

GOVERNMENT HELP PLEASE!

A helping hand never usually goes astray, but when asked if government assistance would help businesses to export more, one-quarter (25%) said they don't want any help – and a further 9% said they already receive enough assistance.

However 26% of exporters responding to the 2017 ExportNZ DHL Export Barometer said that research & development assistance would be a key way the New Zealand Government could assist their businesses. Second was attending trade shows with other NZ companies, as indicated by 25% – very closely followed by a desire for more Free Trade Agreements (25%).

When looking at industry bodies, 17% said they'd like more help from NZ Trade & Enterprise (NZTE) in overseas markets and 10% pointed to trade missions with NZTE and ExportNZ.

Government assistance Kiwi exporters want to assist with generating orders

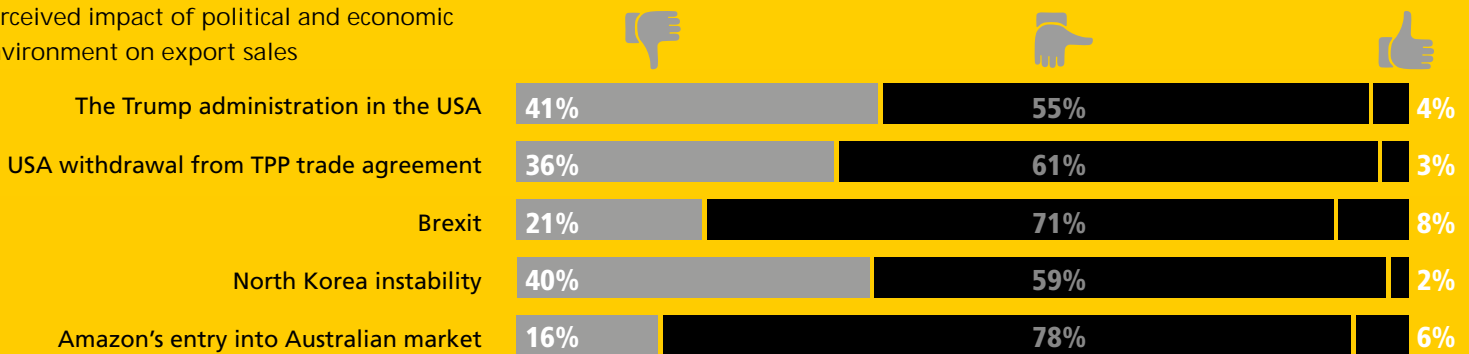


IN THE NEWS: POLITICAL AND ECONOMIC IMPACTS

The Trump-effect has been well reported in the media, and he's having an impact on Kiwi export sales. While the majority indicated the Trump administration in the USA was neutral (55%), a further significant portion (41%) thought it had a negative impact on exports. Just 4% thought Trump had been a positive for growing export sales. Linked to this is the USA withdrawal from Trans Pacific Partnership (TPP) trade agreement, of which 36% thought the pullback would be negative for export sales.

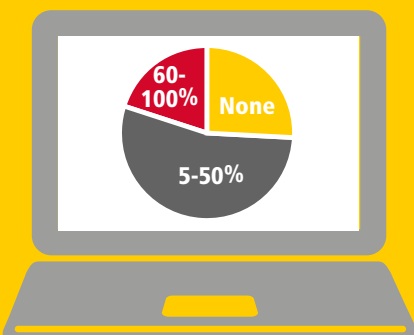
The conflict with North Korea is also troubling exporters, with 40% believing the nation's instability could have a negative impact on export sales. Interestingly Brexit wasn't such a concern, with just 21% concerned about negative impacts. Coming in last, and most likely reflective of the low participation in online commerce, Amazon's entry to the Australian market was only seen as a potential negative by 16% of Kiwi exporters.

Perceived impact of political and economic environment on export sales



SOME EXPORTERS LOOK ONLINE TO GENERATE ORDERS

Portion of Kiwi businesses that generate export orders online



While some Kiwi exporters are taking advantage of the internet revolution, the 2017 ExportNZ DHL Export Barometer shows that exporters still have a way to go – and that not much has changed over the past two years.

In 2017, one-quarter (26%) said that none of their exports orders are generated online. Another third said up to 10 percent of their orders are sourced online. However on the other end of the scale, 20% of exporters now generate more than half of their international orders online, including 6% who generate all export orders this way.

Similarly, online marketing activities still have a long way to go, despite their potential of reaching international audience from afar. The vast majority (80%) say they are only currently spending up to one-fifth of their overall marketing budget on online activities.

INNOVATION CONTINUES TO DRIVE EXPORT ORDERS

Initiatives to increase export orders



This year, again highlighting the importance of innovation, Kiwi ingenuity continues to thrive among the exporter community. More than half (52%) of exporters developed new products and services over the past year in a bid to boost export orders. This was an increase on the previous year's figure of 47% – and was also highlighted as the most important aspect by the highest portion of exporters.

In line with the increase seen in Kiwi trade destinations noted earlier in the research, 45% of exporters targeted new markets – and one-third invested in new sales and marketing approaches.

Digitalisation continues to be important with 30% of New Zealand businesses enhancing their online presence to drive increased export orders, while new technology was explored by one in five (20%).

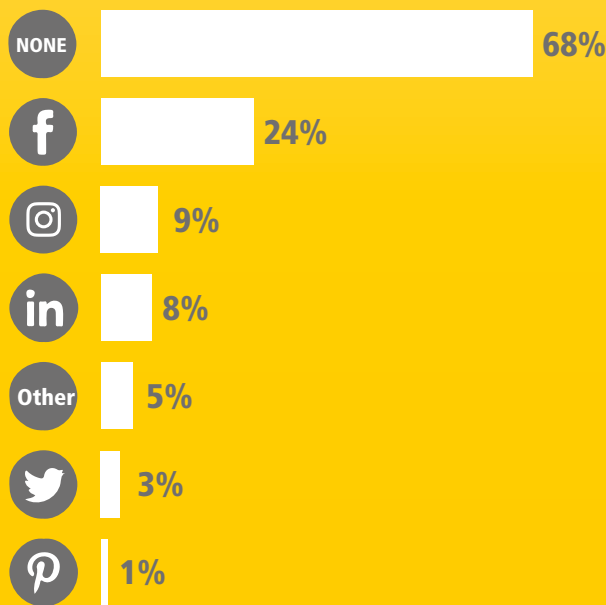
Highlighting the role logistics plays in driving international orders, one in seven exporters indicated they have actively improved the speed of delivery to provide a competitive advantage.

THUMBS DOWN TO SOCIAL MEDIA

When looking at the social media tools and their potential to generate orders, the overwhelming majority (68%) say they do not utilise social media channels to generate export orders or enquiries.

However almost one-quarter (24%) of Kiwi exporters say they have turned to Facebook to generate orders – and 9% to Instagram. Only 8% use the leading business platform, LinkedIn, while 3% use Twitter.

Social media use yet to take off for Kiwi exporters



ABOUT THE EXPORTNZ DHL EXPORT BAROMETER

A joint initiative between ExportNZ and DHL, a total of 379 New Zealand exporters were surveyed for the 2017 ExportNZ DHL Export Barometer. The ExportNZ DHL Export Barometer is an initiative aimed at analysing export confidence in New Zealand and identifying export trends. It is based on nationwide research, examining the business outlook of Kiwi exporters, highlighting changes in overseas market demand and providing insights into the factors impacting on New Zealand's export trade.

The 2017 research was conducted between 5-29 September. The profile of respondents included representatives from all areas of the country, with Auckland representing 40%, Wellington 9%, Rest of the North Island 32%, Canterbury 13% and Rest of South Island 4%. They comprise a range of business sizes with 16% having 1–4 employees, 34% classed as small businesses (5–19 people), 27% medium (20–99 people) and 23% as large organisations (100+ employees).

The key industry segments represented are: Manufacturing (39%), Professional scientific & technical equipment (8%), ICT services, commercial services, consulting (5%), Agriculture, forestry or fishing (11%), and Transport & storage (8%).

While the majority of respondents comprise businesses that have been exporting for more than 20 years (42%), 21% have been exporting for 11–20 years and 18% have been exporting for 6–10 years. One-fifth (20%) are businesses that have been exporting for less than five years.