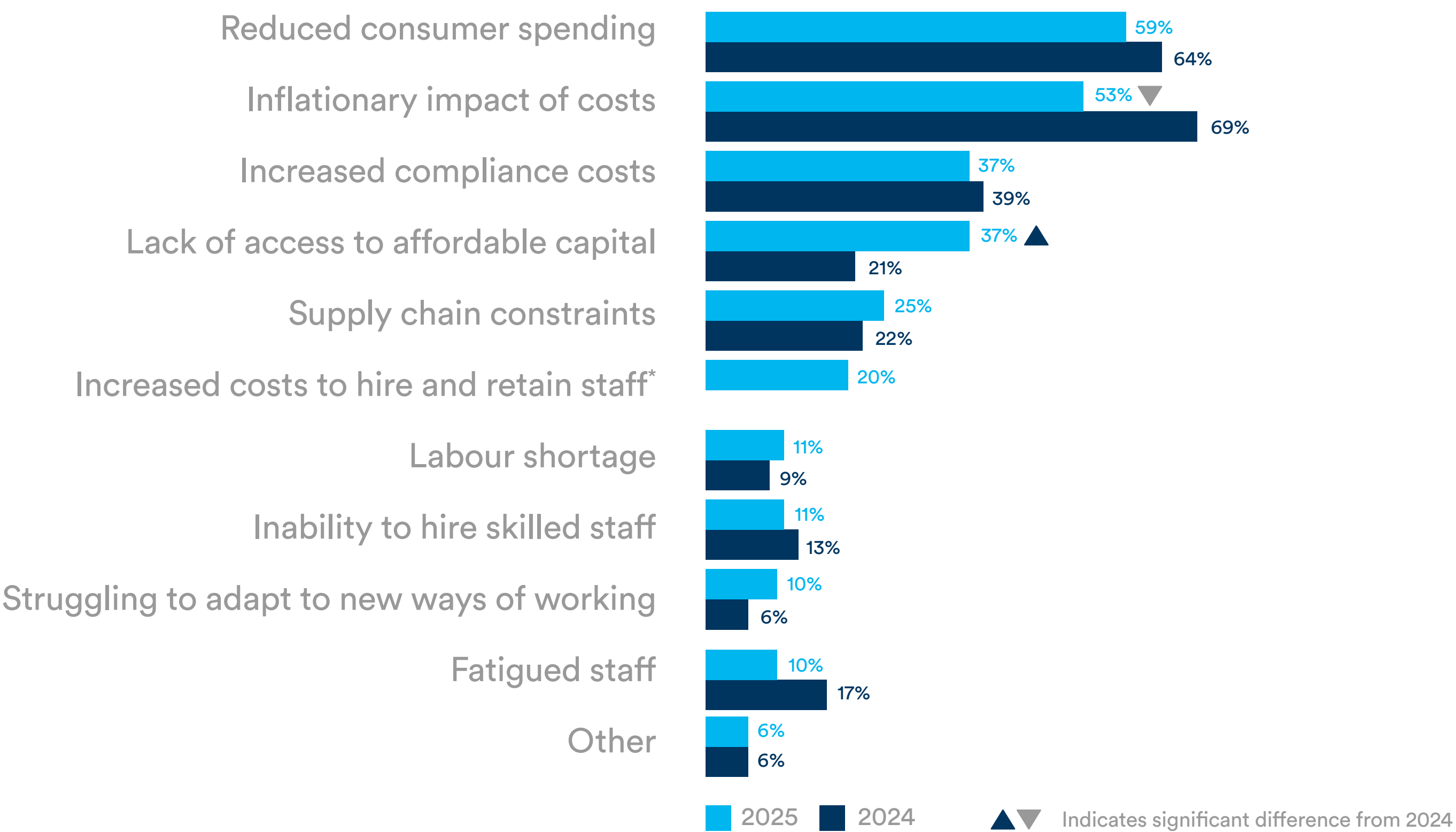


Feeling less optimistic

The top two contributors of reduced optimism remain the same as 2024 and include reduced customer spending and inflationary impacts. Both of these contributors are less prominent this year (inflationary impacts significantly so).

- This year a lack of access to affordable capital has increased as a contributing factor towards reduced optimism (continuing a long term trend for this factor rising from 13% in 2022 to 37% in 2025).

Q: Why are you feeling less optimistic about the status of your business compared to last year (2024)? (Select all that apply)



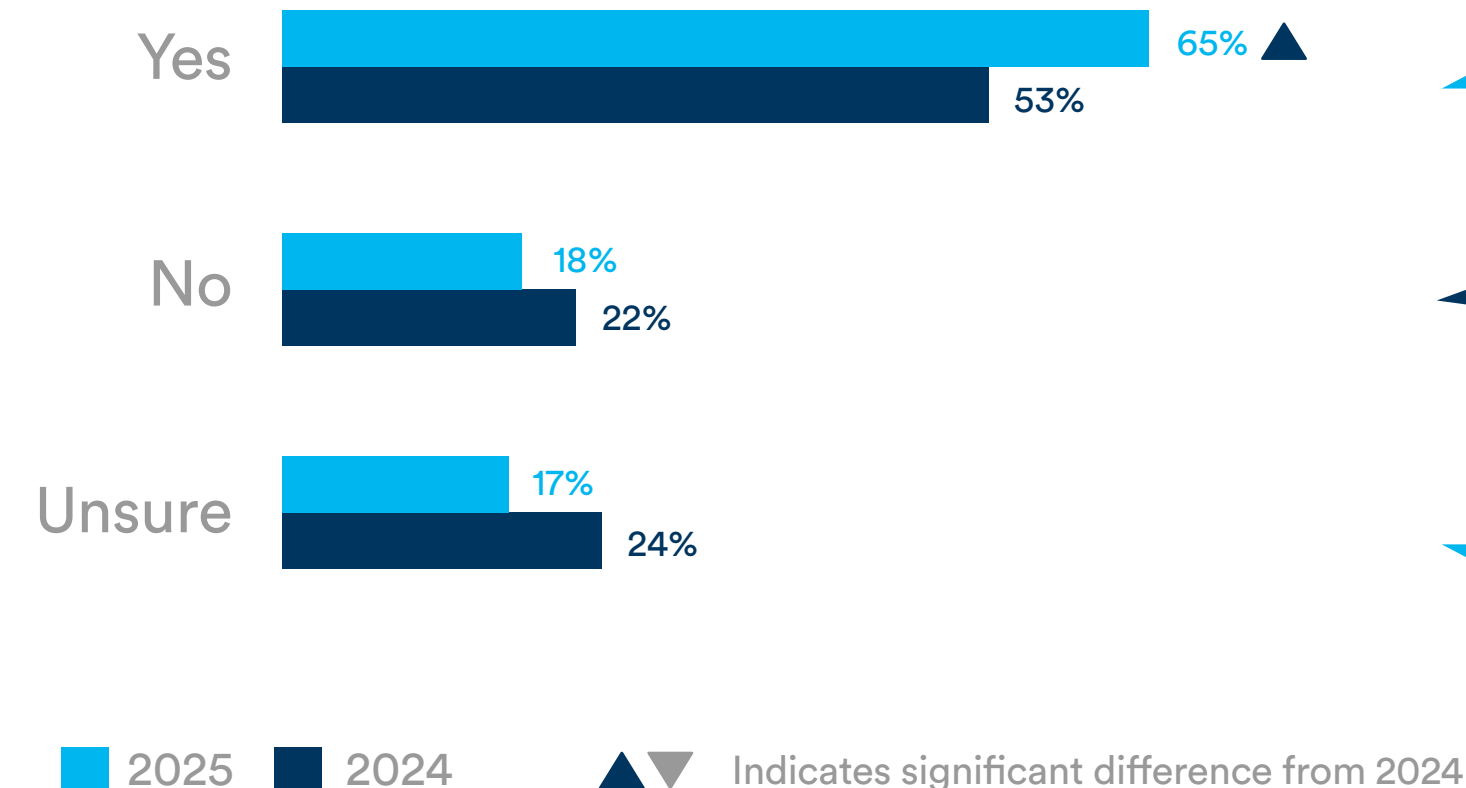
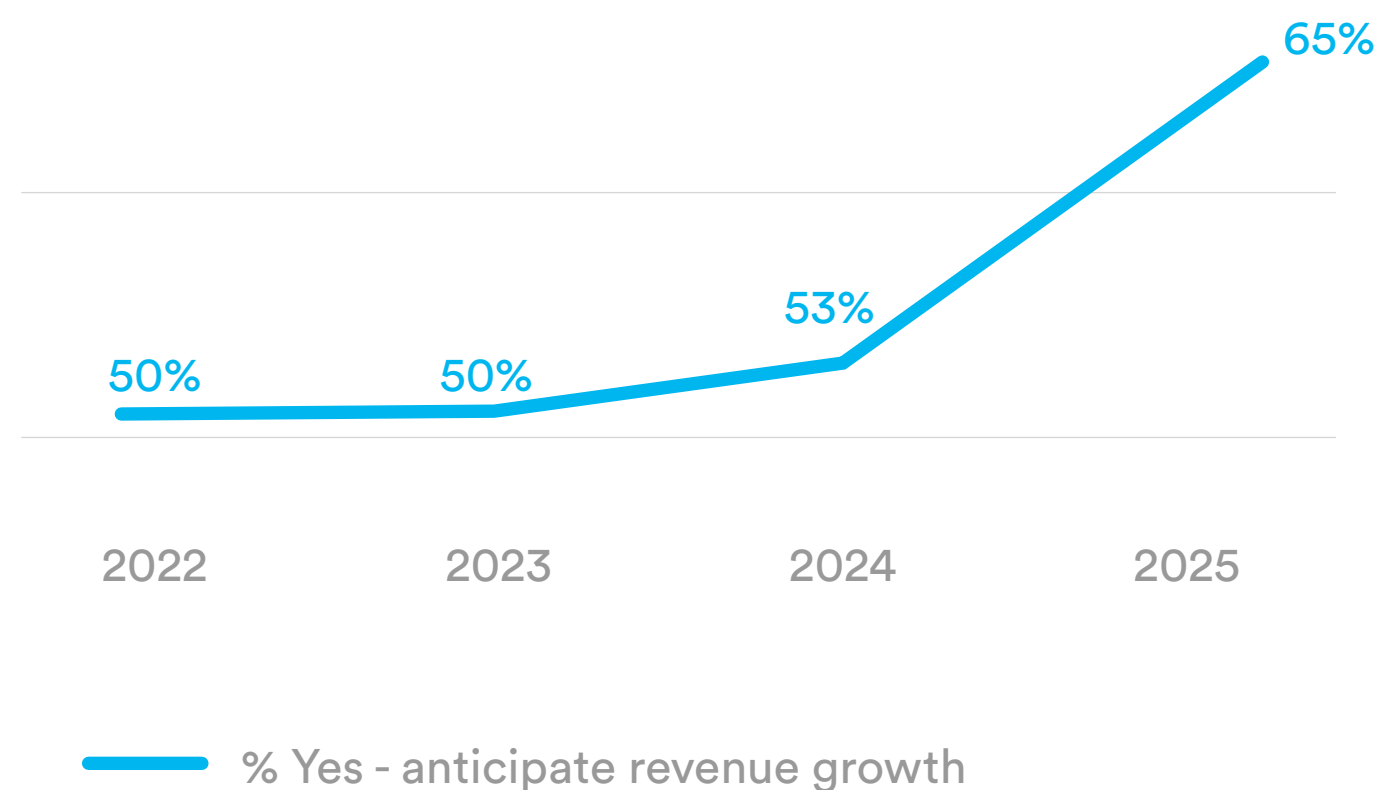
Base: Among businesses who feel less optimistic about the status of their business, 2025 (n=59), 2024 (n=165) 2023 (n=190)* Note new response option in 2025.



Anticipation of revenue growth

In line with a rise in optimism among business, there is a significant lift in the proportion who anticipate their revenue will grow in the year ahead. This sentiment is significantly stronger among larger businesses (in terms of both size and turnover).

Q: Do you anticipate that your business will grow in terms of revenue in the next year?



Those significantly more likely to say 'yes' include businesses with 21–49 employees (79%) and 51+ employees (92%), finance and insurance service businesses (95%), businesses with a turnover of \$1–20 million (81%), individuals under 35 (82%), and those in the “Thriving” (92%) or “Starting” (94%) stages.

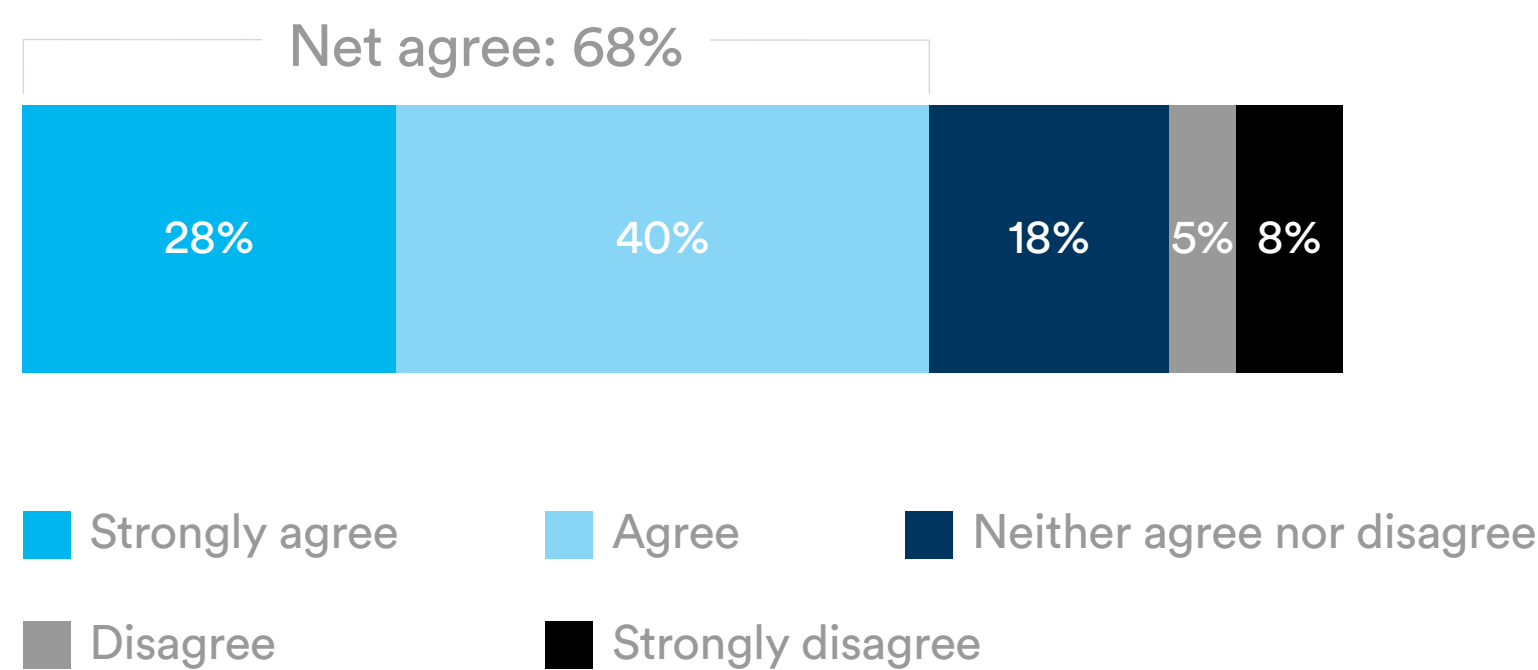
Those significantly more likely to say 'No' include individuals aged 60 and over (33%) and businesses based in Christchurch (35%).

Businesses classified as surviving are more likely to be unsure (28%).

Growth goals

Over half of all businesses surveyed agree that growth is a key goal for their business this year with profit and revenue the core focus for this growth. Less than a third are seeking to grow in terms of staff numbers. Larger businesses are more likely to have growth as a key goal while newer businesses are not.

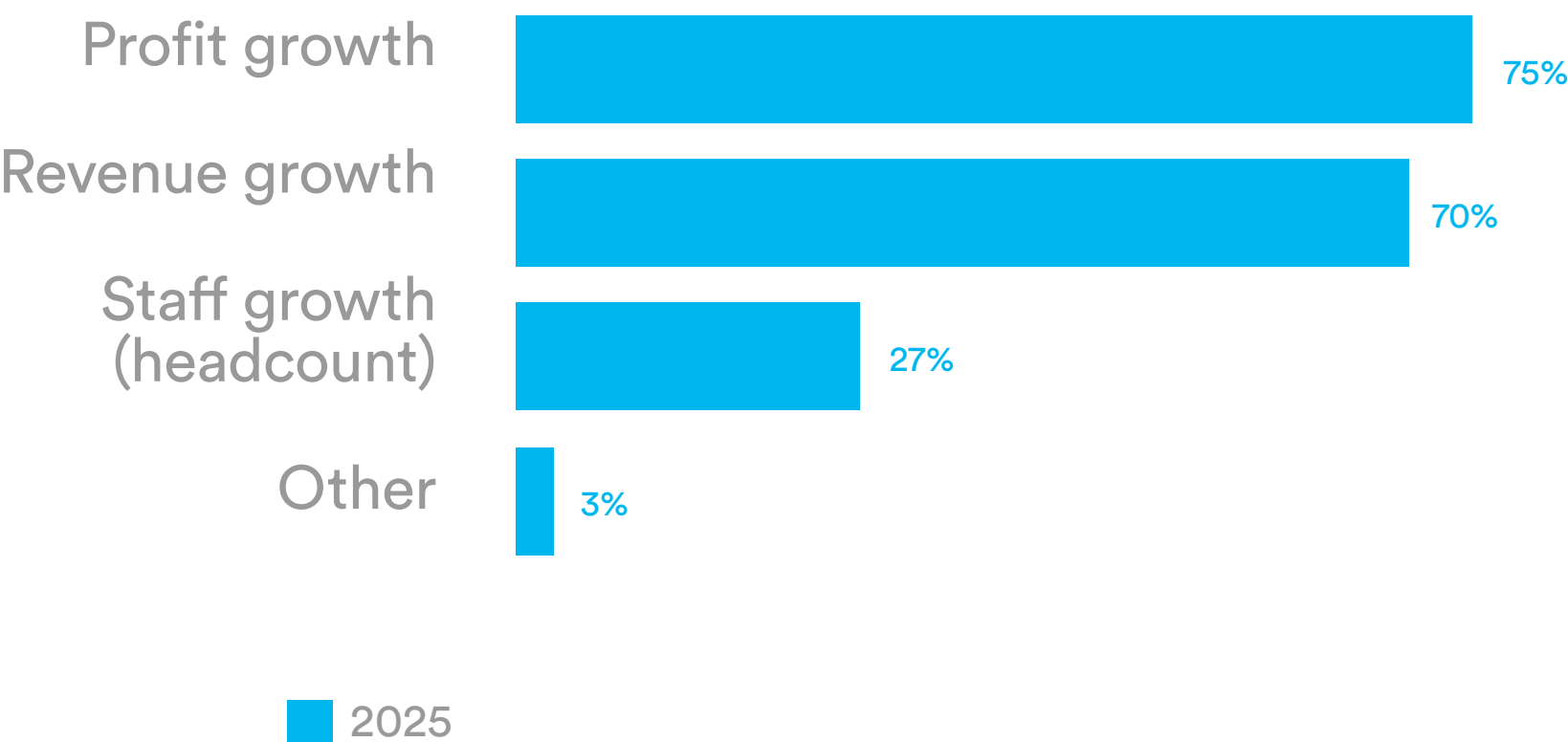
Q: Please rate your agreement to the below statement:
growth is a key goal for our business in 2025



Those significantly more likely to agree (agree / strongly agree) are Businesses with 51+ employees (90%).

Those significantly more likely to strongly disagree are Businesses founded <2 years ago (22%) / Starting (28%) or Females (14%).

Q: What type of growth are you trying to achieve?



[No notable significant differences identified here]





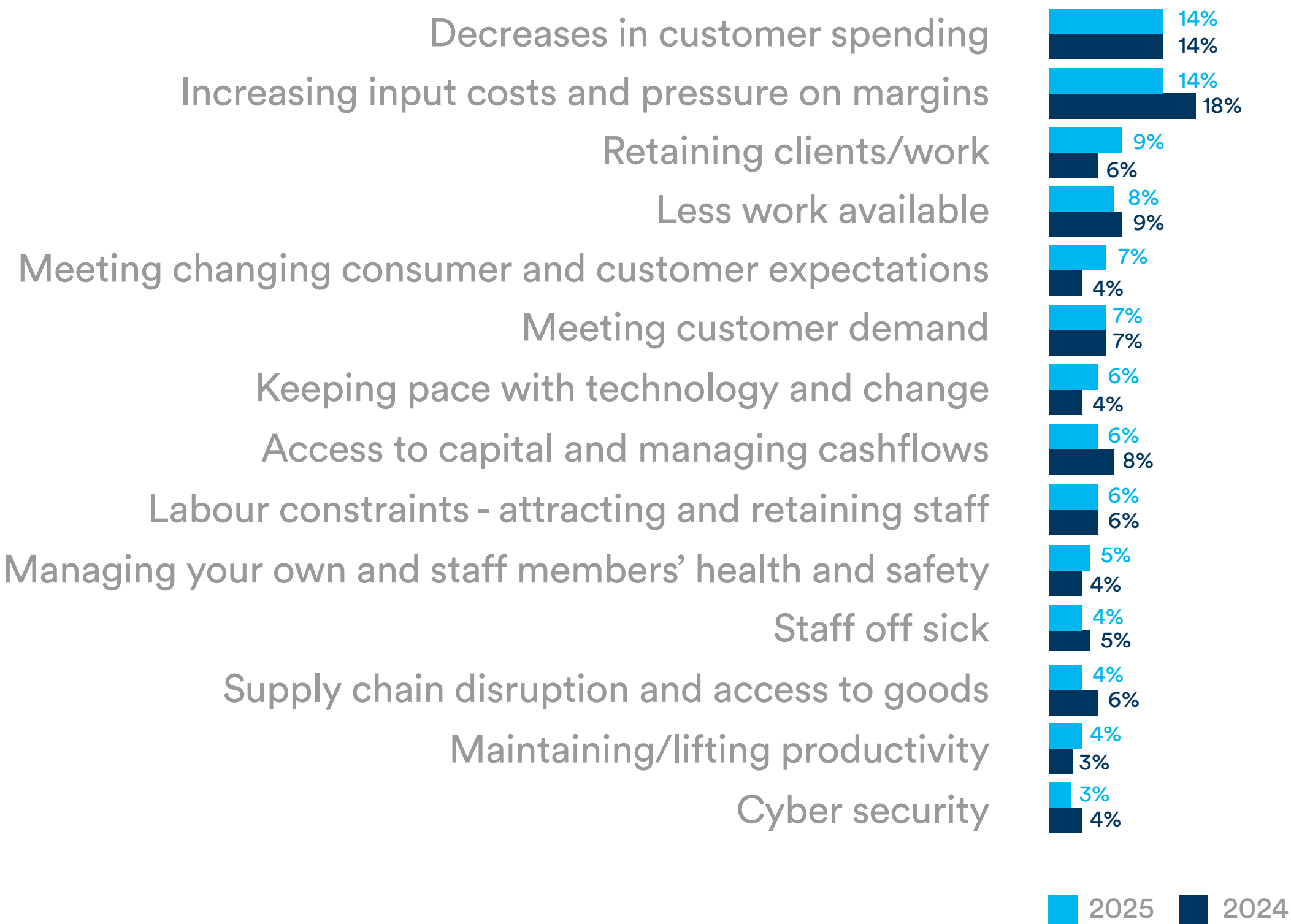
1.2 Business challenges



Biggest business challenge

Decreases in customer spending and increasing input costs/pressure on margins remain the two biggest business challenges in 2025 (and this has been the case for the last 4 years). No significant changes have occurred since 2024 with only minor fluctuations seen year on year.

Q: What would you say is the biggest business challenge your business is currently facing? (select one)



Decreases in customer spending are more likely to be impacting smaller businesses (1-20 employees, 20%) while supply chain challenges are more prevalent among those in the Construction industry (15%). Those in Financial/Insurance services are more likely to be facing issues with maintaining/lifting productivity (21%).

Business challenges didn't differ significantly by business status (surviving/reviving/thriving/starting).

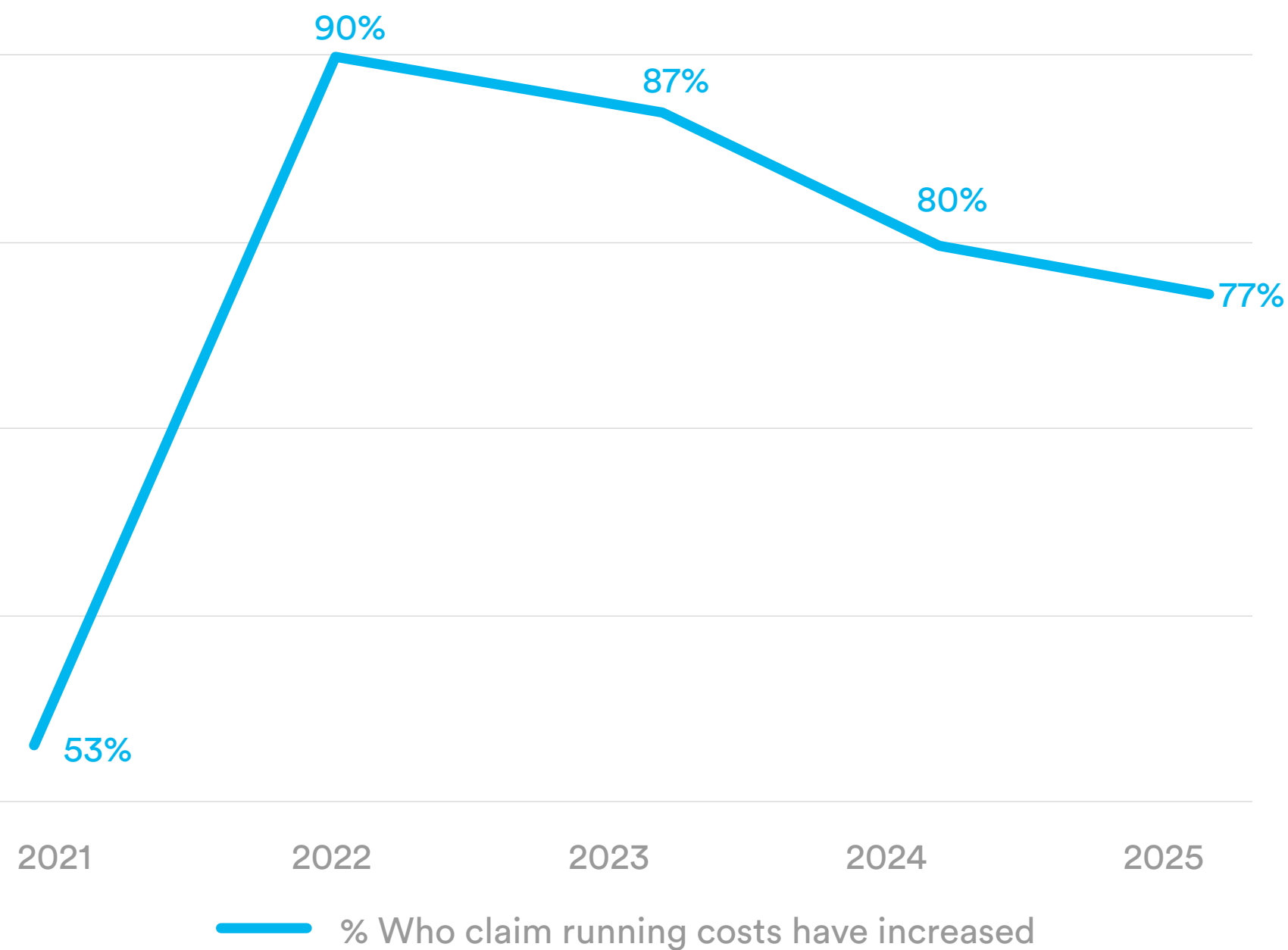


Increased running costs

After peaking in 2022, fewer businesses say their running costs have increased in the past year, with the number dropping below 80%. However, for those still facing higher costs, the size of the increase has been growing since 2024.

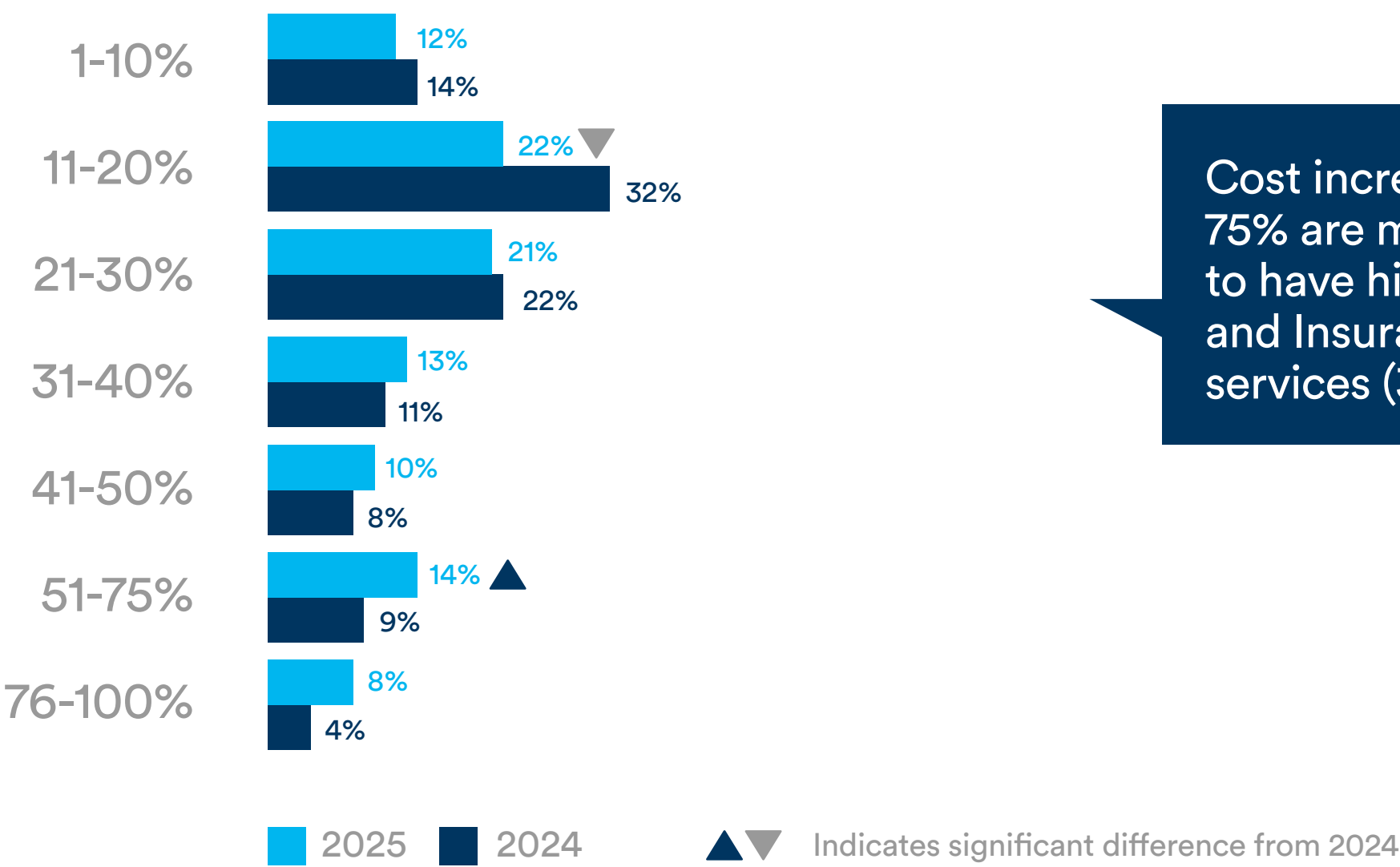
- In 2024, 21% of those with increased costs claimed they had risen by more than 40%, compared to 32% in 2025.

Q: Have the costs of running your business increased in the past 12 months?



Base (incidence of costs increasing): Total Employing Business decision makers, 2025 (n=506), 2024 (n=704), 2023 (n=701), 2022 (n=702), 2021 (1003).

Q: By how much have your running costs increased in the past 12 months?



Cost increases above 75% are more likely to have hit Financial and Insurance services (39%).

Base (experienced cost increases): 2025 (n=407), 2024 (n=560), 2023 (n=613).

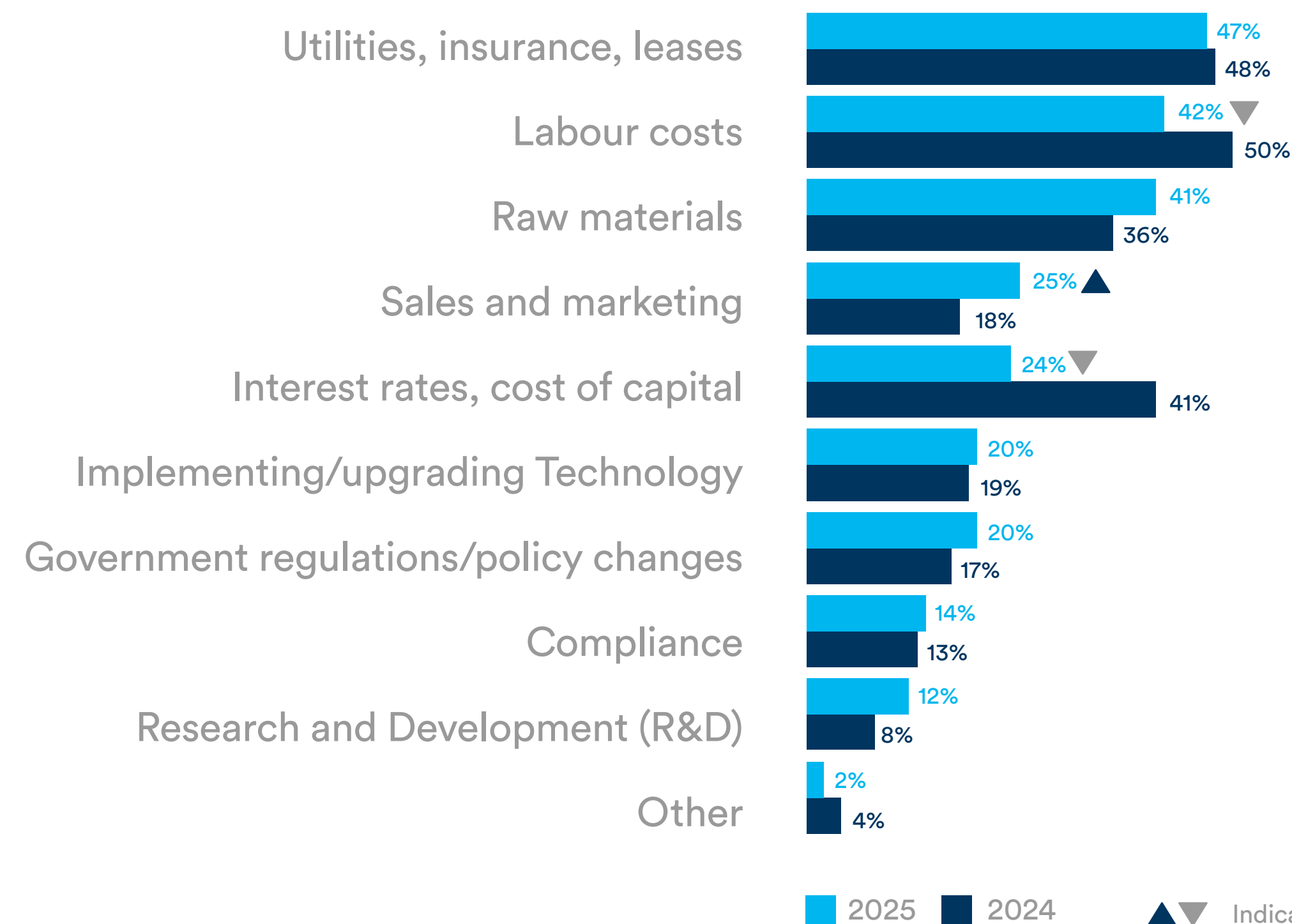


Areas of largest cost increases

Utilities/insurance/leases and labour costs are the two areas contributing to the biggest cost increases. These have consistently ranked in the top 2 since 2022. However, in 2025 there has been a significant decline in the proportion citing labour costs compared to 2024.

- Since 2024 more businesses are seeing cost increases in the area of sales and marketing while interest rates/cost of capital is less of an issue in 2025.

Q: Where have your biggest cost increases come from?
(Select all that apply)



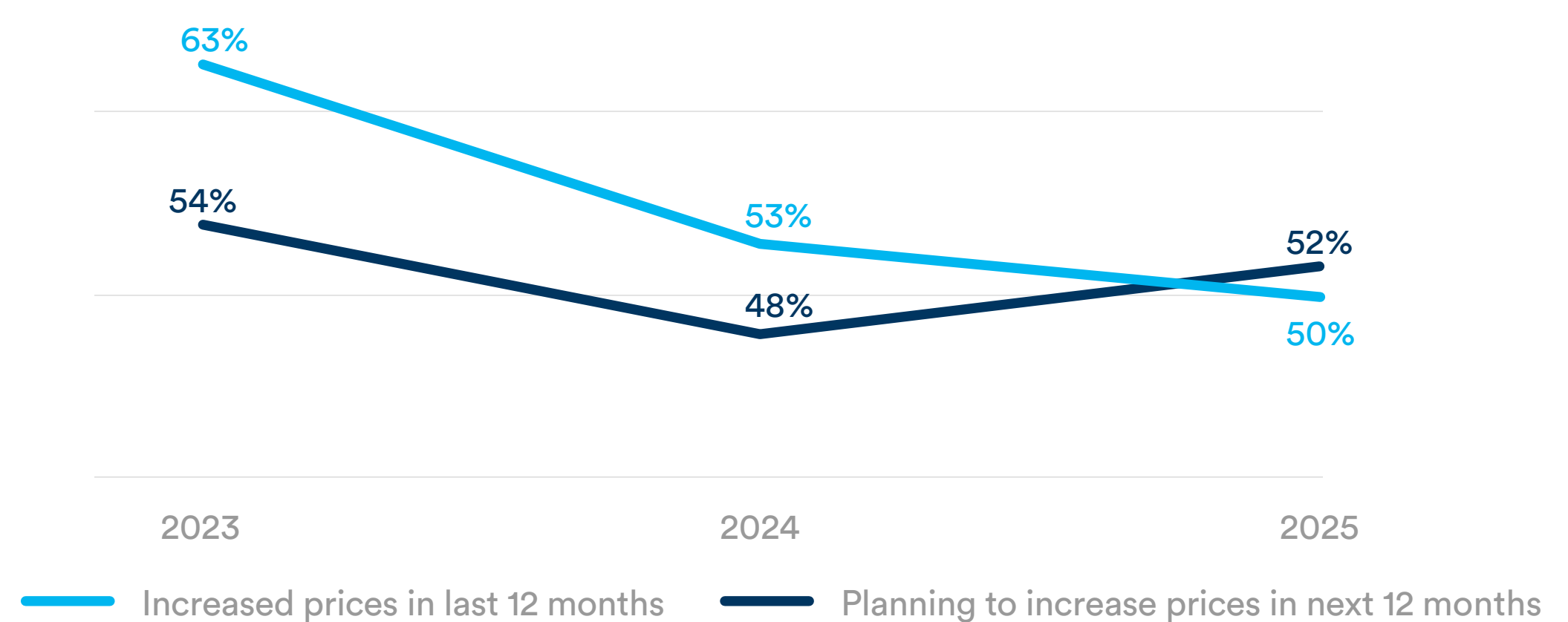
Areas with the biggest cost increases are implementing/upgrading technology also ranks higher for professional/scientific and technical service businesses (48%).

Raw materials are more likely to lead to cost increases for those in construction (70%).

Increased prices

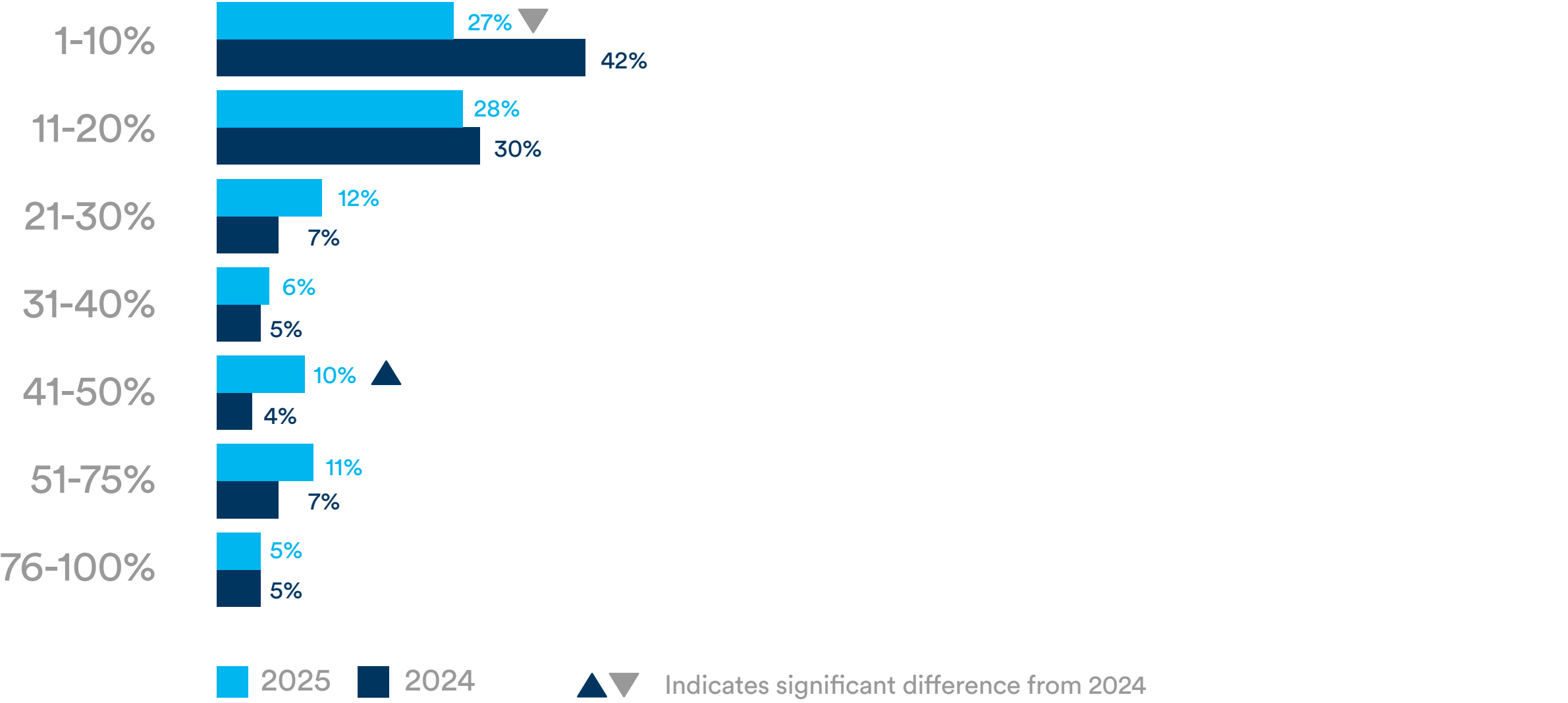
In 2025 businesses who have increased prices is almost on par with those who are planning to increase their prices in the next 12 months. Larger businesses, those with higher turnover, and those who have experienced increased running costs are all more likely to be raising their prices. Among those who intend to increase their prices, this will be at a higher rate than in 2024. In 2025 around 1 in 4 plan to raise prices by >40% (this is a significant shift upwards compared to 16% in 2024).

Q: Have you increased your prices in the last 12 months? / Are you planning on increasing your prices in the next 12 months?



- Those significantly more likely to be planning a price increase in the next 12 months:
- Businesses with 51+ employees (68%)
 - Businesses with turnover of >\$20million (84%)
 - Businesses for whom the cost of running their business has increased in the last 12 months (58%)

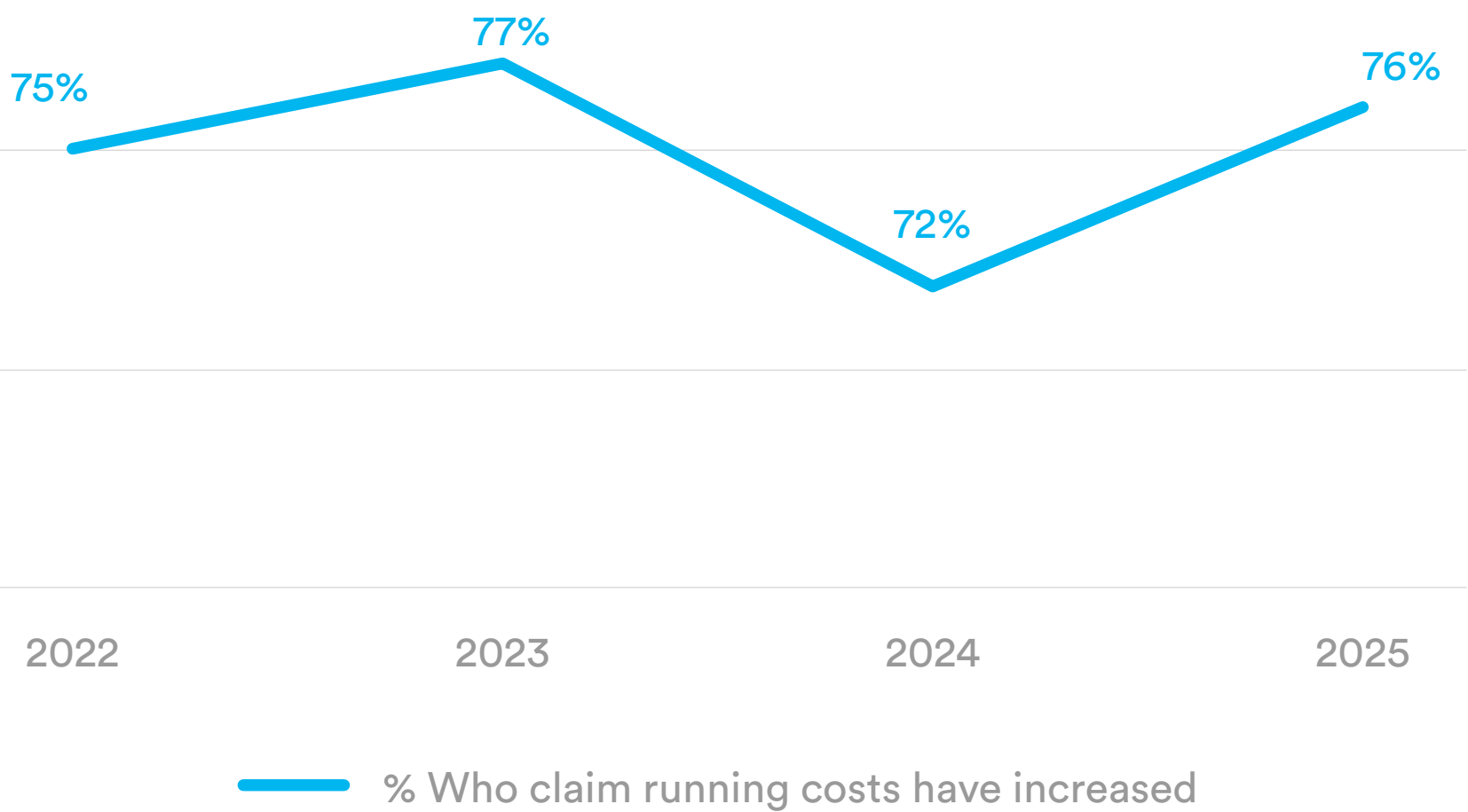
Q: By how much do you intend to increase your prices in the next 12 months?



Reducing costs

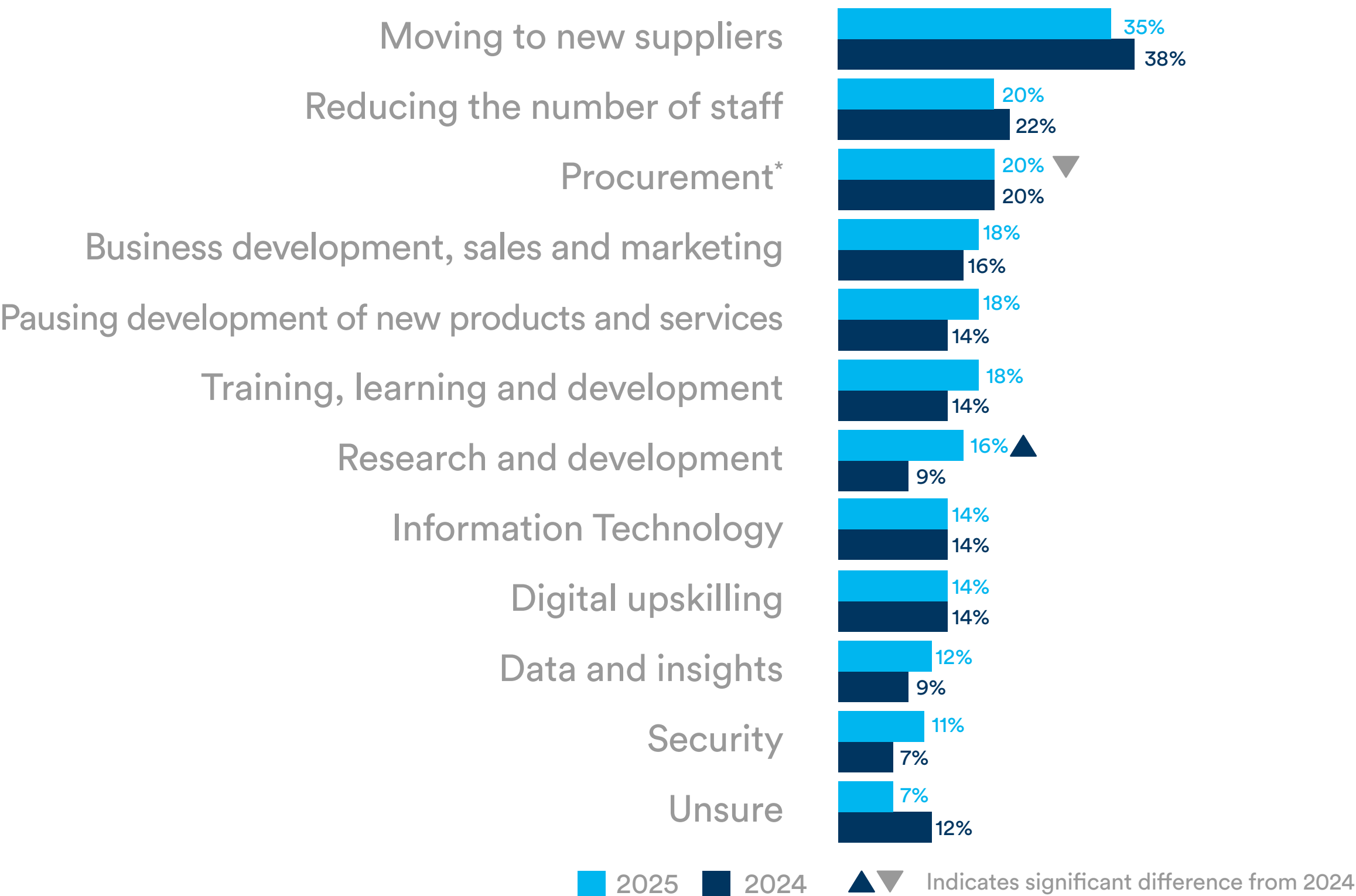
There is a slight but not significant lift in the proportion of businesses who are looking for ways to cut costs in the coming year. Over time this proportion has fluctuated but always remained >70%. Moving suppliers remains the primary way in which businesses intend to reduce costs. Since 2024 most of the changes seen are minor with the exception of a significant lift in the proportion looking to reduce R&D costs.

Q: Thinking about your business as a whole, are you looking at ways to reduce cost in the coming year?



Base: Total Employing Business decision makers, 2025 (n=506), 2024 (n=704), 2023 (n=701), 2022 (n=702).

Q: In which areas do you intend to reduce costs? (Select all that apply)



Base: Among businesses who intend to reduce costs, 2025 (n=388), 2024 (n=504), 2023 (n=544).

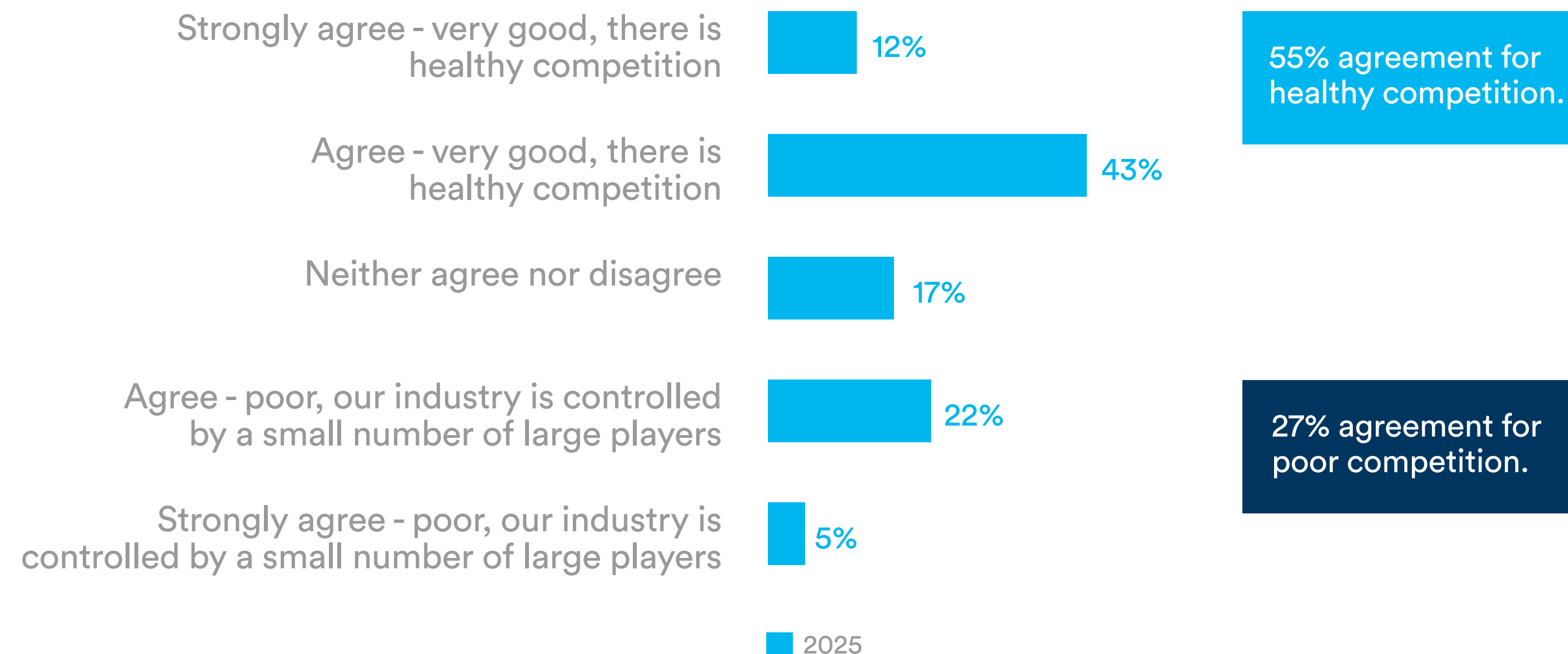


Competition

Competition within an industry is twice as likely to be rated as healthy vs poor. Over 1 in 2 agree there is healthy competition in the market while just over 1 in 4 feel the industry is controlled by a small number of large players.

- Larger businesses (51+ employees) are more likely to strongly agree that there is healthy competition (28%) as are those in Financial and Insurance Services (30%) and those with turnover of >\$20million (32%).
- Those whose business was founded 2-5 years ago are more likely to agree/strongly agree that competition is controlled by a small number of large players (36%).

Q: How would you rate the level of competition in your industry?





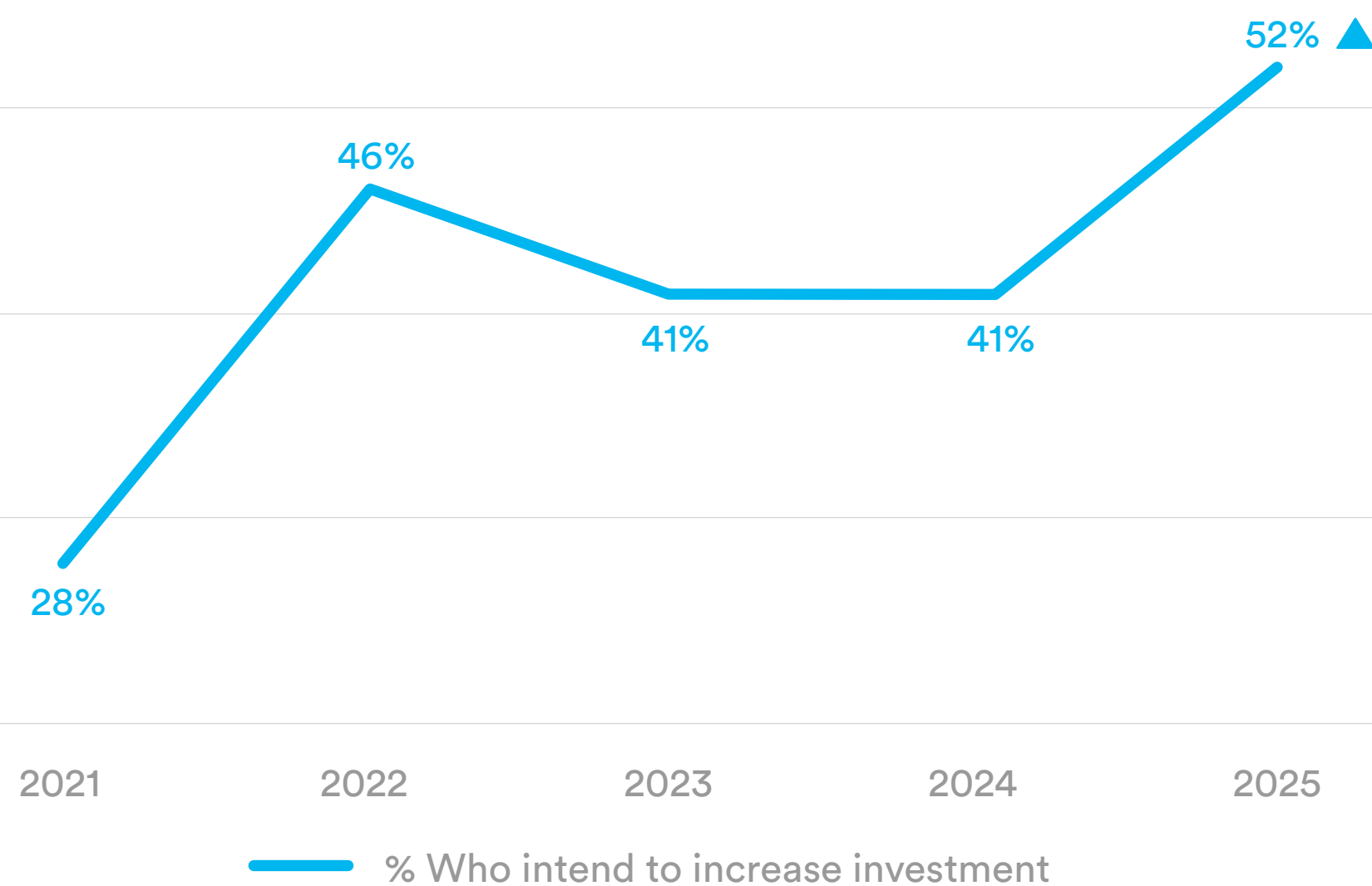
1.3 Investment and new ventures



Intention to invest

After little change in the investment intentions over the last 3 years, there is now a significant uplift in the proportion who intend to increase their investment in the year ahead. Business development/sales and marketing remains the area most likely to see increased investment, even more so in 2025. Staff is less likely to be an investment area in 2025 while R&D and data/insights are now more likely to be identified as areas for increased investment.

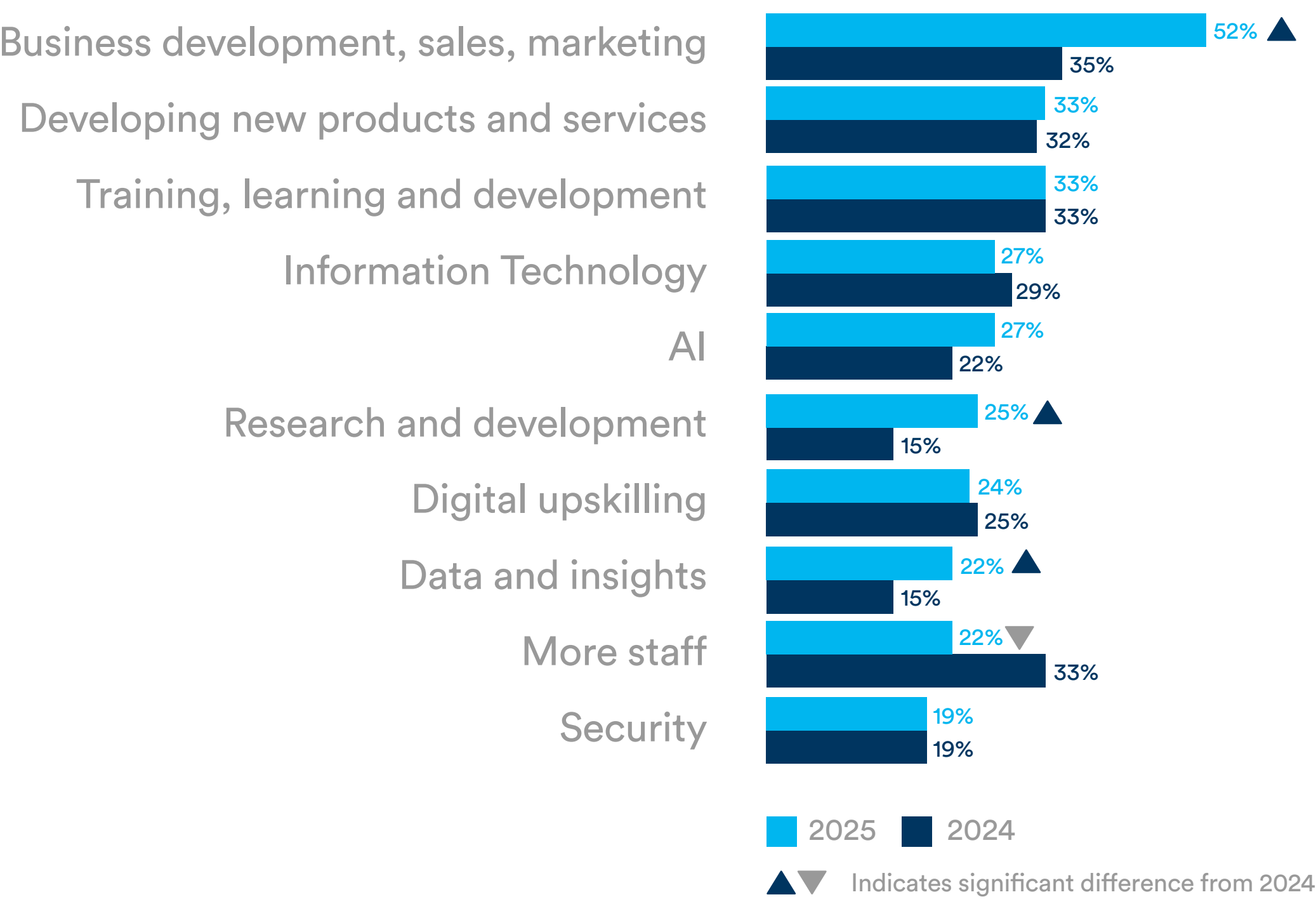
Q: Thinking about your business as a whole, do you intend to increase investment in to your business in the next 12 months?



Significantly more likely to be increasing investment are Financial and insurance service businesses (83%) and those aged <35.

Significantly less likely to be increasing investment are Businesses founded >10 years ago (45%) and those aged 60+.

Q: In which areas do you intend to increase investment in? (Select all that apply)



Base: Total Employing Business decision makers, 2025 (n=506), 2024 (n=704), 2023 (n=701), 2022 (n=702), 2021 (n=1,003).

Base: Among businesses who intend to increase investment, 2025 (n=332), 2024 (n=288), 2023 (n=286).



New offerings

In 2025 there has been a significant uplift in businesses who have added new products/services (52% in 2025 up from 38% in 2024) – this also aligns with the rise seen in business development, sales and marketing from 2024.

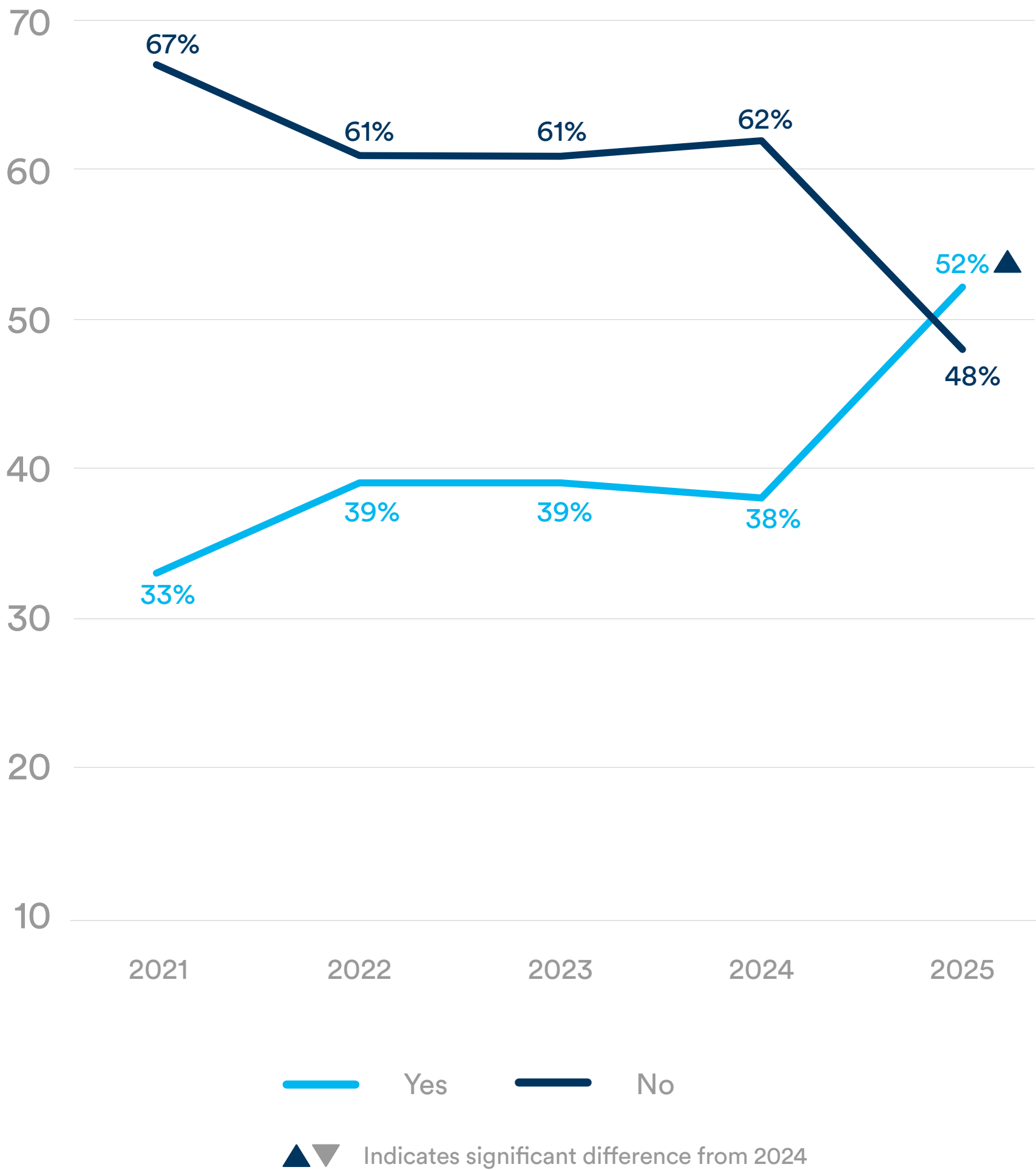
Significantly more likely to have added a new product or service in the last year:

- Businesses with 51+ employees (83%) / Businesses founded in the last 5 years (65%) / Businesses based in Auckland (61%)
- Starting (92%)
- Aged <35 (73%)
- Those who feel optimistic about the status of their business (69%)
- Businesses who have increased prices in last 12 months (63%) / Faced increased running costs in last 12 months (57%)

Significantly less likely to have added a new product or service in the last year:

- Businesses founded >10 years ago (30%)
- Aged 60+ (35%)
- Those who feel less optimistic (31%)
- Haven't faced increased running costs in last 12 months (37%) / Haven't raised prices in the last 12 months (41%)

Q: Has your business added a new product or service offering in the past year?

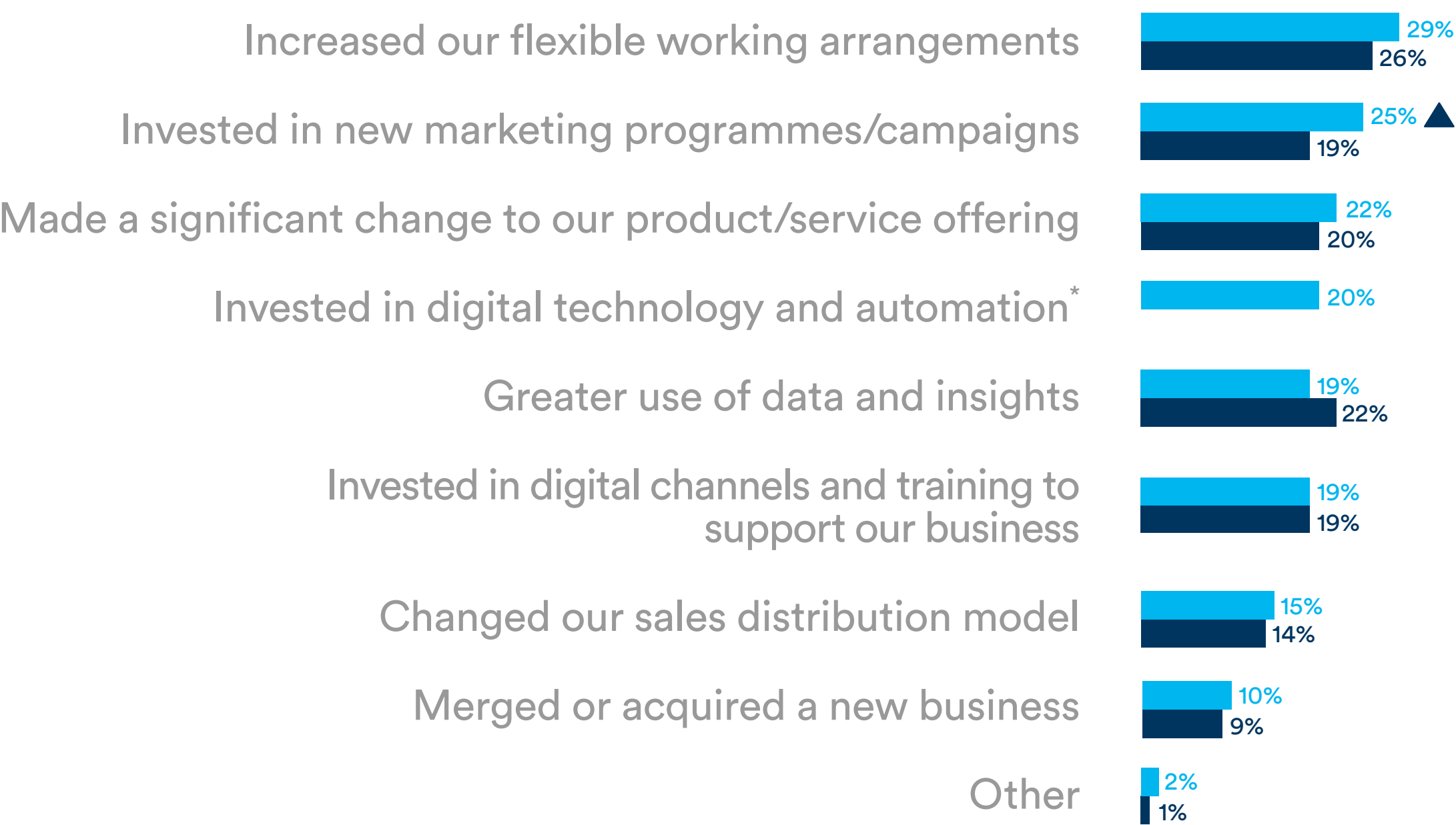


New ventures

Increasing flexible working arrangements remains the most common new venture in 2025. Relative to 2024, businesses are now more likely to have begun investing in new marketing programmes/campaigns (around 1 in 4 have begun doing this in the last year).

- Businesses with 51+ employees are more likely to have made significant changes to their product/service offering (36%), invested in digital channels/training (37%) and digital technology and automation (33%) and be making greater use of data/insights (33%).

Q: Has your business started doing any of the following in the past year? (select all that apply)



Investment in digital channels/training is also more likely to be undertaken by businesses with >\$20million in turnover (57%).

‘Starting’ businesses are more likely to have made a significant change to their product service offering (57%).

■ 2025 ■ 2024 ▲ ▼ Indicates significant difference from 2024





1.4 What will help businesses

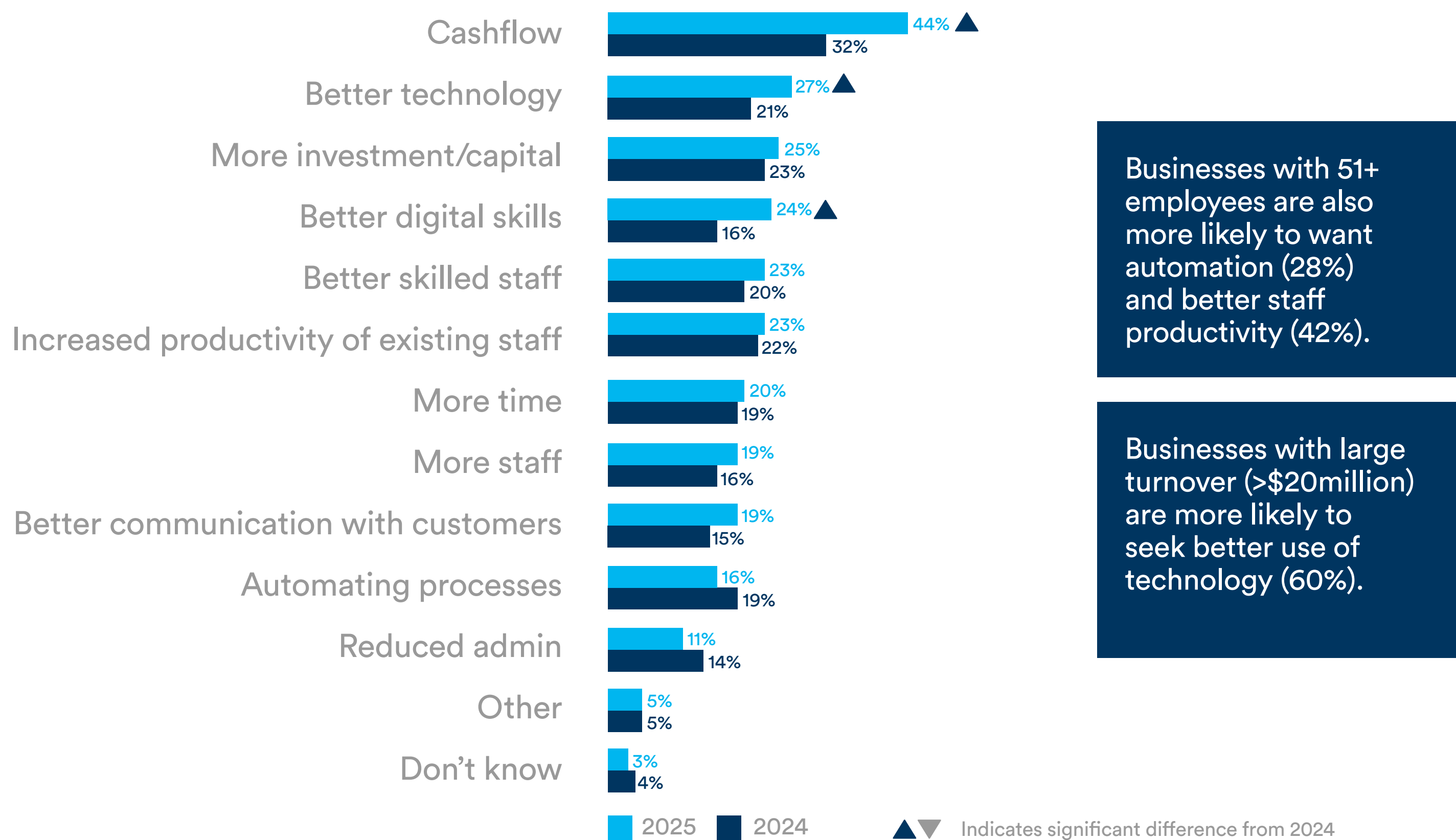


Helping businesses thrive

Cashflow remains the primary aspect that would help businesses thrive, and this now even more significant in 2025. Better technology and more investment/capital round out the top 3 aspects, with better technology also more significant in 2025.

- Businesses with 51+ employees and those based in Auckland are more likely to want better skilled staff (36% and 32% respectively)

Q: What would help your business thrive? (Select all that apply)



Central Government support

Tax breaks remain the primary way in which businesses believe that they could be better supported by central Government (no change on here year on year), however this has been trending slightly downward from 47% in 2022.

Addressing inflationary policy still ranks in second position though is less likely to be mentioned by businesses in 2025 (and has been on the decline since 2022 where it was cited by 49% of businesses surveyed).

In 2025 there is a growing desire for central Government to support with digitisation (now cited by almost 1 in 4).

Q: How do you think central Government could help better support your/the business to improve?



Those more likely to want support with digitisation include Financial and Insurance Services (54%) and those with turnover of >\$20million (61%).

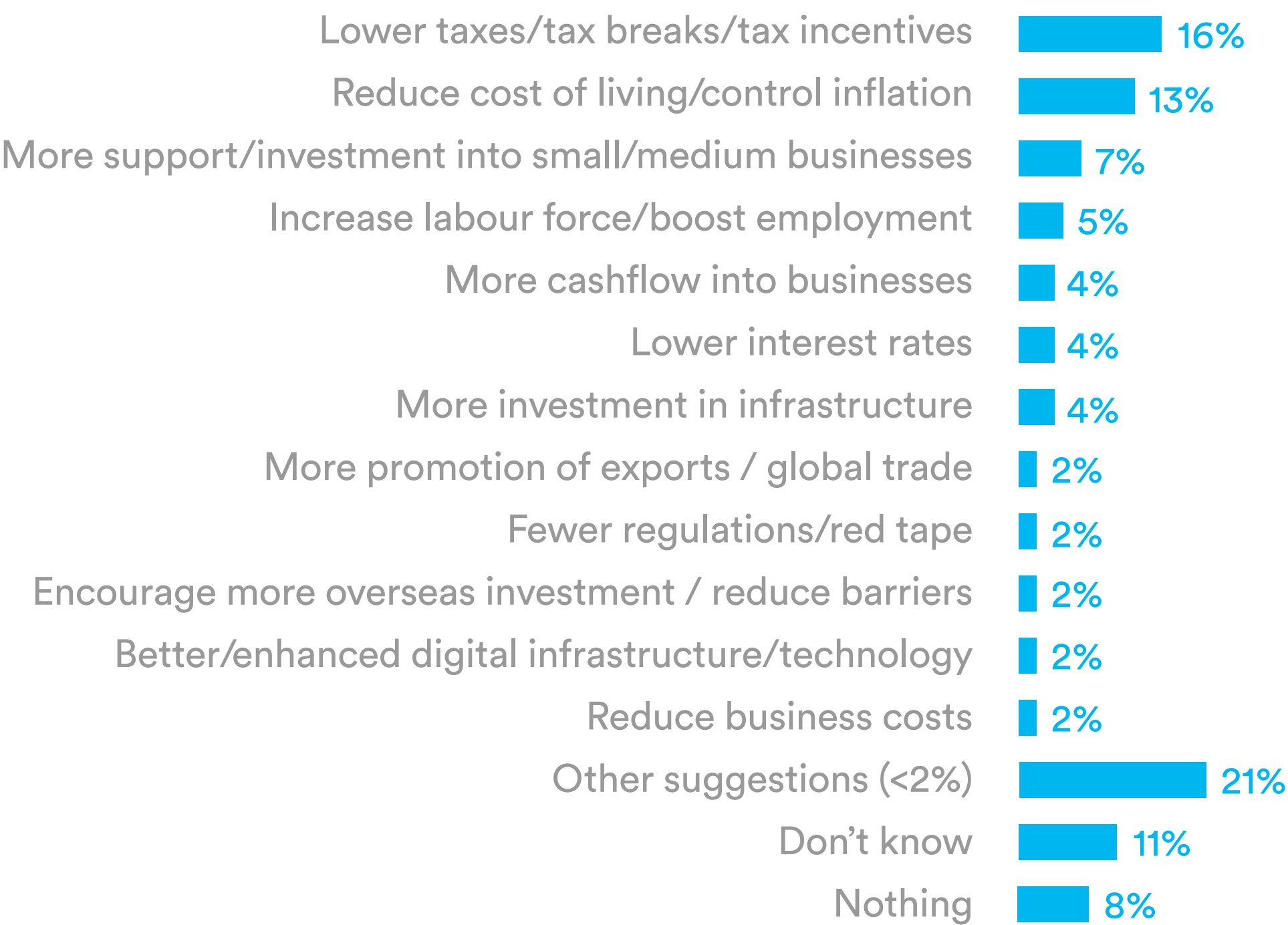
Larger businesses are more likely to also want support with R&D investment/tax allowances (38%), entering new international markets (33%) and supporting global supply chain issues (32%).



Ways the Government can kick start the NZ economy

The two more commonly mentioned suggestions for how the Government could kick start the economy lie within helping lower costs for businesses via fewer taxes (lowering taxes/tax breaks/incentives) and helping the economic situation for consumers/businesses (e.g. reducing cost of living/controlling inflation).

Q: In your opinion what would be one thing the Government should do to kick start the NZ economy?



Improvements/investment into infrastructure is more pertinent to large businesses (51+ employees, 24%) as is green/renewable/clean infrastructure (9%).

Health Care & Social Assistance businesses would like to see fewer regulations/red tape (18%). Those who are 'starting' are more likely to want more tourism support (12%).

2025





2. Productivity





Productivity

Summary

What drives productivity in businesses and what will help drive it further?

- In 2025 there are significantly more businesses who feel they are making gains on productivity and significantly more businesses who deem this to be a high priority. In both cases this tends to skew towards larger businesses (51+ employees) and those with large turnover (>\$20million).
- AI is growing in prominence as a tool to help support higher levels of productivity and significantly more businesses see AI as having a role in increasing productivity.

What does our working model now look like in New Zealand?

- Current business working models are more likely to include remote working in 2025, while the proportion of businesses with the majority of staff working in person is slowly trending downward.
- For those with hybrid models there is little change from 2024 with regards to how they impact productivity, however, since 2023 there has been a slight shift from no impact into 'negative' impact. In addition, there are now significantly more businesses who have increased the time their staff spend in the office. This suggests that businesses are working to shift the balance to make the model work more effectively.

Business productivity

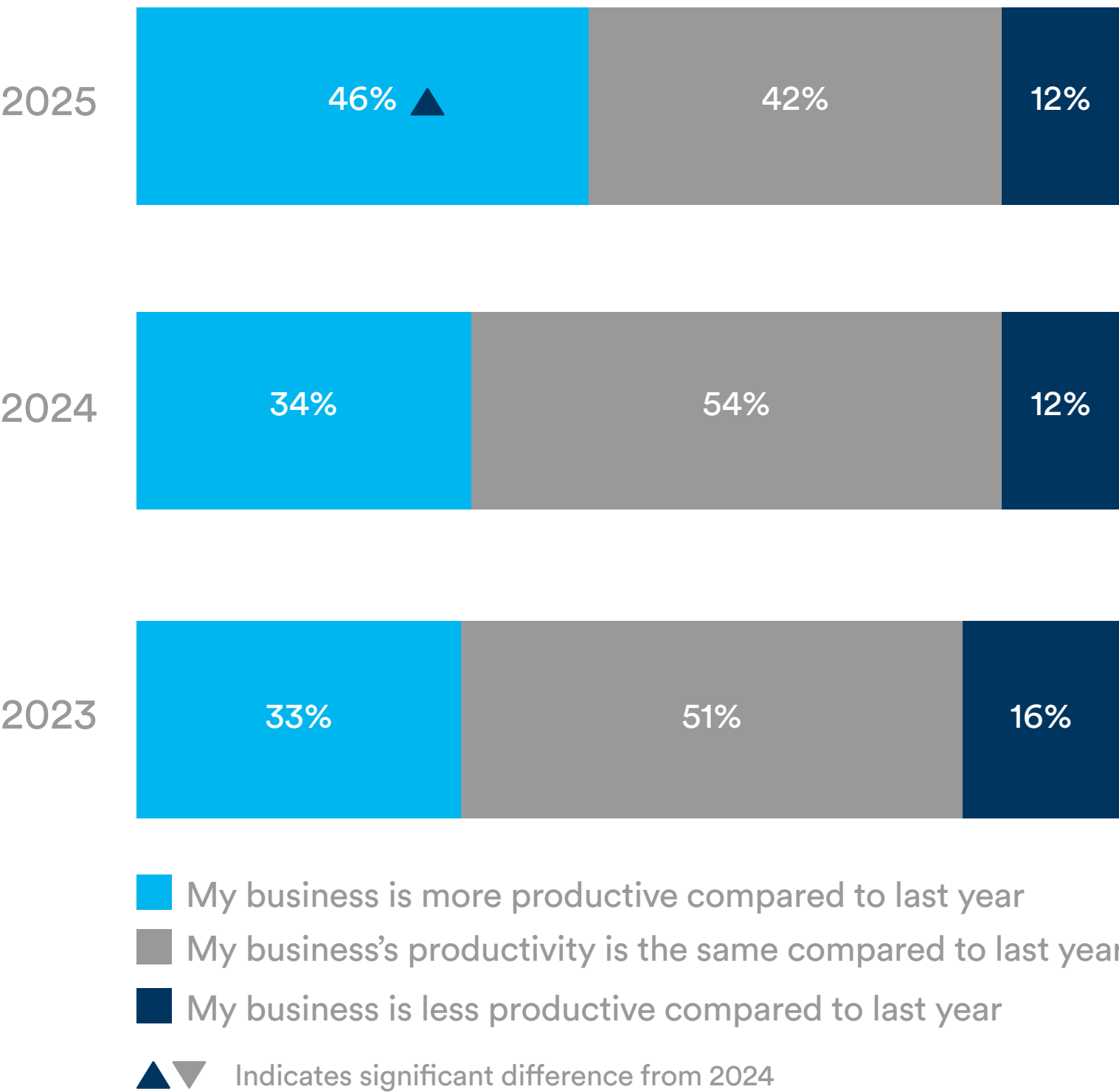
After no change in the productivity levels cited between 2023-2024 there has been a significant uplift in the proportion of businesses who deem themselves to be more productive vs. 2024. This also aligns with the growing proportion who indicate they have added a new product or service in the last year.

Those who are more likely to feel their productivity is on the increase;

- Businesses with 51+ employees (73%)
- Businesses with a turnover of >\$20million (81%)
- Businesses founded 2-5 years ago (58%)
- Those aged <35 (65%)
- Businesses identified as ‘Thriving’ (78%)

Surviving businesses (29%) are more likely to feel their business is less productive vs last year.

Q: How would you describe the productivity of your business compared to last year (2024)?



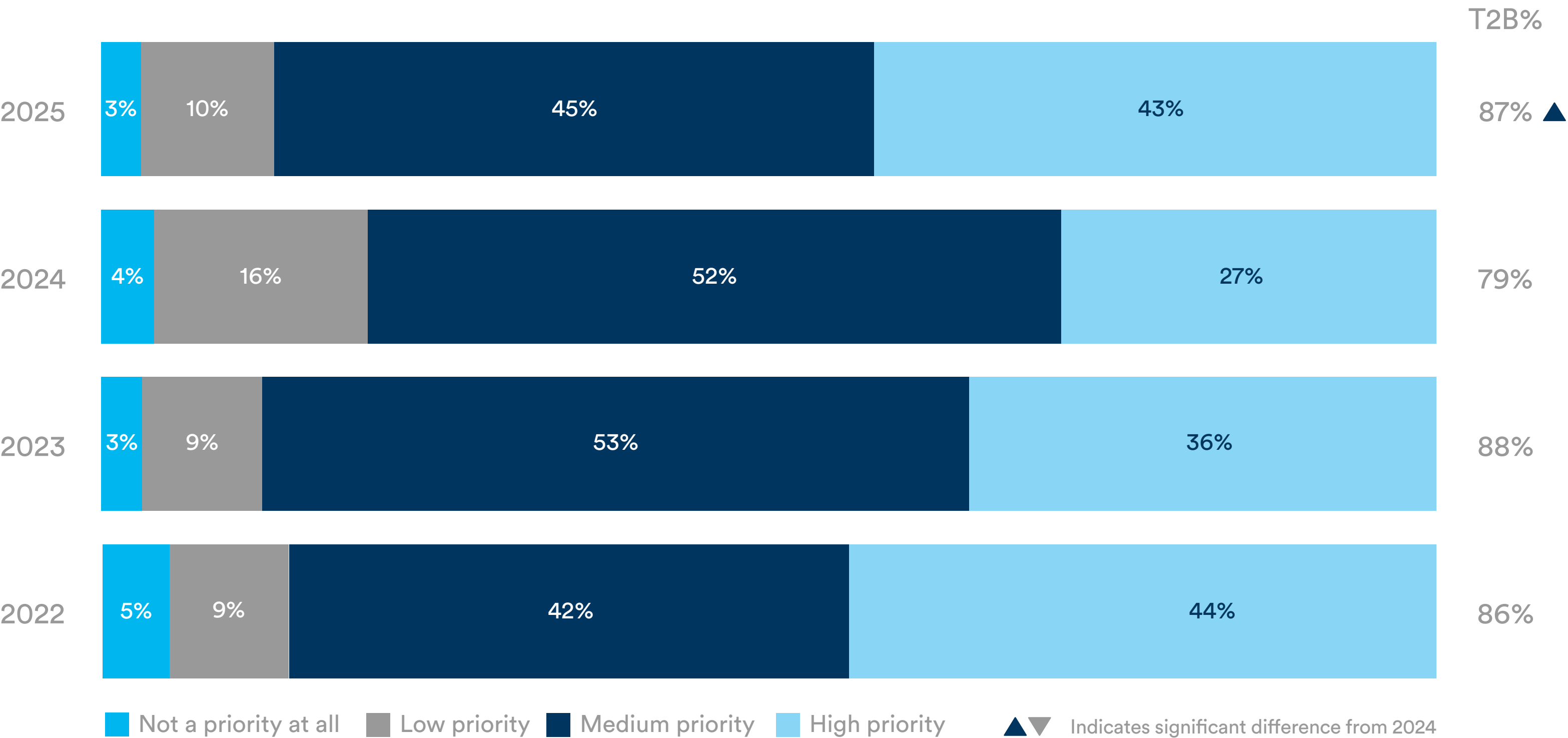
Importance of productivity

Sentiment around increasing productivity has grown and now aligns closer to results seen in 2022.

- From 2022 to 2024 increasing productivity was less and less likely to be seen as a high priority, however there is evidence of this trend reversing in 2025.
- Larger businesses / businesses with very high turnover are more likely to see increased productivity as a high priority.

Q: How much of a priority is increasing productivity in your business?

Significantly more likely to deem increasing productivity as high priority are Businesses with 51+ employees (61%) and with turnover of >\$20million (78%).

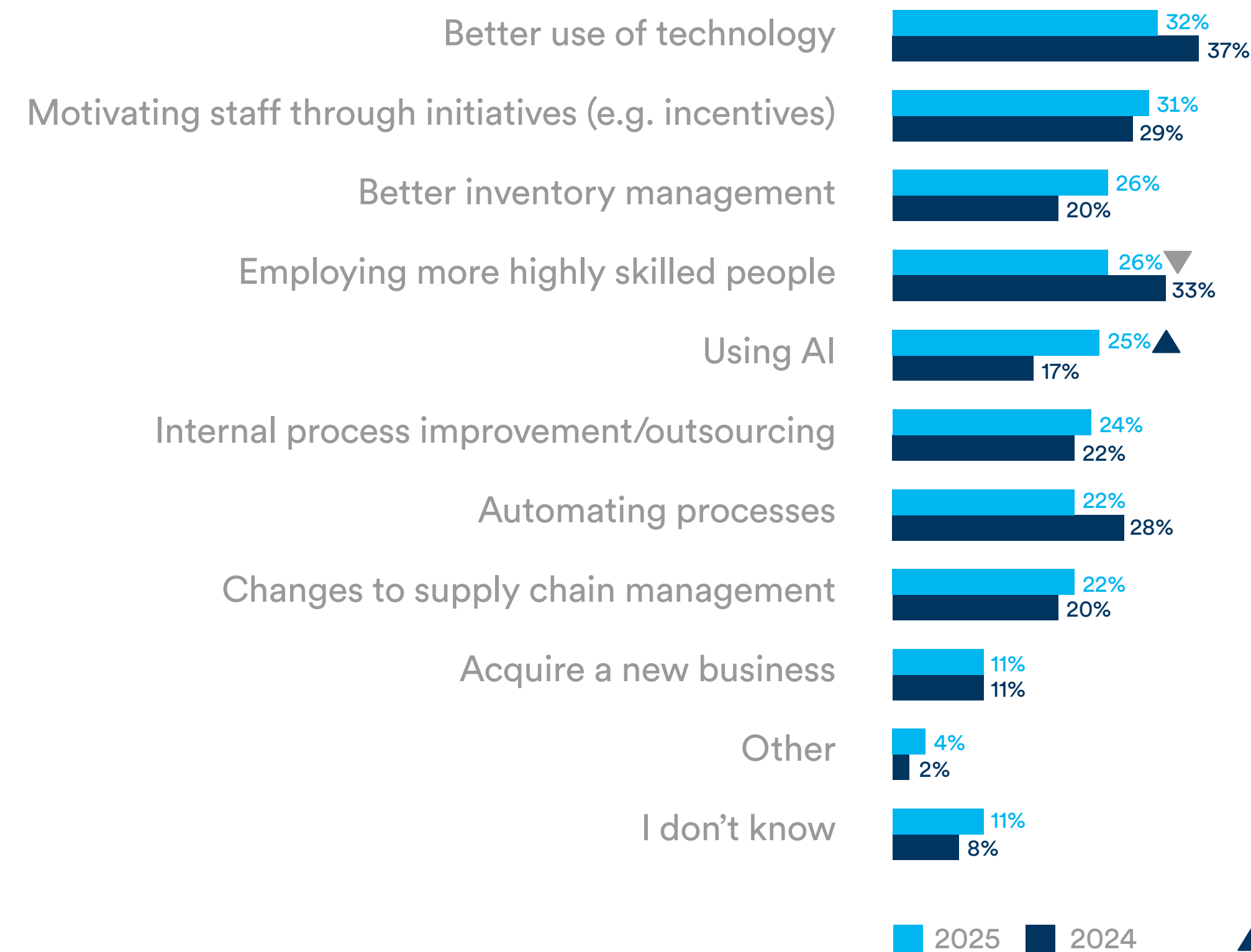


Achieving high levels of productivity

Among those who deem productivity as a priority, better technology is most commonly cited as a means of achieving this (32%). Almost on par with this is staff motivation e.g. via incentives (31%).

- Increasing productivity via highly skilled staff is a sentiment on the decline, now cited by 26% (down from 33% in 2024 and 40% in 2022). However this sentiment is still strong among those aged <35 (45%).

Q: Which of the below do you think will help you to achieve higher levels of productivity in your business?



Conversely, there has been a significant increase in the proportion who believe AI will help increase productivity (this was more pronounced among those in Auckland (38%).

Manufacturing businesses are more likely to believe supply chain management changes will increase productivity (52%).

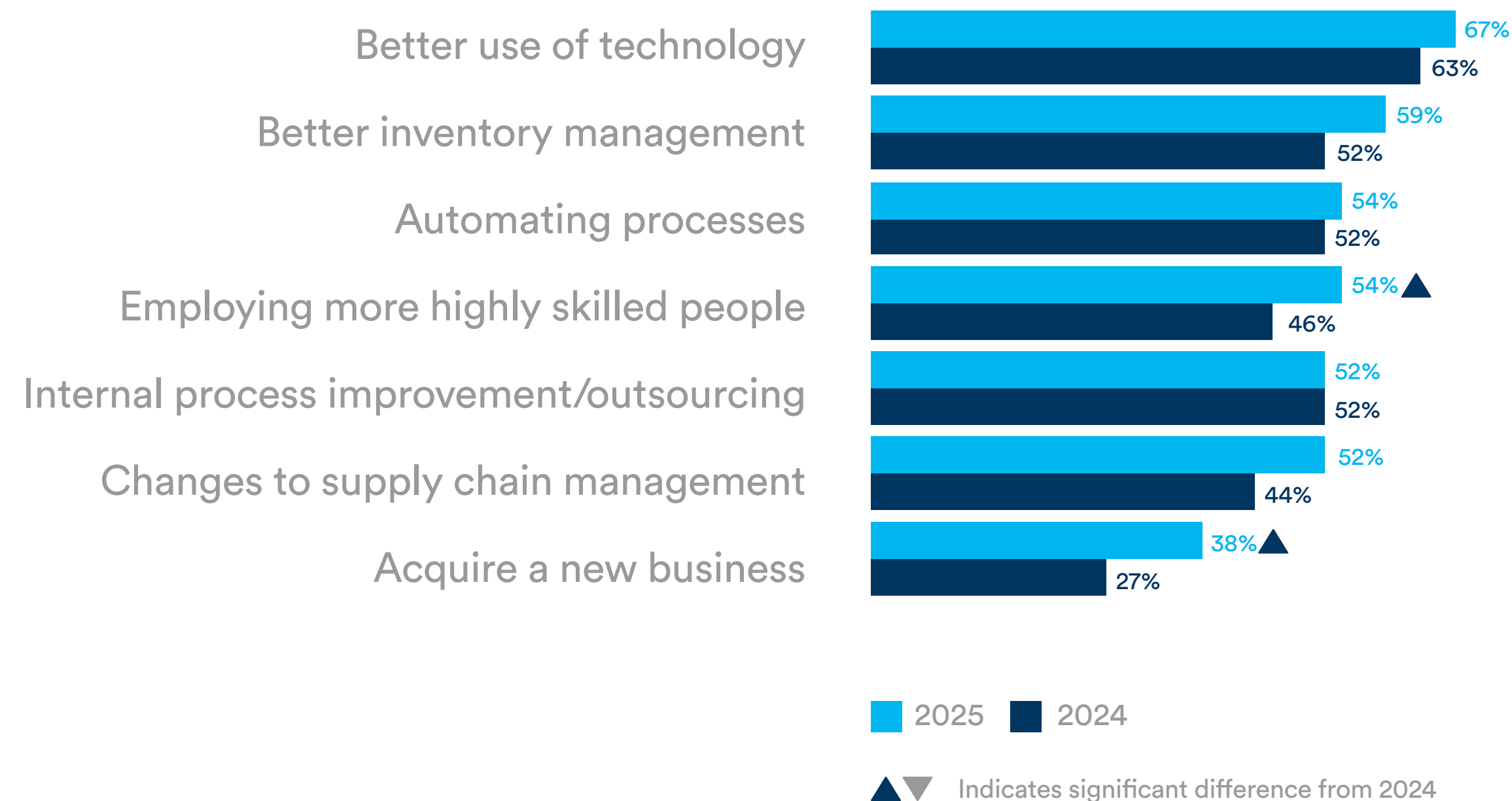


Key aspects to invest in

Investing in better use of technology remains the key mechanism by which businesses plan to improve their productivity in the year ahead.

- The incidence of investment across all these areas increases with business size and turnover, with large businesses (51+ employees) and businesses with >\$20million in turnover having the highest likelihood of investing in all/almost all areas and businesses with 1-20 employees/businesses with <\$1million in turnover having the lowest.

Q: How likely are you to invest in the following areas to improve productivity in the next 12 months?



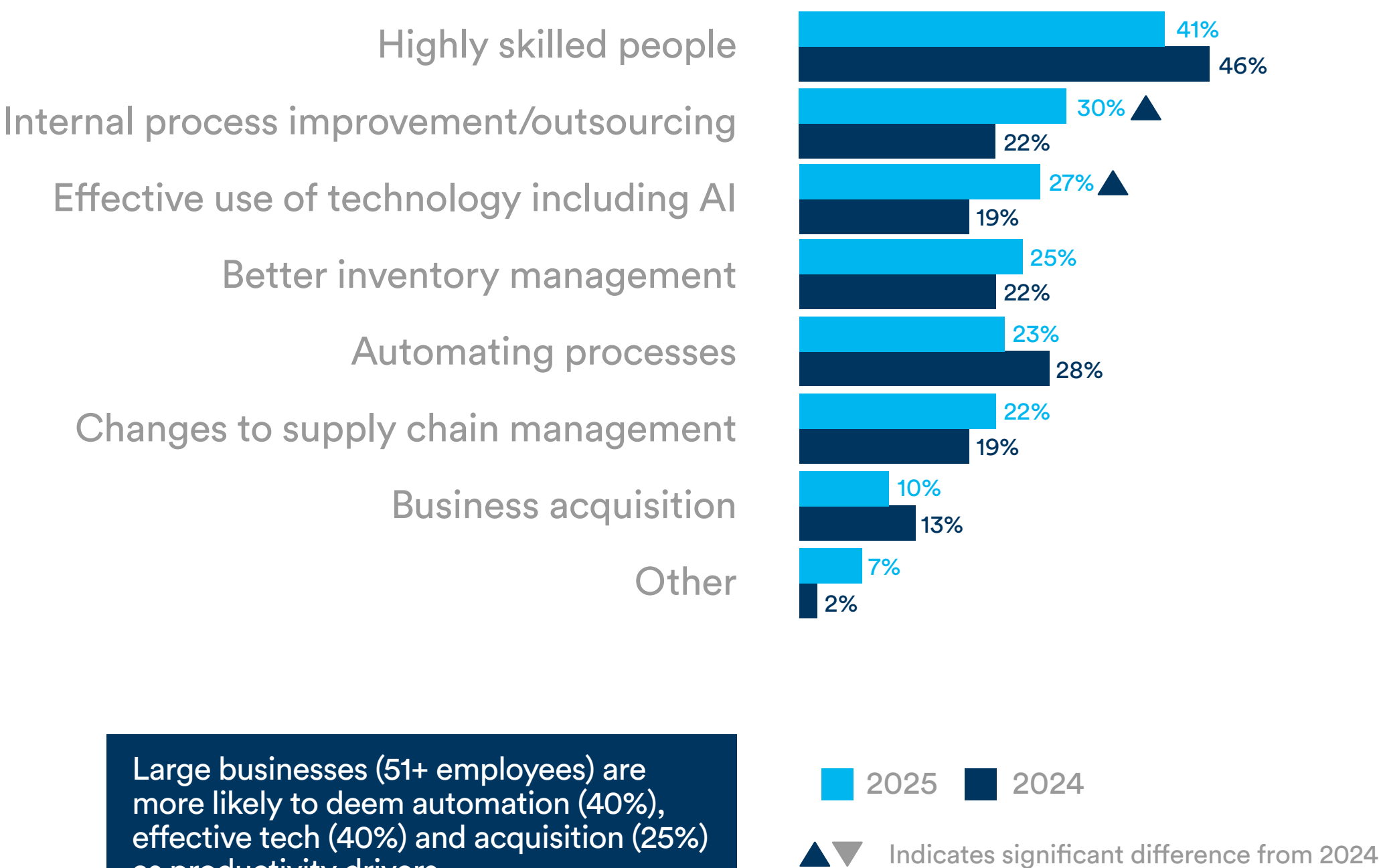
Although there is a decline in the proportion who believe employing more highly skilled people will help increase productivity, there is still a growing appetite to invest in this area.



Drivers and barriers to productivity

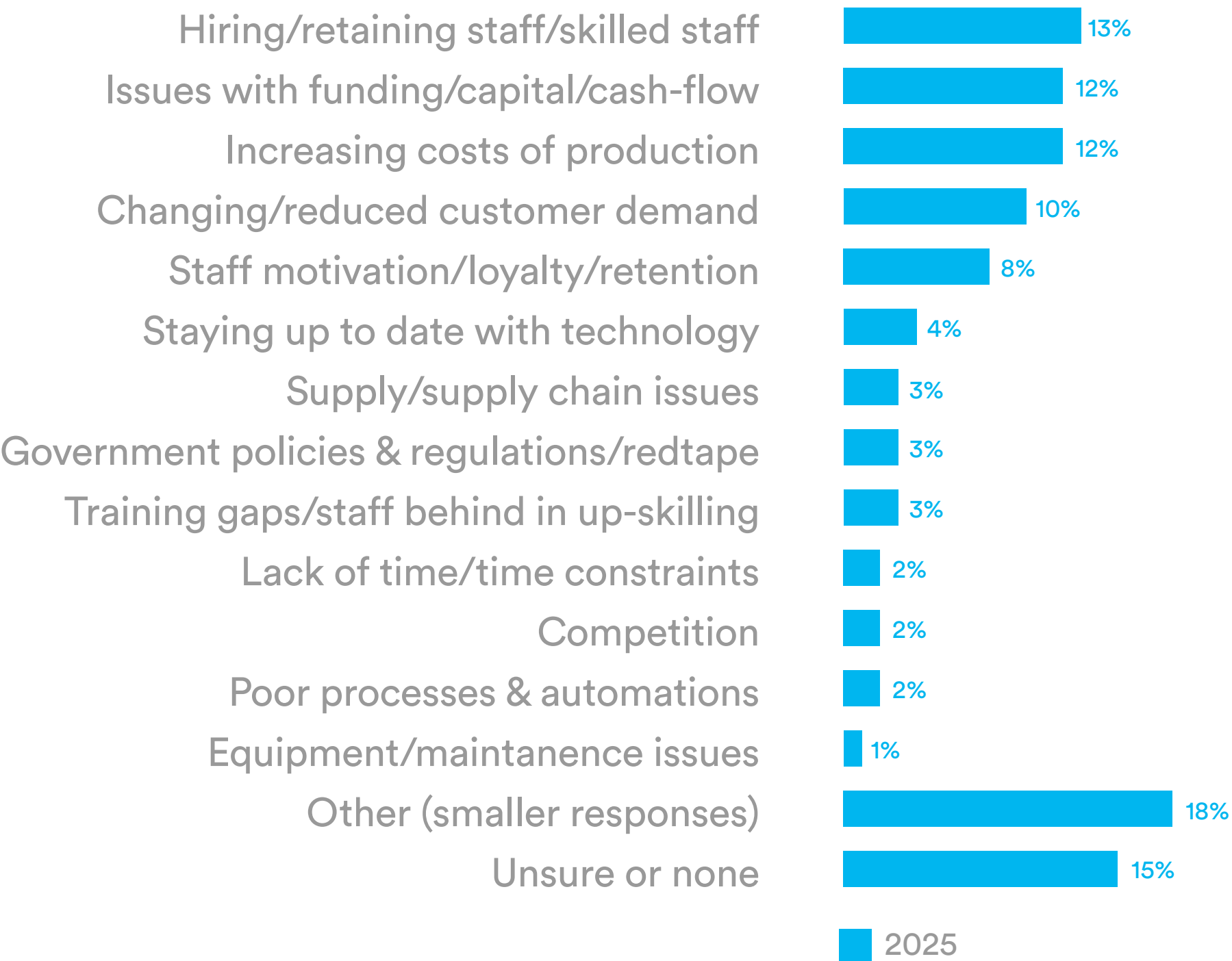
Highly skilled people remain the biggest drivers of productivity within businesses (though this is down slightly but not significantly from 2024). In 2025 there has been a significant lift in the proportion who feel that internal processes and AI are driving productivity. Productivity barriers were relatively mixed with the most common mentions given to hiring/retaining staff/skilled staff, cash-flow/capital issues, rising costs and changing customer demand. Hiring/retaining staff is more of a concern to medium businesses (21-50 employees) (24%) and those in professional, scientific and technical services (35%).

Q: What are the biggest drivers of increased productivity in your business?



Large businesses (51+ employees) are more likely to deem automation (40%), effective tech (40%) and acquisition (25%) as productivity drivers.

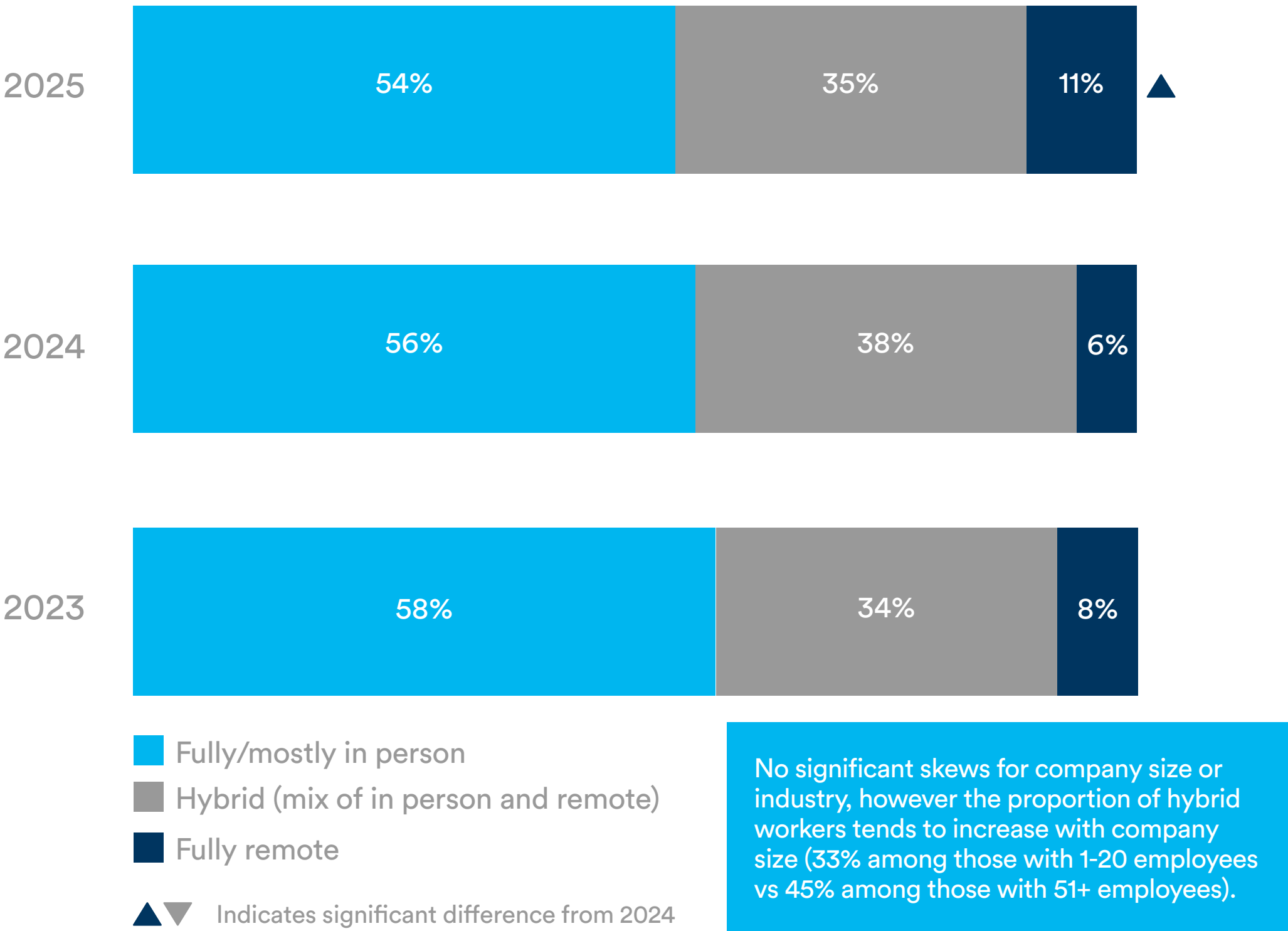
Q: What are the biggest barriers to increasing productivity in your business?



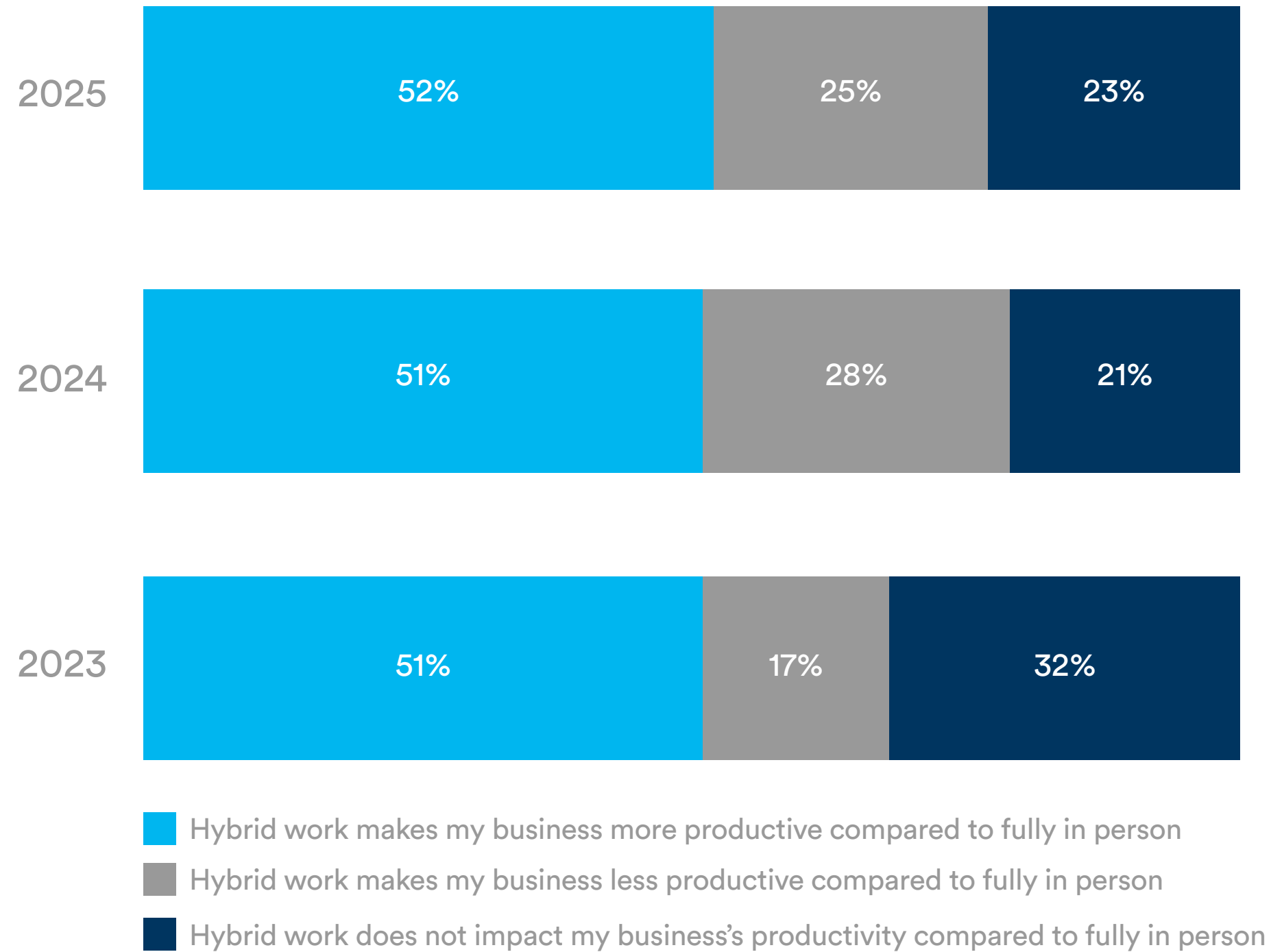
Current working model

Working models look slightly different in 2025 with a rise seen in the proportion of remote workers. Businesses with majority of staff working in person continues to trend downward. The impact of the hybrid working model looks relatively unchanged from 2024 for businesses who use this way of working. There remains a skew towards hybrid work making the business more productive rather than less.

Q: What is your business's current working model?



Q: How would you describe the impact of the hybrid working model on your business?

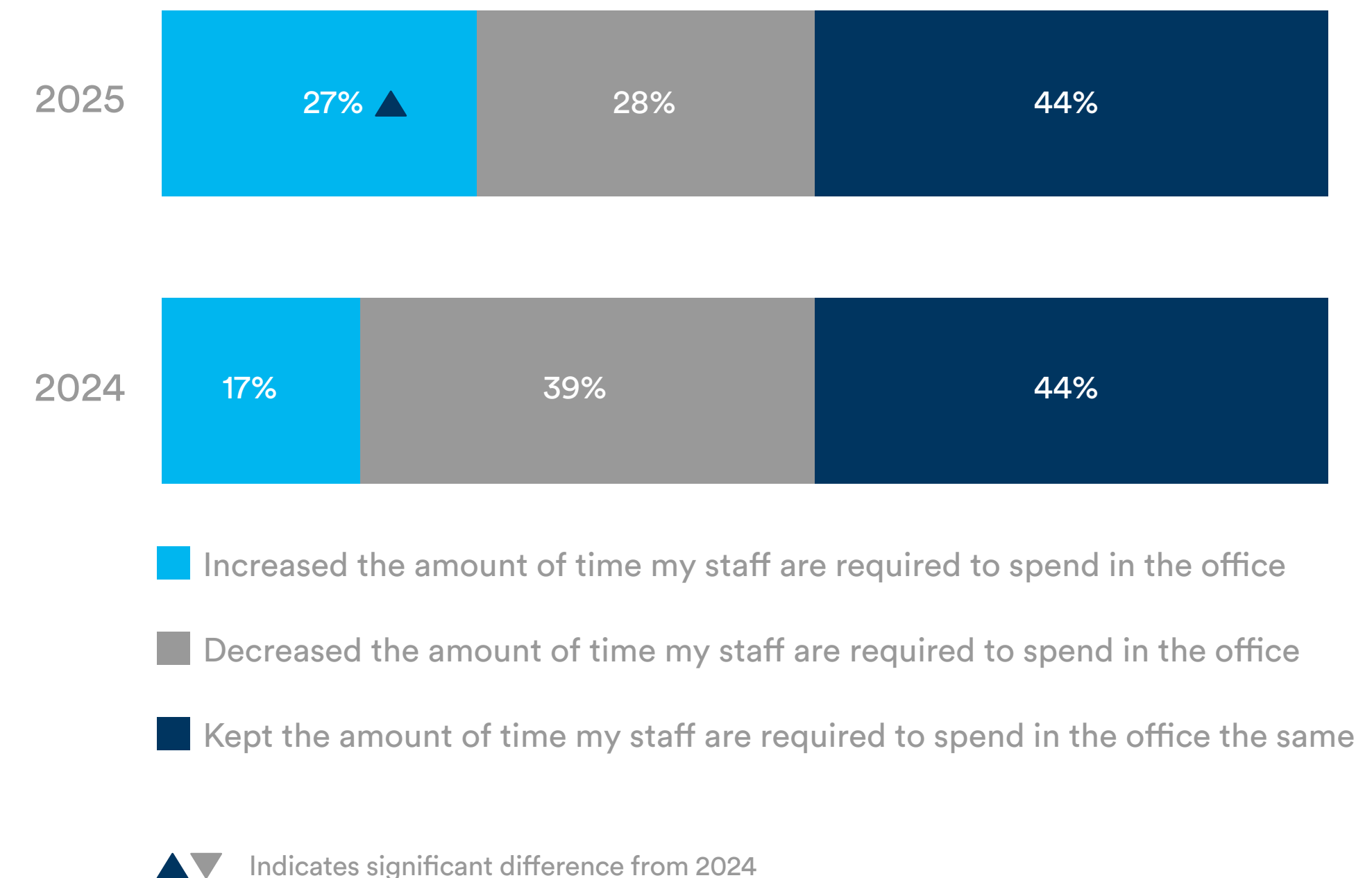


Staff in the office

There is evidence of a reduction in ‘working from home’ hours with the proportion of businesses who are increasing the amount of time staff spend in the office up significantly from 2024.

The proportion of businesses who have increased or decreased their staff office time doesn’t differ significantly by business size or status.

Q: Over the past year, have you:



Next steps in the productivity journey

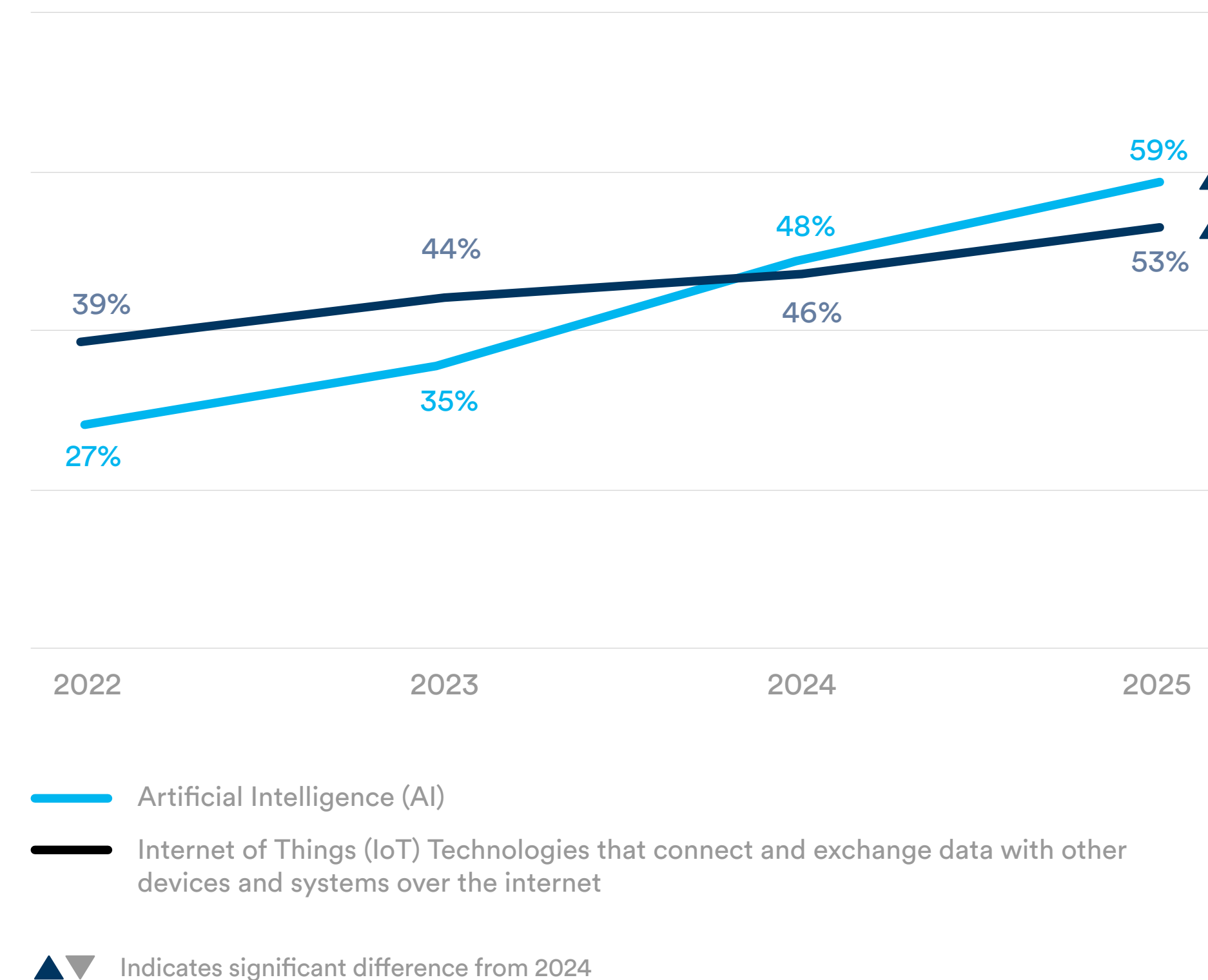
AI continues to gain the strongest momentum in terms of its ability to increase productivity now sitting ahead of IoT). In 2025, AI has grown significantly, while IoT is up slightly but not significantly.

Larger businesses (90%) and those with >\$20million turnover (99%) are more likely to see a role for AI, as are those in Auckland (72%) and those <35 (72%). Starting businesses are also significantly more likely to see a role for AI in increasing productivity (100%).

Significantly more likely to see a role for AI:

- Businesses with 51+ employees (90%)
- Information Media and Telecommunications businesses (99%)
- Businesses with turnover >\$20million (99%)
- Those under 35 (72%) and those in Auckland (72%)
- Businesses identified as Starting (100%)

Q: When you consider the next step in your productivity journey, do you see a role for the following new technologies increasing productivity?

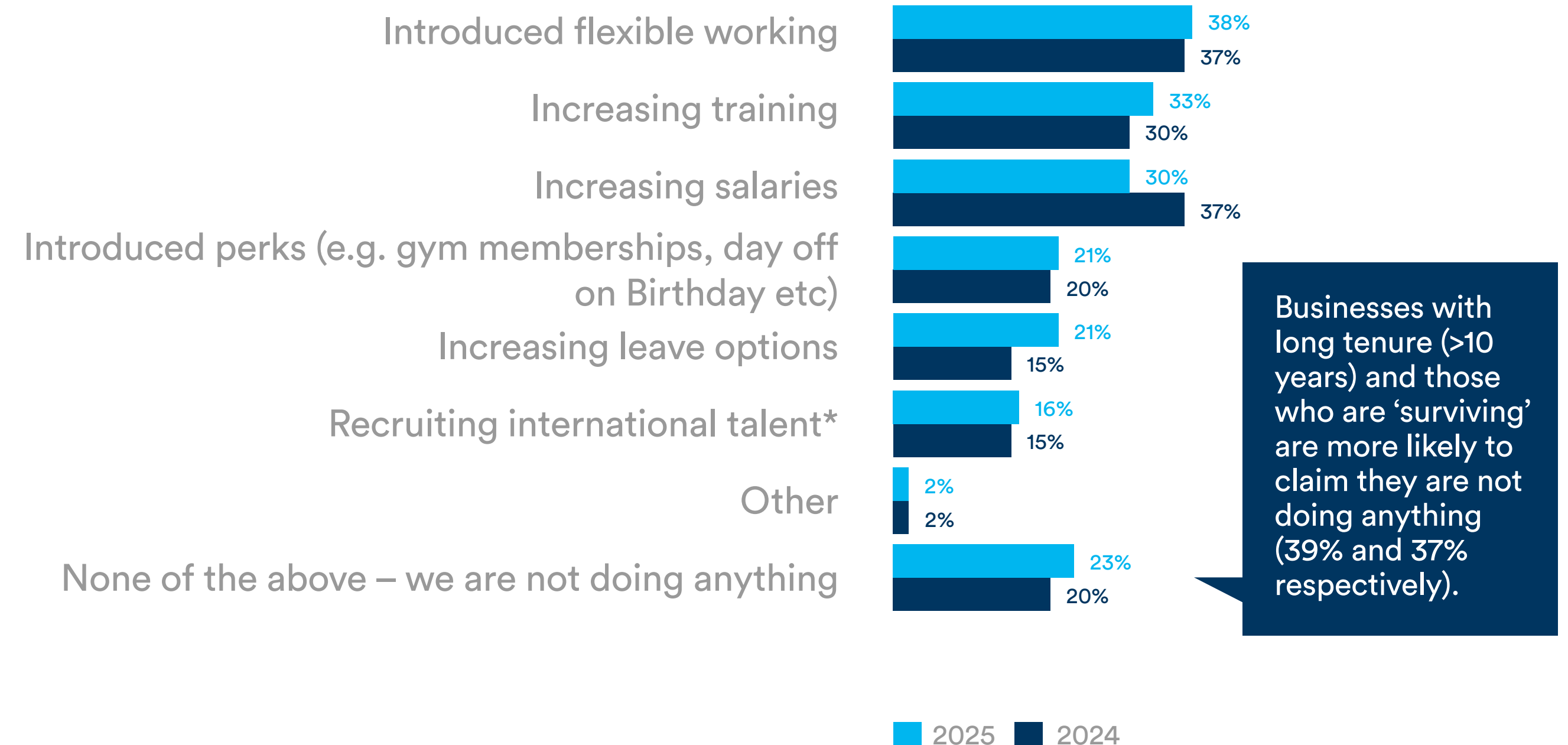


Attracting qualified labour

Flexible working remains the most common method of attracting the right qualified labour, followed by increased training and salaries (however, directionally, salaries are less likely to be utilised this year vs last).

- As business size grows, so to does the number of means used to attract/retain the right staff (2.5 methods for businesses with 51+ employees vs 1.4 among businesses with 1-20 staff).
- Financial and Insurance services business are more likely to be increasing training (64%). Those who are starting are more likely to be using perks (49%).

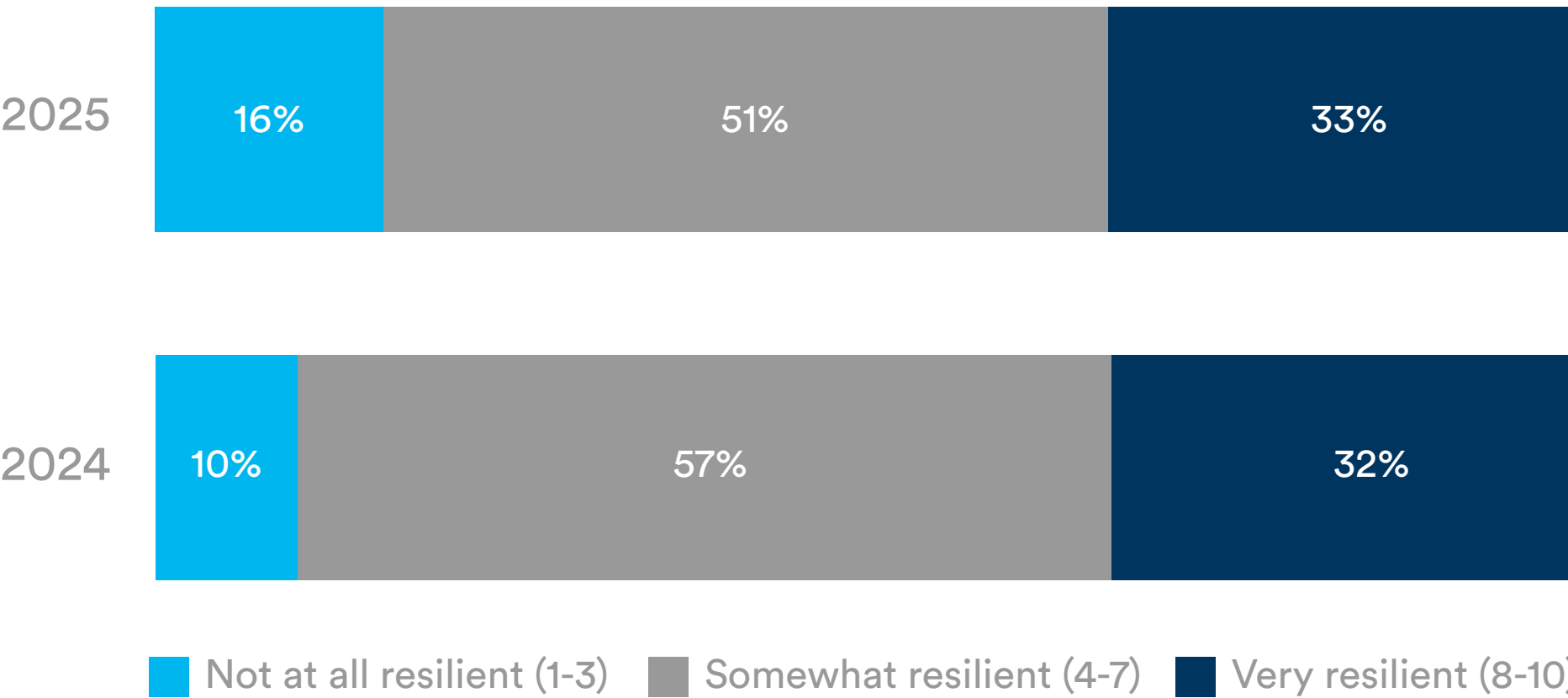
Q: What are you doing to attract and keep the right qualified labour in your business?



Resilience to significant disruption

Since 2024 there has been a softening on resilience scores with fewer indicating they are somewhat resilient and more indicating they are not at all resilient.

Q: On a scale of 1-10, how resilient do you think your business would be if affected by a significant disruption like a cyclone, earthquake or lockdown?



Businesses with 51+ employees are more likely to be very resilient (62%).

Larger businesses (51+ employees, 62%) are more likely to be very resilient.



Resilience to significant disruption

Strong levels of resilience are linked mostly to the ability to operate under a range of circumstances/being able to work remote or online as well as confidence in the business.

Those who deem themselves non resilient do so due to the detrimental effects this disruption would have on their business and the impacts to profitability/income.

Q: Why did you score that way? (reason for resilience score)

	Not at all resilient (1-3/10)	Somewhat resilient (4-7/10)	Very resilient (8-10/10)
Can still operate under these circumstances (e.g., online/remote)	9%	12%	15%
Business not (severely) affected / not detrimental	0%	6%	4%
Have confidence in the business and or staff/feel optimistic	0%	4%	12%
Have contingency plans/risk management plans in place	2%	5%	8%
Would be detrimental/impact the company	22%	9%	6%
Minimal or some impact (but can recover)	0%	5%	4%
Based on experience/how we have dealt with this in the past	10%	5%	3%
Can get by with insurance	0%	1%	3%
It would impact our profitability/income	19%	6%	2%
Have sufficient capital/emergency funds to cover this	0%	1%	2%
Have good infrastructure in place	0%	1%	2%
Would be impactful due to nature of work/industry	9%	3%	1%
Depends on the circumstances	6%	6%	1%
Base	51	224	231



3. Digital growth & business innovation



Digital growth & business innovation

Summary

Confidence levels when it comes to digital tech

Confidence is now on the rise when it comes to having the digital skills needed to get ahead, reversing the downward trend seen on this area over the past few years. For those lacking confidence, the key barriers are linked to a lack of motivation/need to focus on other priorities and a belief they lack the capabilities/skills needed.

Digital tech and its role in productivity

In line with a rise in positive sentiment towards AI, there is growing uptake of AI as a digital tool within businesses (e.g. ChatGPT/Co Pilot) however this is still towards the bottom of the list of digital tools businesses think they will need to add to their business in the next 1-2 years.

Several digital tools are likely to become more common-place in the immediate future, most of which look likely to help support new business development (an area that may be more pertinent with the rise in businesses offering new products/services). These tools include website development and management, online advertising, business insights and analytics and social media.

Security breaches

Over the last 3 years, the proportion of those who plan to increase spend in the area of data/cyber security has been on the rise, and is up significantly from 2024. However, the number of areas where spend is planned is now more concentrated (falling slightly from 1.9 in 2024 to 1.6).

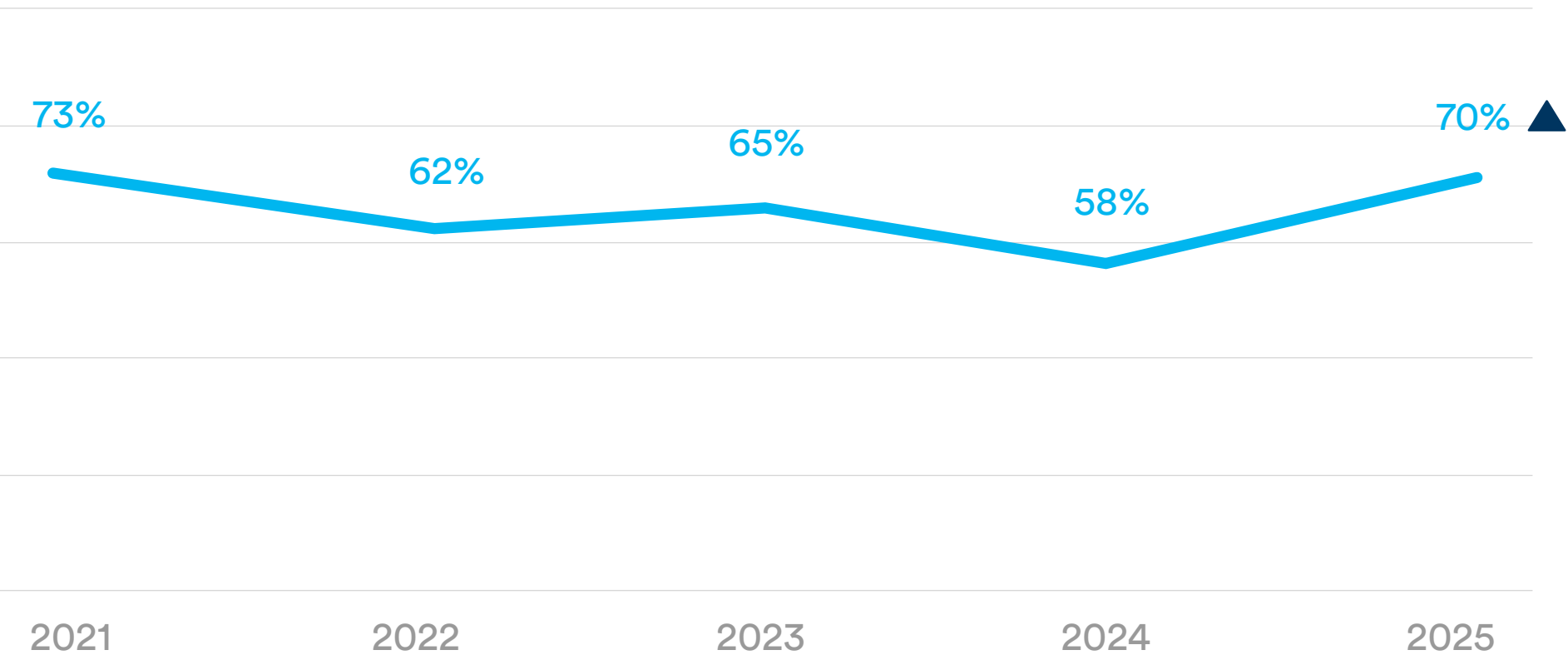
Concern around security breaches is also trending downward and this could be related in part to increased spend over time and the feeling that businesses may be more prepared in light of this investment.

Digital skills and barriers

Until now there has been limited growth in the proportion of businesses who feel they have the digital skills to get ahead. This has changed in 2025 with a significant rise in the proportion of businesses agreeing they have these skills. Larger businesses and those with higher turnover are more inclined to agree they have these skills.

- Among those who don't believe they have the skills, the key barriers are lack of motivation/having to meet other priorities or not believing they have the capability/skills to do so.

Q: Do you think you possess the digital skills to help your business get ahead?

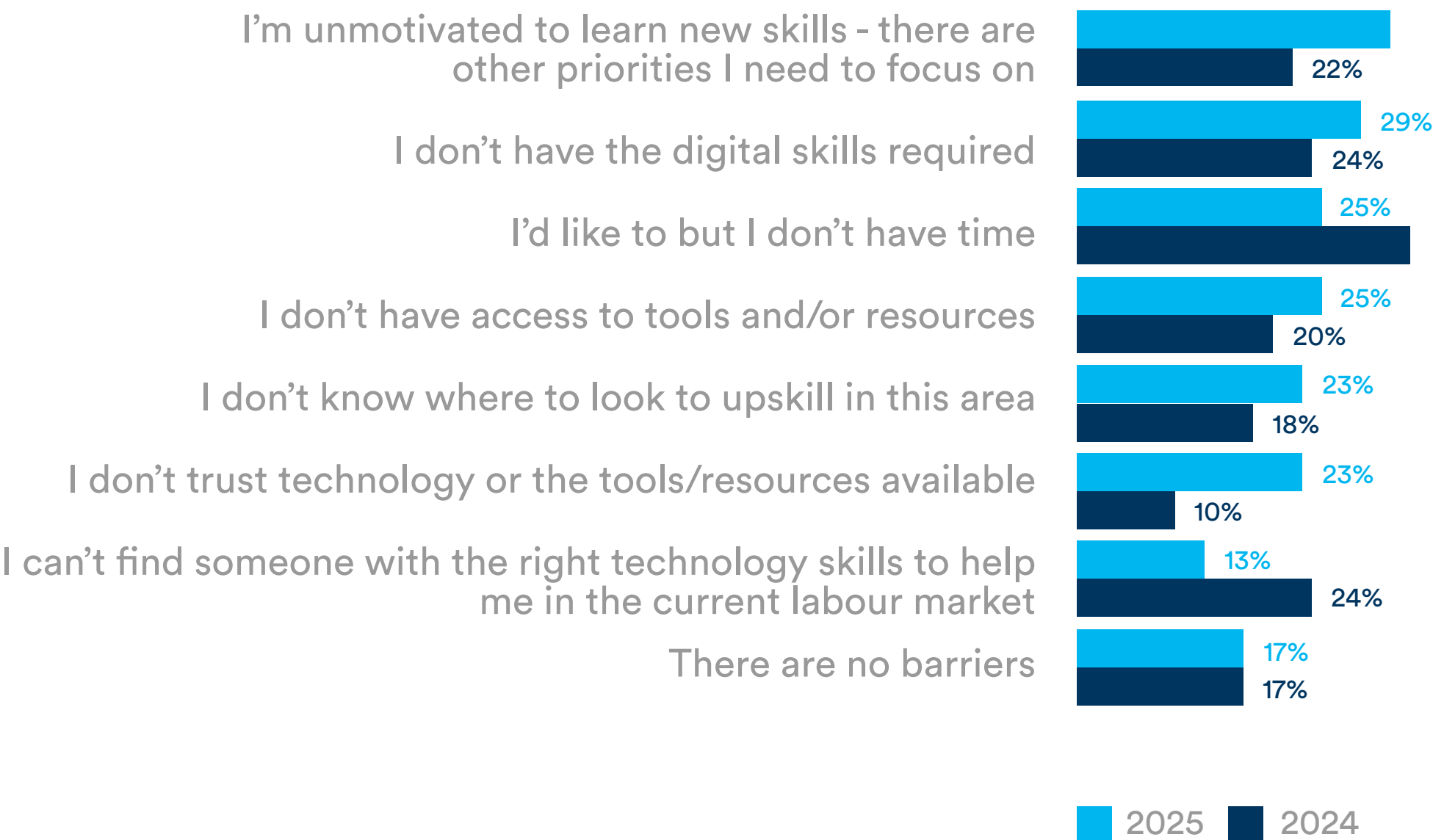


Information media and telecommunication businesses (99%), or businesses with 51+ employees (89%), or with a turnover of >\$20million are more likely to say yes.

'Surviving' businesses are less likely to say yes (55%).

▲ ▼ Indicates significant difference from 2024

Q: Are there any barriers that are preventing you from upskilling in the digital space?

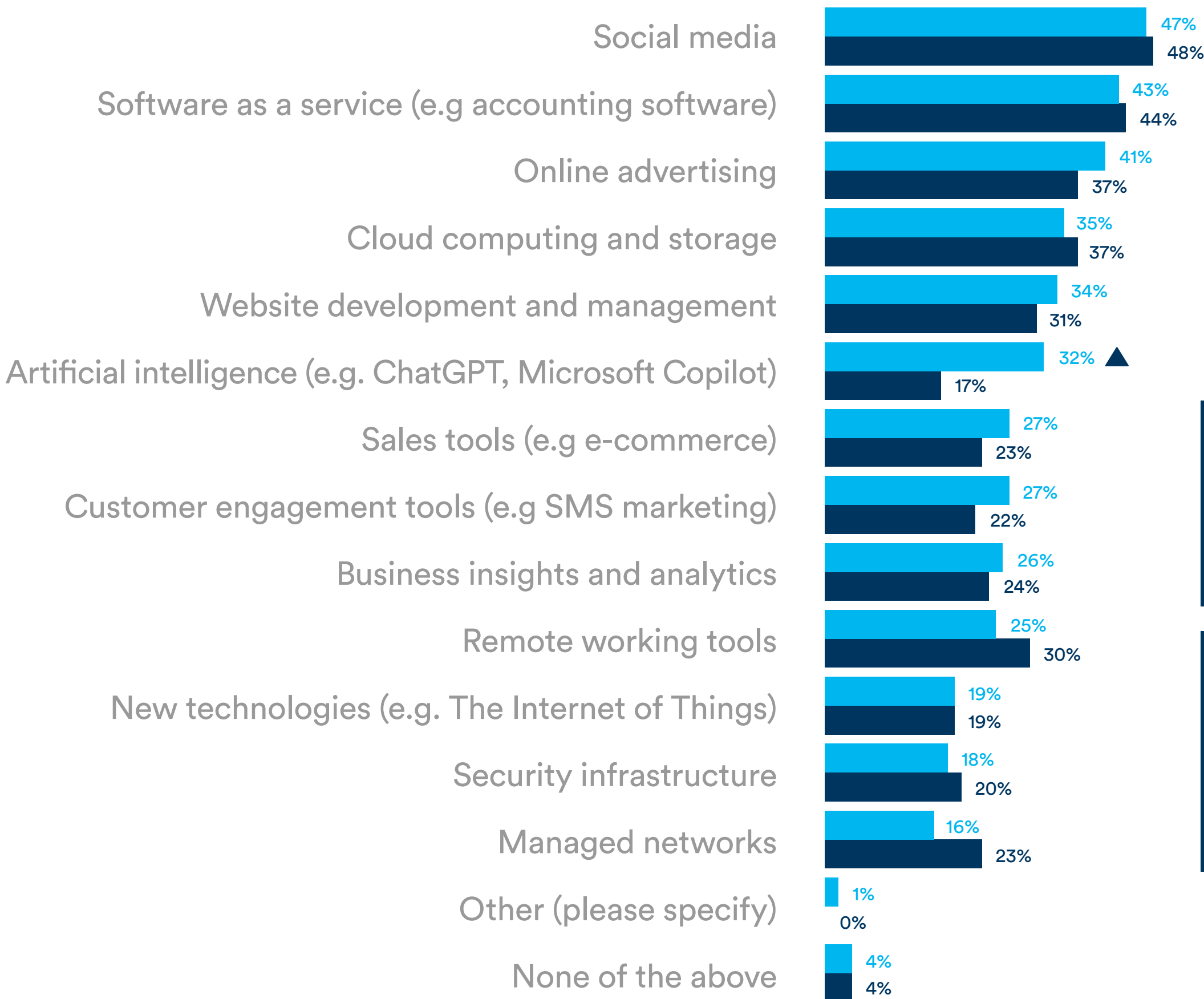


Current digital tool use

The landscape of digital tools used looks relatively similar to 2024, the one notable exception being the rise of AI (echoing the growing proportion of businesses who see this tool as having a role in increasing productivity).

- Those who are starting out tend to use the greatest number of digital tools while those who are surviving are using the least.
- Social media remains the most commonly used digital tool however usage here tends to decrease with company size (51% among those with 1-20 employees vs 28% among those with 51+ employees). Social media is also more common among females (58%).
- Those who are starting are more likely to be using business insights/analytics (59%).

Q: Which digital tools does your business use? (Select all that apply)



Average # of choices selected: 2025 - 3.9 (vs. 3.6 in 2024 and 4.0 in 2023).

Avg number of tools by business status: Surviving: 3.0, Reviving: 4.1, Thriving: 4.4, Starting: 4.6.

▲ ▼ Indicates significant difference from 2024 2025 2024

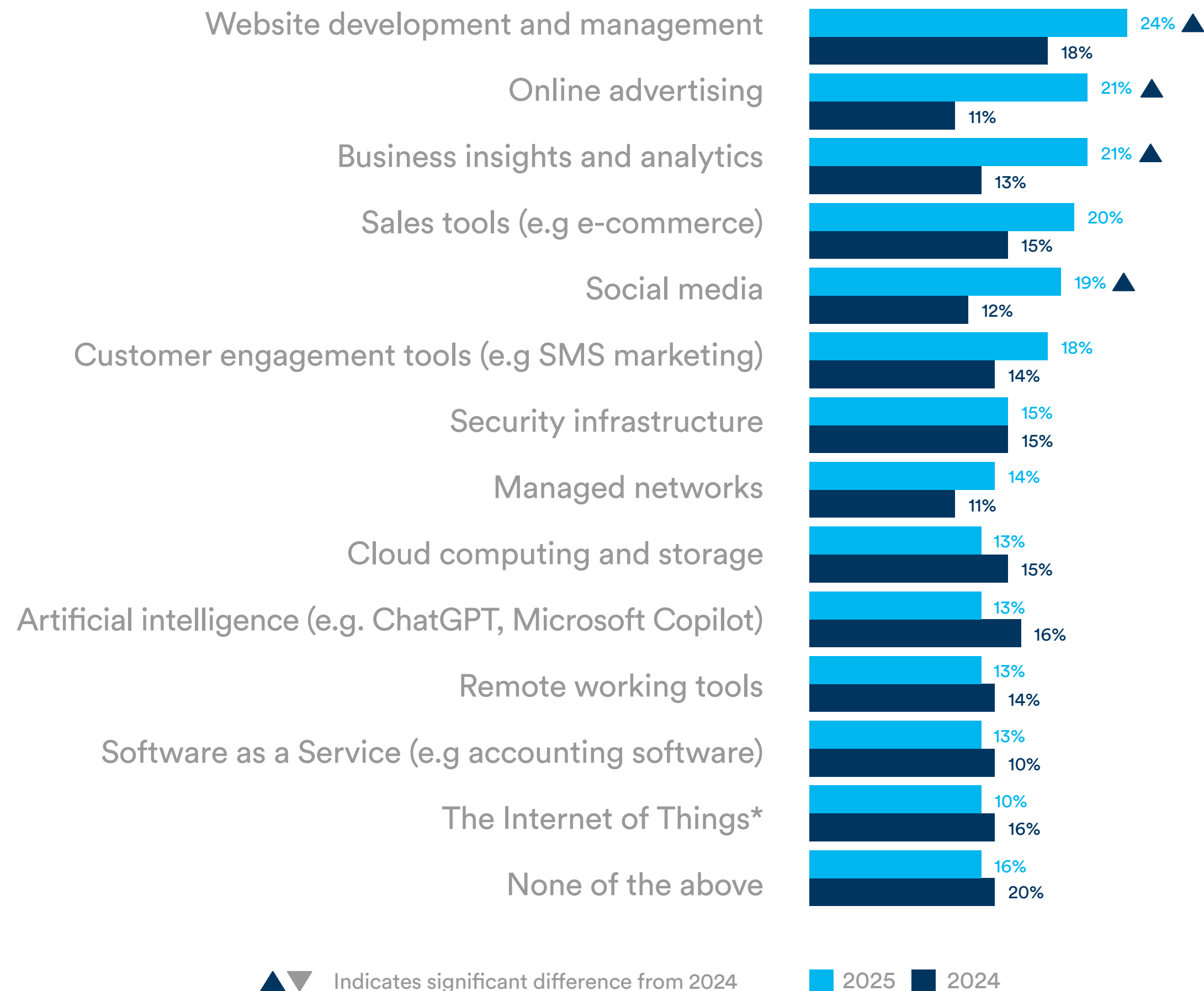


Future digital tools to incorporate

A few digital tools are likely to become more common-place within businesses in the next 1-2 years, including website development and management, online advertising, business insights and analytics and social media.

- For larger companies (51+ employees), cloud computing and SaaS are more likely to be cited (29% and 24% respectively).
- IoT is more likely to be incorporated into manufacturing businesses (34%).
- Those whose business was founded >10 years ago are most likely to indicate they will not be incorporating any of these tools (30% vs 16% in total).

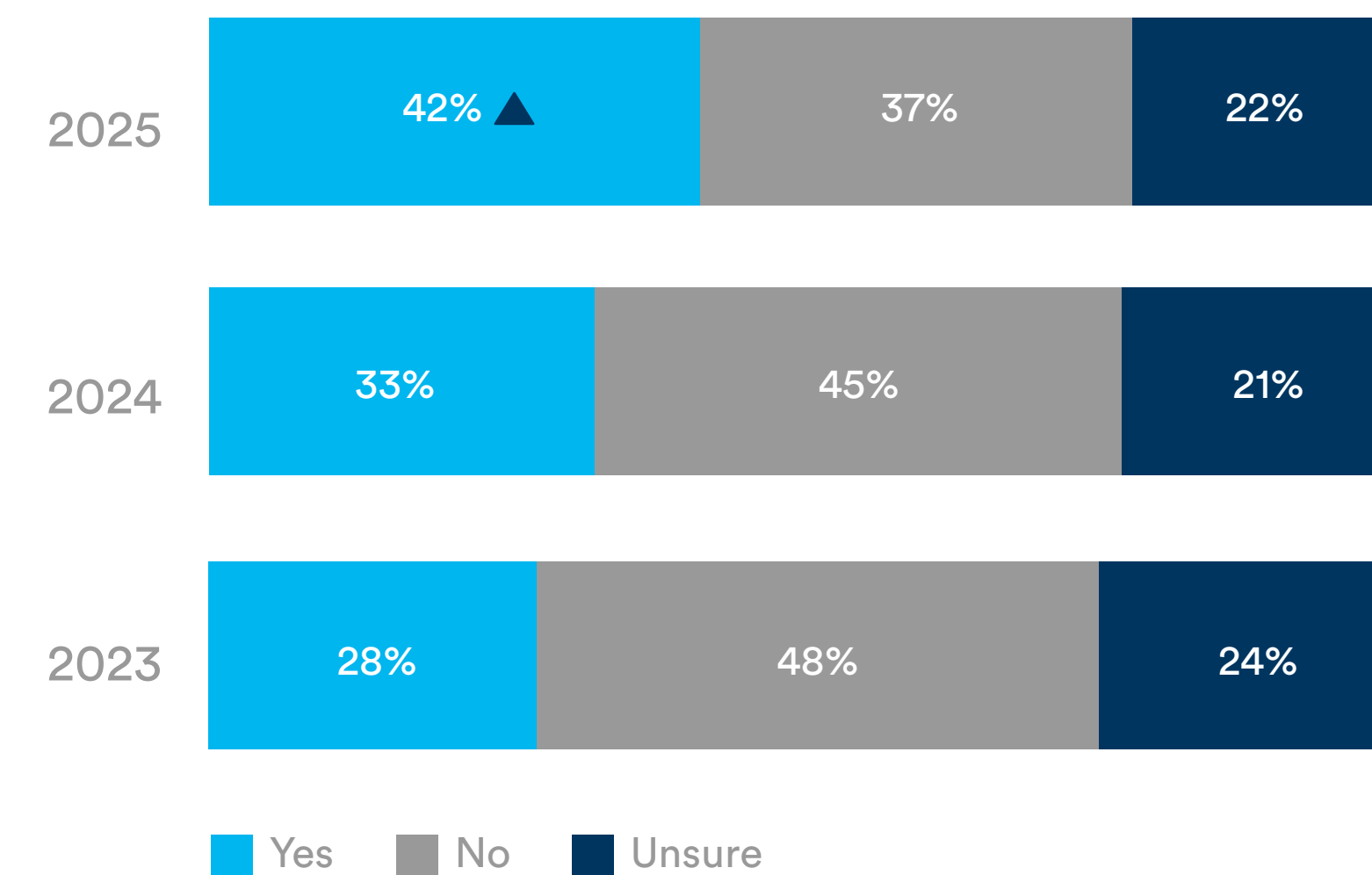
Q: Which digital tools do you think your business will need in the next 1-2 years? (Select all that apply)



Spend on cyber security

The proportion of businesses who plan to increase spend on cyber security has been rising over the last few years and is up significantly from 2024. However, in spite of a higher incidence of increased spend, the number of spend areas is more concentrated in 2025 (average of 1.6 areas vs 1.9 in 2024), with significantly fewer planning to spend in the areas of software, network and external consultant advice.

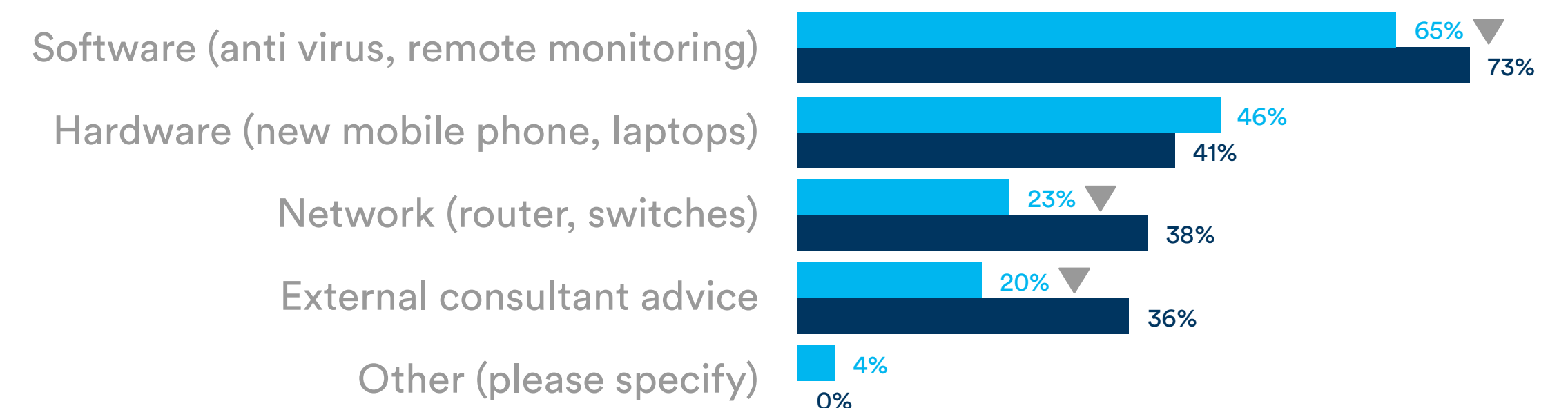
Q: In 2025, do you plan to increase the spend on data/cybersecurity to better protect your business?



Significantly more likely to be increasing spend:

- Businesses with 21-49 employees (60%) and 51+ employees (82%)
- Manufacturing businesses (77%), Financial and Insurance Services (77%)
- Males (50%) and those aged <35 (55%)

Q: What areas do you plan to spend on to improve the data/cyber-security of your business?



▲ ▼ Indicates significant difference from 2024

■ 2025 ■ 2024

Businesses with 51+ employees (58%), manufacturing businesses (62%) and businesses classified as 'starting' (56%) are more likely to be spending on Network.

Businesses with 21-49 employees (79%) and those with turnover of >\$20million (86%) are more likely to spend on Software.

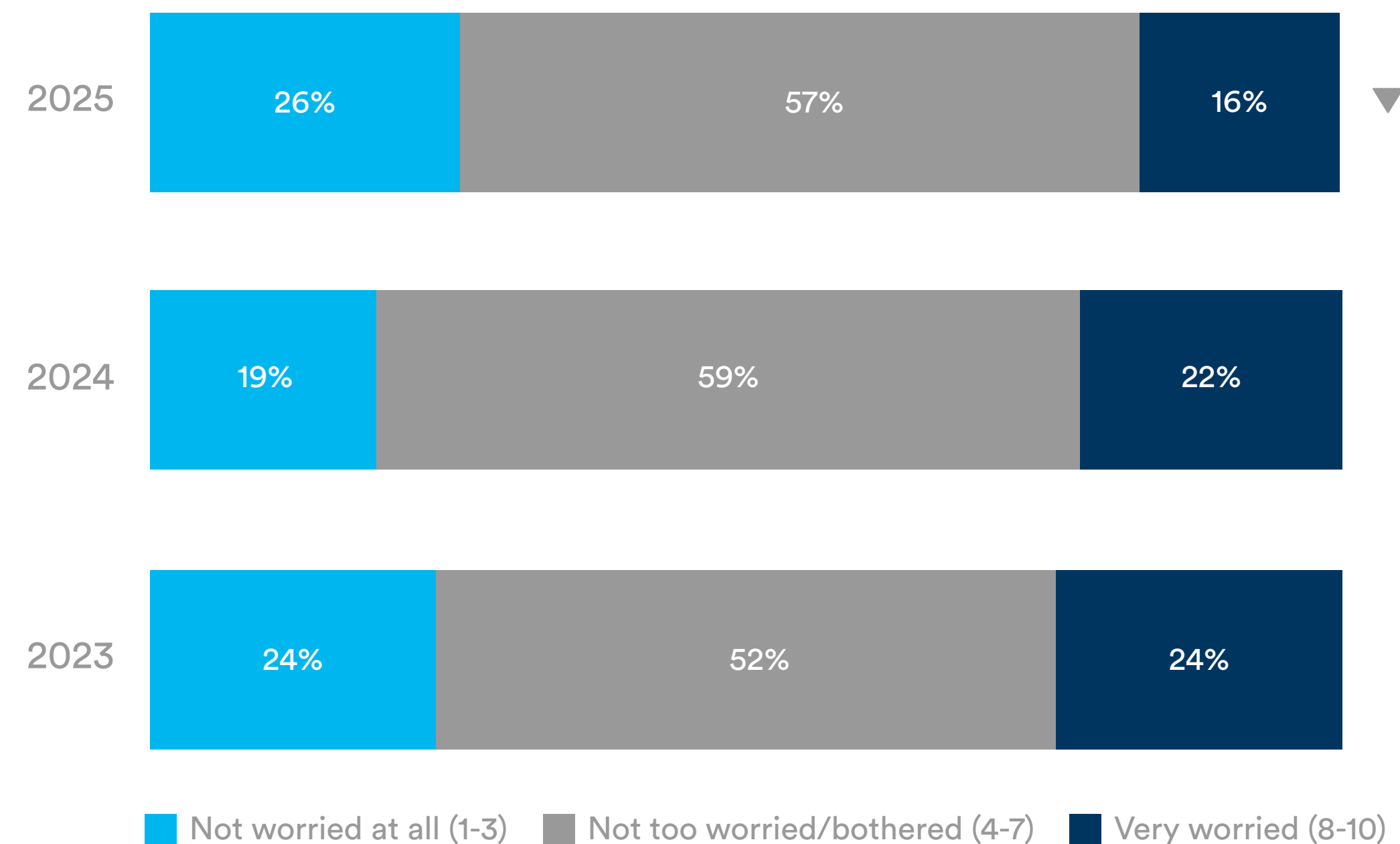


Are businesses worried about a security breach?

Over time the proportion who are very worried about a security breach has been steadily declining and is now down significantly from 2023 and 2024. This may be in part due to the increased spend on cyber security that has been seen over the last few years with more businesses feeling in control.

- Concerns differ depending on business size with the proportion indicating they are very worried significantly higher among those with 51+ employees (39%) (conversely only 13% of those with 1-20 employees are very worried).

Q: On a scale of 1 to 10, (with 1 being not worried at all and 10 being very worried), how worried are you about a security breach in your business?



▲ ▼ Indicates significant difference from 2024





4. Firmographics

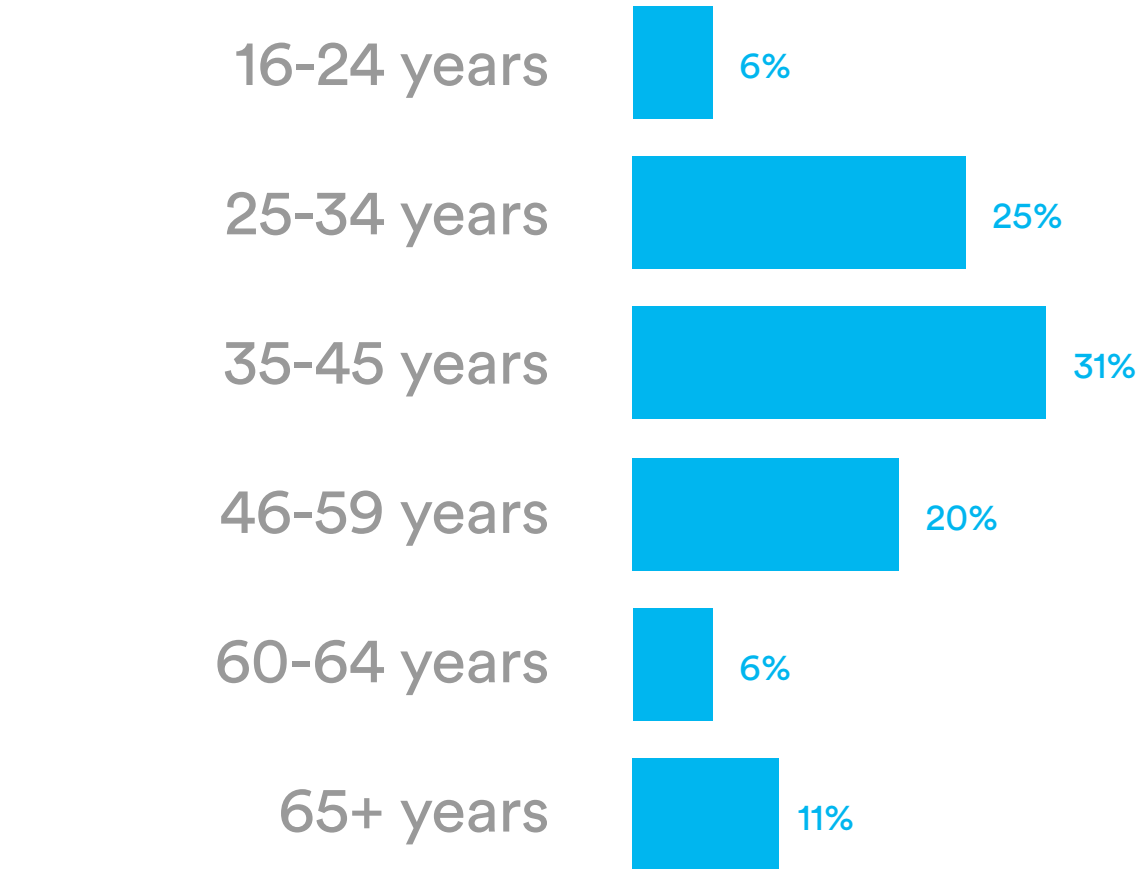


Who we spoke to in 2025

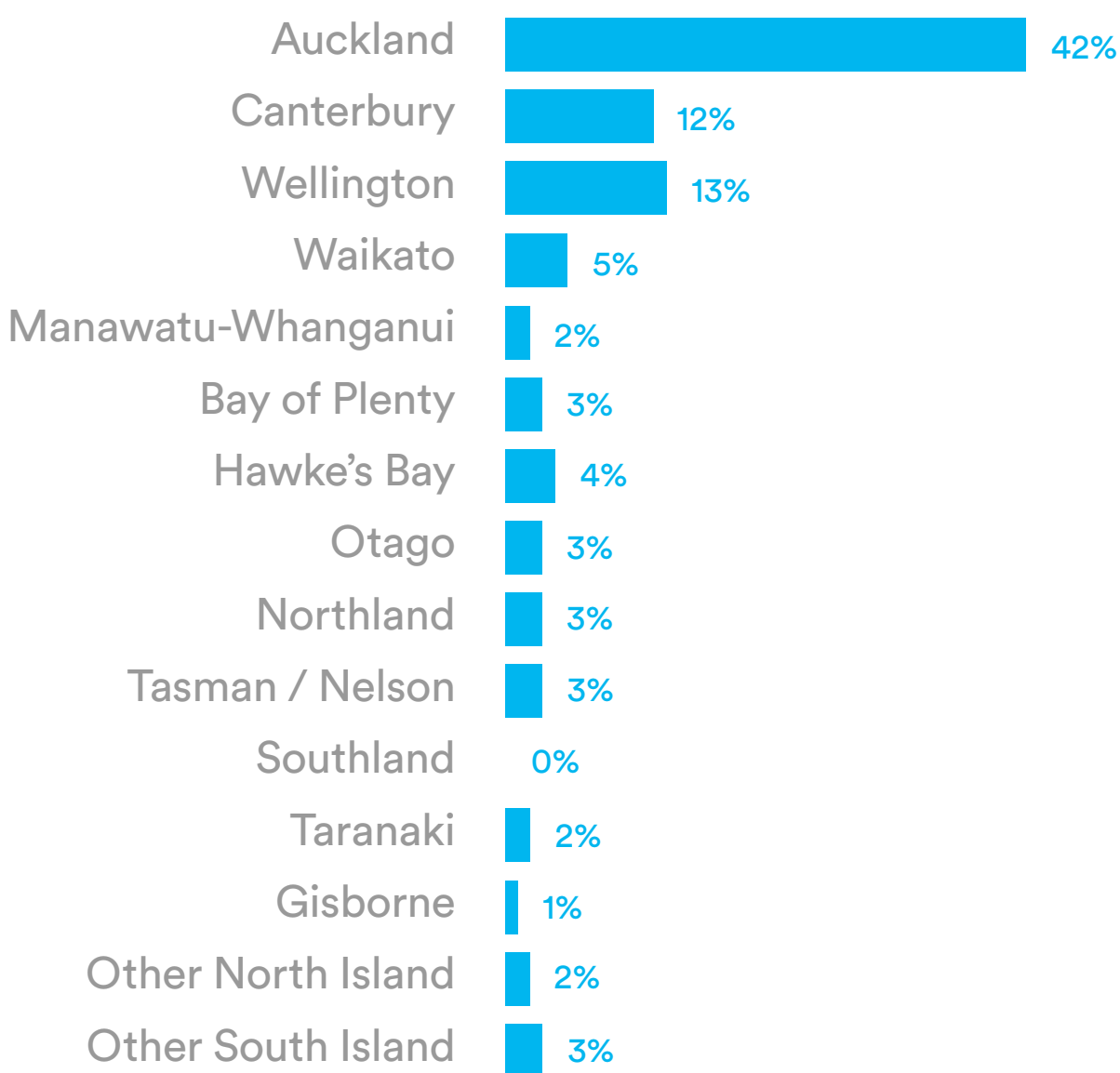
Gender



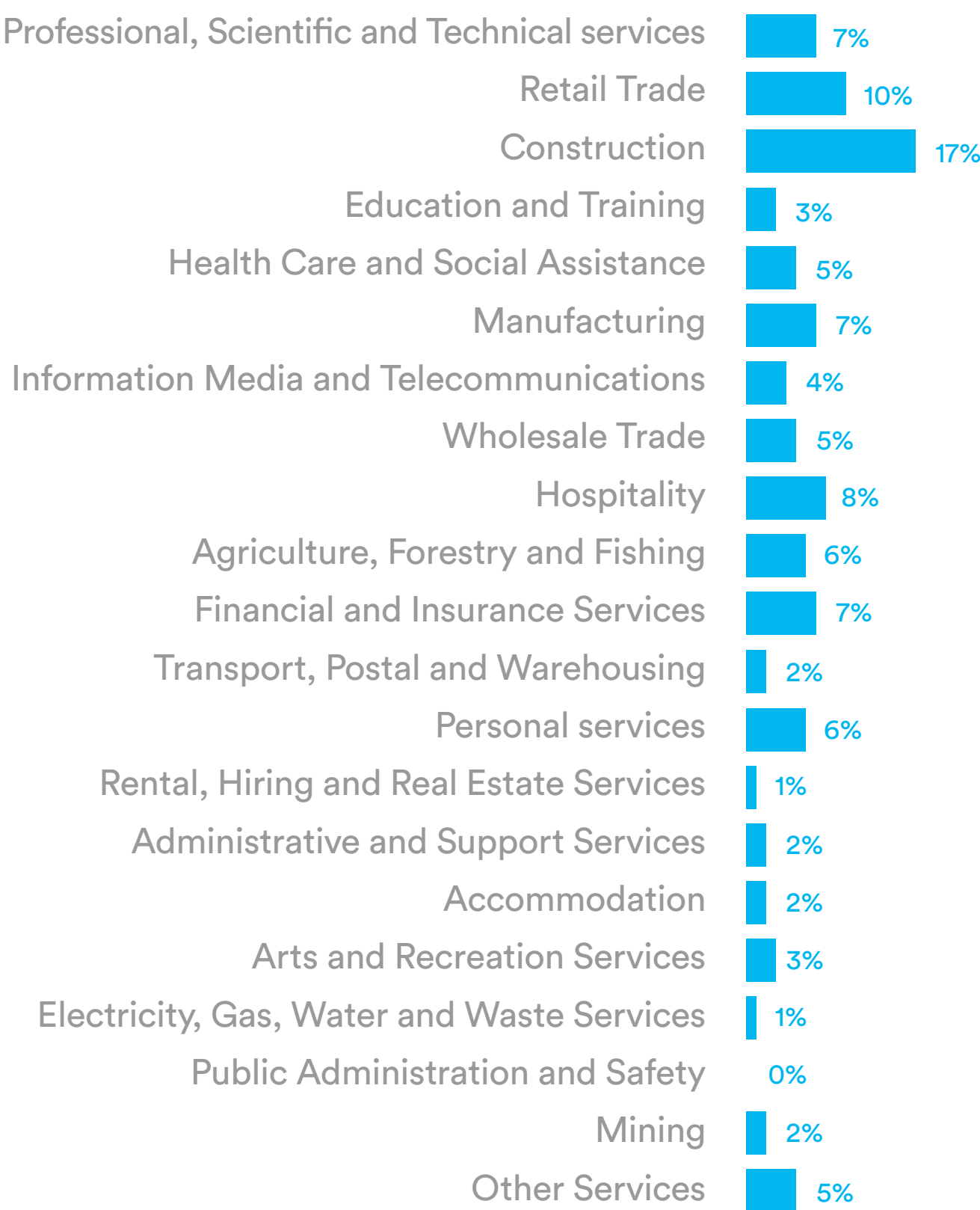
Age



Region



Industry



Who we spoke to in 2025



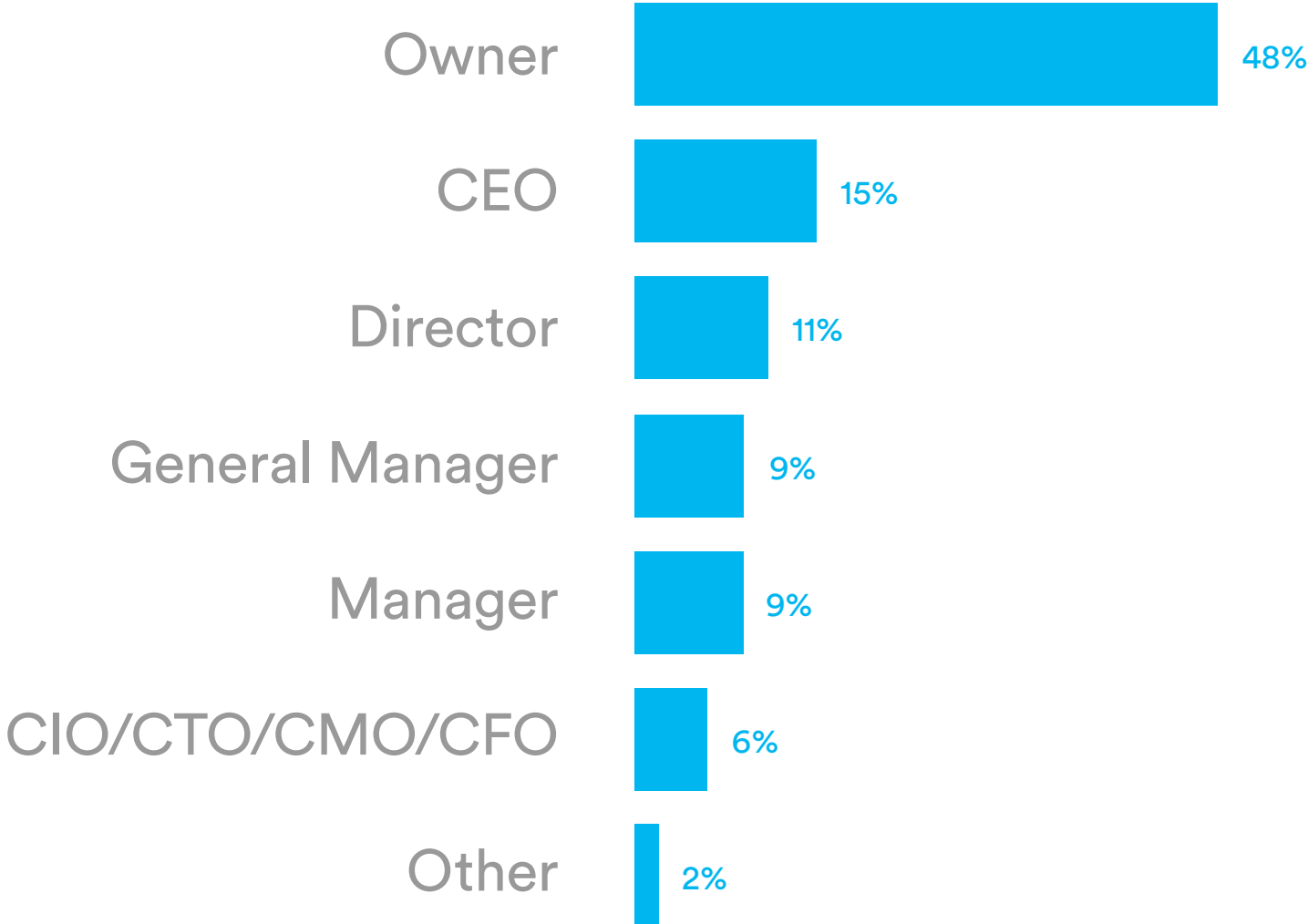
Employing size



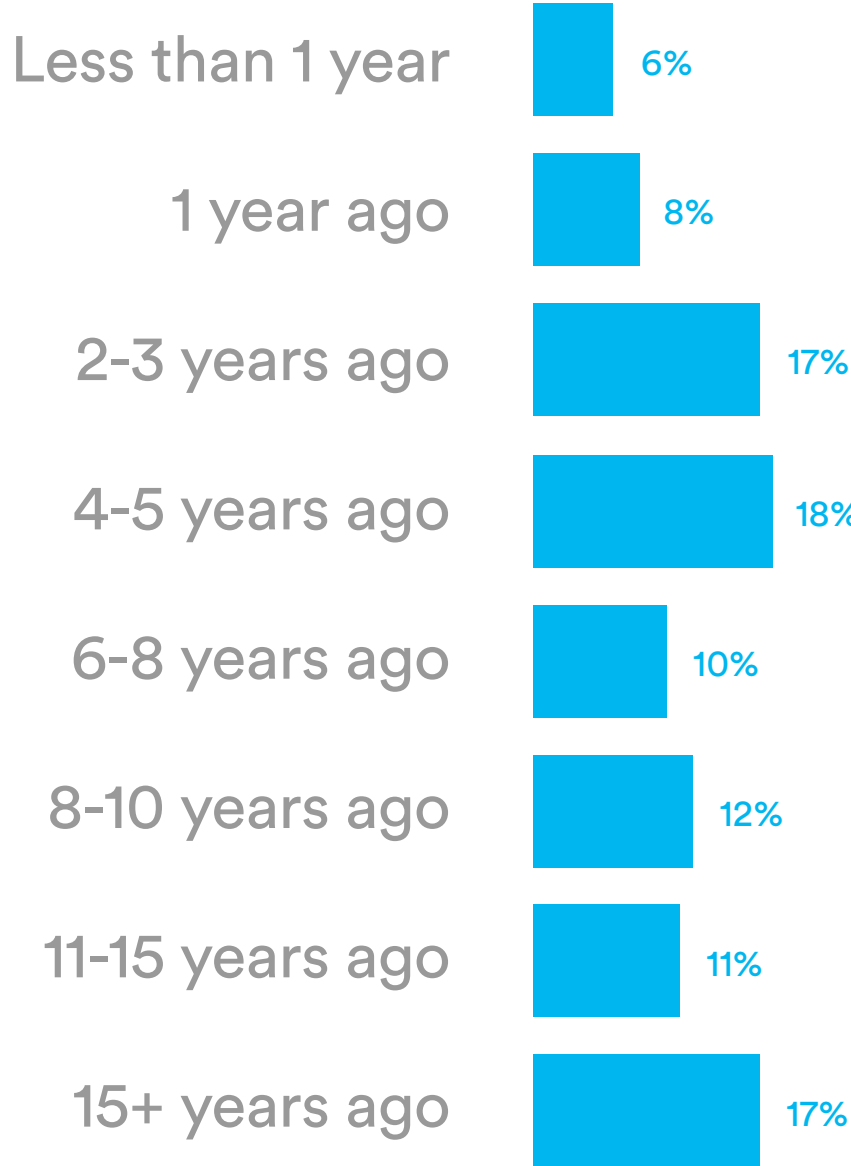
1-20 employees 21-50 employees 51+ employees



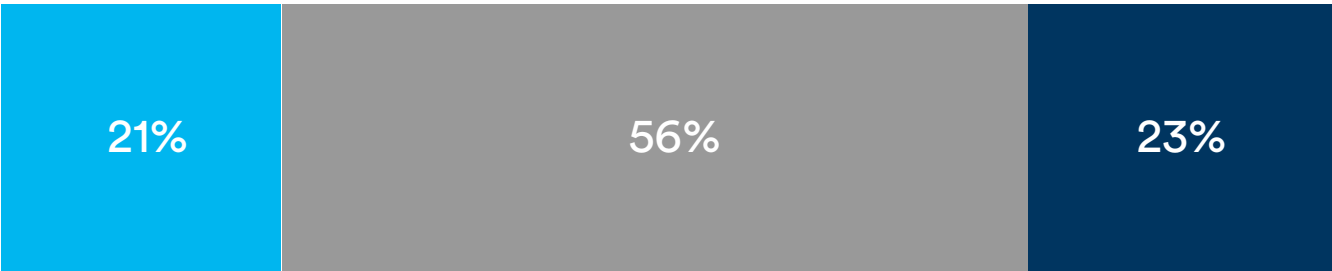
Role



Business tenure



Number of physical sites



No permanent physical sites – my business operates entirely remotely
1 permanent physical site only
Multiple physical sites



Switch telco. Stay ahead.
Get to Business.

