

EECA Business Monitor

Edition 1: May 2021

Insight into New Zealand businesses' climate change attitudes and actions



Background

This research monitors the mood of the nation around climate change, energy efficiency and topics like EVs.

It tracks New Zealanders' response to key issues and initiatives relevant to EECA through two tracking monitors.

The monitors are designed to assess how we're going vs. our strategic focus areas.

BUSINESS MONITOR

How have business climate change attitudes and behaviours changed since Covid-19 began?

Every 6 months we survey a representative selection of New Zealand businesses, sampling business decision makers in relevant areas including decision makers responsible for personnel, vehicle or energy decisions.

The representativeness of the decision makers is ensured across industry and employee count through quotas and post-weights.

The survey took place in May 2021 and 623 respondents took part.

CONSUMER MONITOR

Every quarter, we survey 750 adult New Zealanders to track their beliefs, behaviours and attitudes related to climate change. This data is available in a separate report.

This study is conducted by [TRA](#). TRA is an insight agency that combines understanding of human behaviour with intelligent data capability to help clients navigate uncertainty and answer complex problems.



Overview

The most recent business monitor results highlight some concerning trends alongside a window of opportunity for EECA.

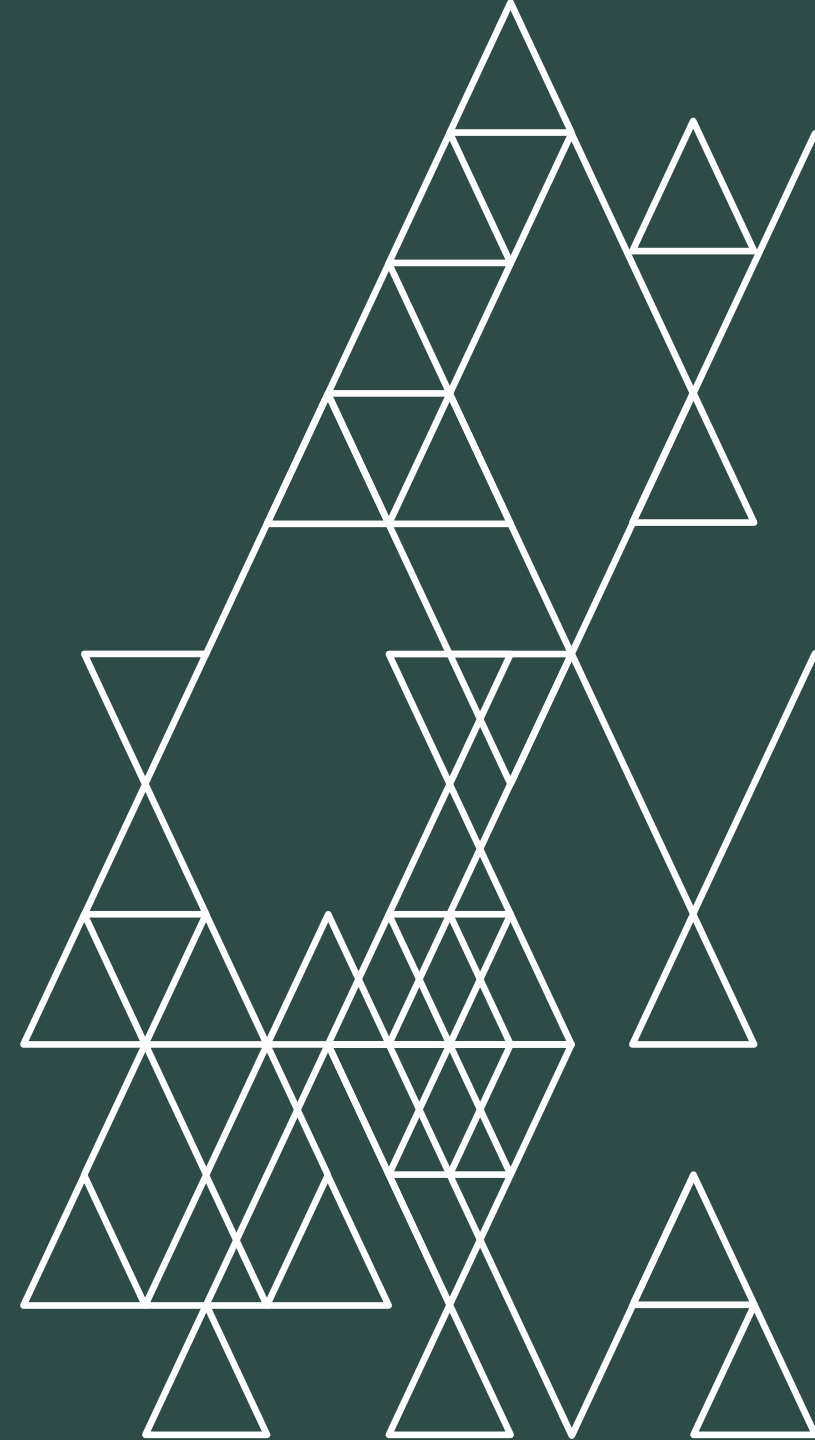
Most businesses have had to deal with unforeseen, often challenging, issues resulting from COVID-19 and its aftermath. And while there's a sense of returning to normal, in reality there have been fundamental shifts in the mindset of New Zealand businesses.

While they may increasingly aspire to the values of corporate social responsibility, actions are not following suit. Many businesses are taking a backwards step when it comes to climate action.

Businesses increasingly need simple steps that help them get back on track with tackling climate change. They're unlikely to be looking for information proactively, so this needs to be targeted and tailored to their context (business size and infancy offer a good profiling basis here). They need a compelling call to action that presents a simple pathway towards helping the planet that can also align with their business priorities.



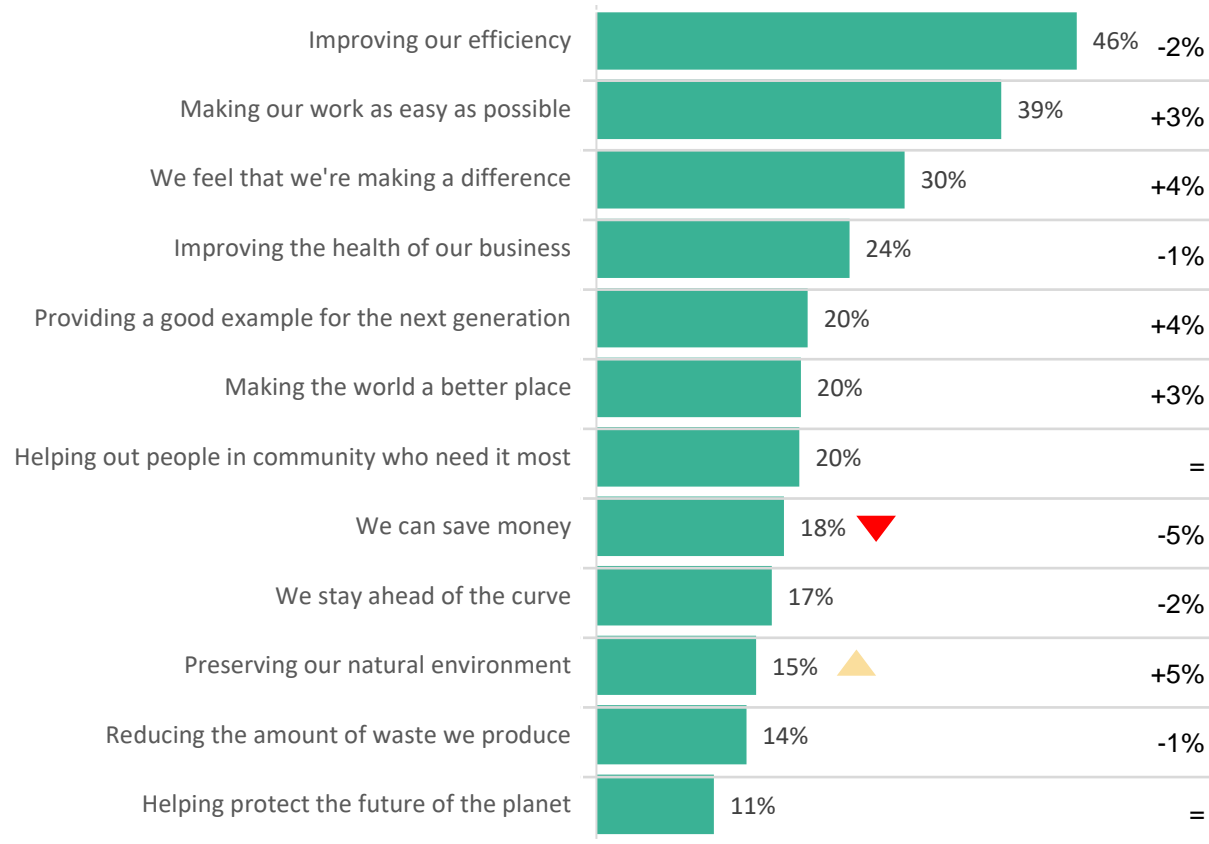
The evolving business landscape



Improving efficiency & productivity remain key priorities but social responsibility is growing in importance

BUSINESS TOP PRIORITIES

% point difference vs. Nov 2020



Businesses are increasingly conscious of their social responsibility, with an uplift in several key measures compared to 6 months ago.

Making the world a better place and preserving our natural environment were both at a record high in May 2021.

Saving money was at a record low (ranging between 22% and 24% previously)

'BUS_MOTIVATIONS. From the list below, what would you say are the three most important drivers in your business's life?
Base: n=623 Businesses.



In a post-COVID world, businesses are slowly returning to 'normal'

IMPACT OF C19 ON NEW ZEALAND BUSINESS MINDSETS

	May '21	% point difference vs. Nov '20
We're surviving, and aren't sure we'll make it	15% ▼	-8%
We're surviving, but confident we'll make it	30% ▼	-6%
It's been business as usual for us	38% ▲	+8%
We've changed how we operate, but will return to normal	9%	-1%
We've changed how we operate, and will continue to operate in a new way	15% ▼	-6%
We have grown, this period has been good for our business	8%	+2%

With a 14% point decrease in businesses reporting that they are just "surviving" and a significant 8% point increase in the proportion operating under business as usual

Statistically significant difference: ▲ ▼



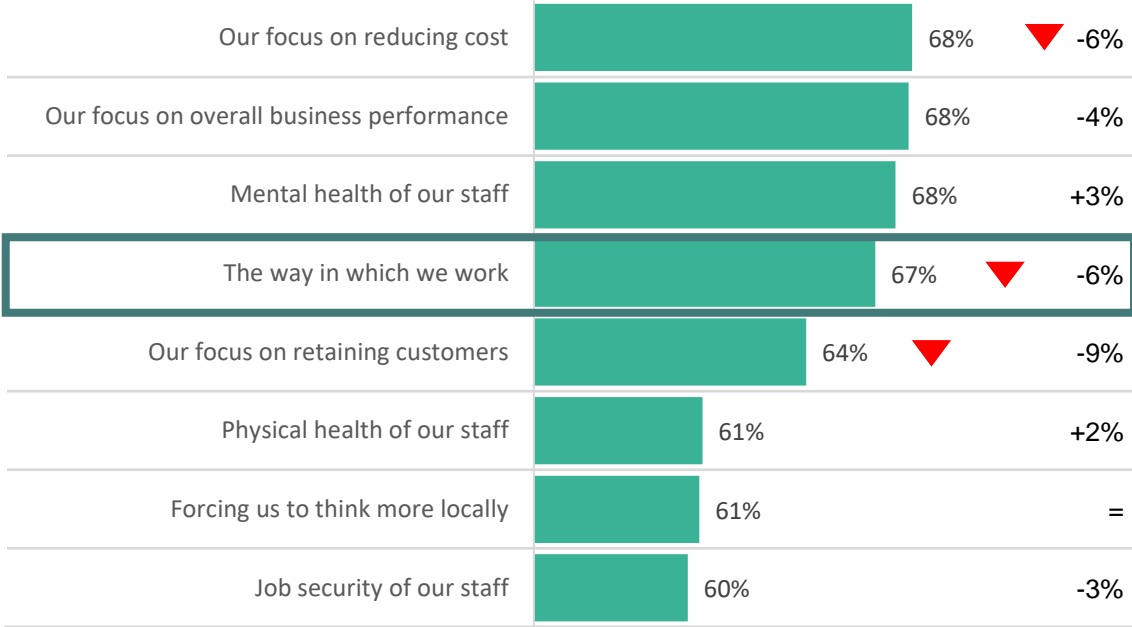
Source: EECA Business Monitor. C19_FOCUS: With the impact of COVID-19, which of these statements are true for your business? BUS_GROW: What phrase best represents the current position of the company? Base: n=623 Businesses.

And the impacts of the COVID situation are starting to fade

COVID-19 is having less of an effect in the day-to-day running of businesses – but the after-effects still remain for most.


IMPACT OF C19 ON NEW ZEALAND BUSINESSES

% point difference vs. Nov 2020



Businesses have adapted with a significantly lower proportion indicating COVID-19 has changed the way in which they work compared to 6 months ago, although two-thirds still feel this is the case.

There is, however, still a toll on staff health and wellbeing; both mental health and physical health impacts were slightly more pronounced in May 2021 than previously.

Statistically significant difference: 

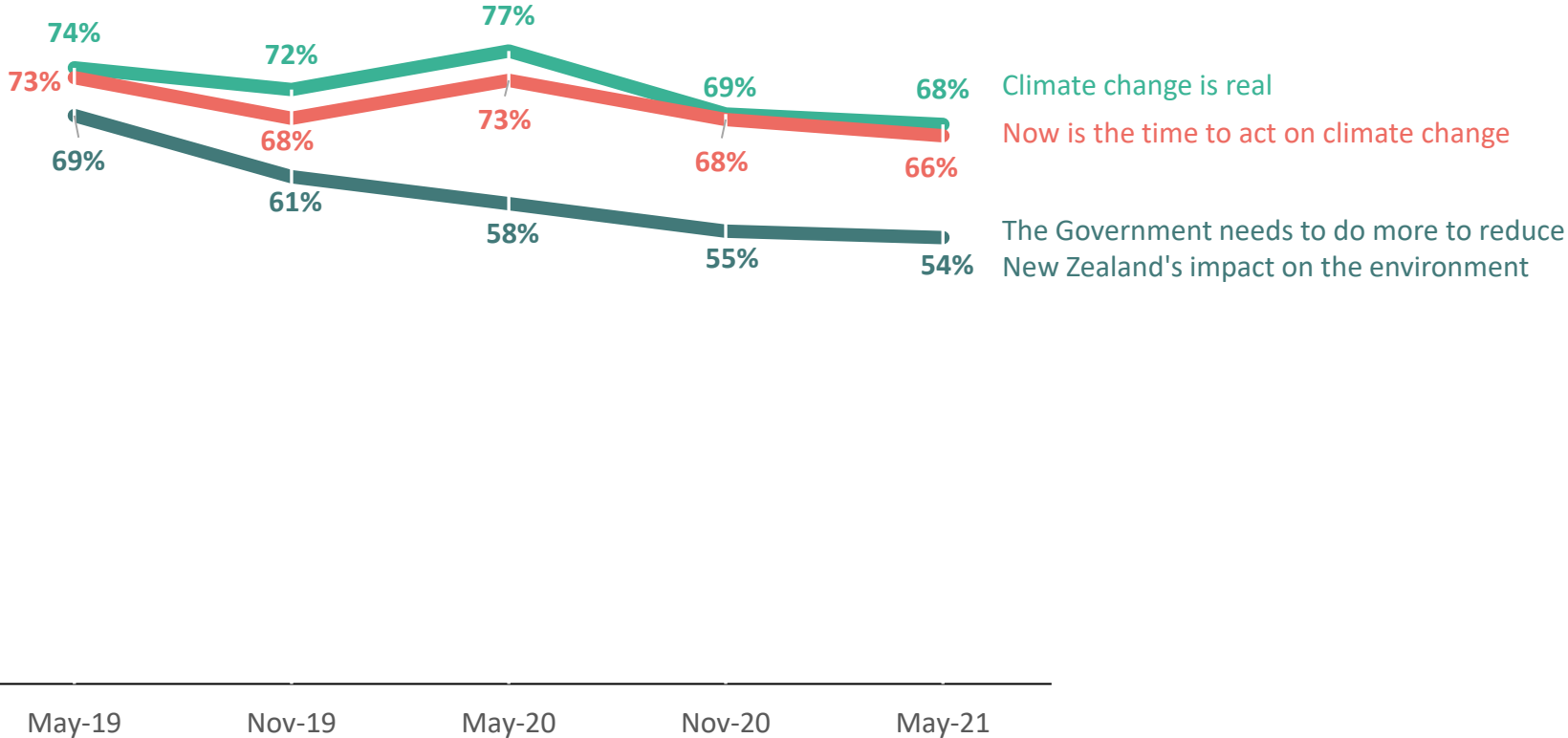
C19_CURRENT - And in which of these ways is the COVID-19 situation impacting your business currently? (Some impact / Significant impact / Huge impact)

C19_FOCUS - With the impact of COVID-19, which of these statements are true for your business? **Base:** Total Sample - (n=623).



There's less climate urgency, less belief in the cause, and declining support for government intervention

BUSINESS CLIMATE BELIEFS: TRENDS OVER TIME



CLIMATE_BELIEFS – How much do you agree or disagree that... – Not Stated REMOVED - NET T2B AGREE
 May 2019 n=371, Nov 2019 n=391, May 2020 n=381, Nov 2020 n=390, May 2021 n=474



IMPLICATION

Aspirations of corporate social responsibility have changed in a post-COVID world

Although businesses aspire to be more socially responsible, in reality, the shock of the pandemic and its fallout have changed priorities for many businesses.

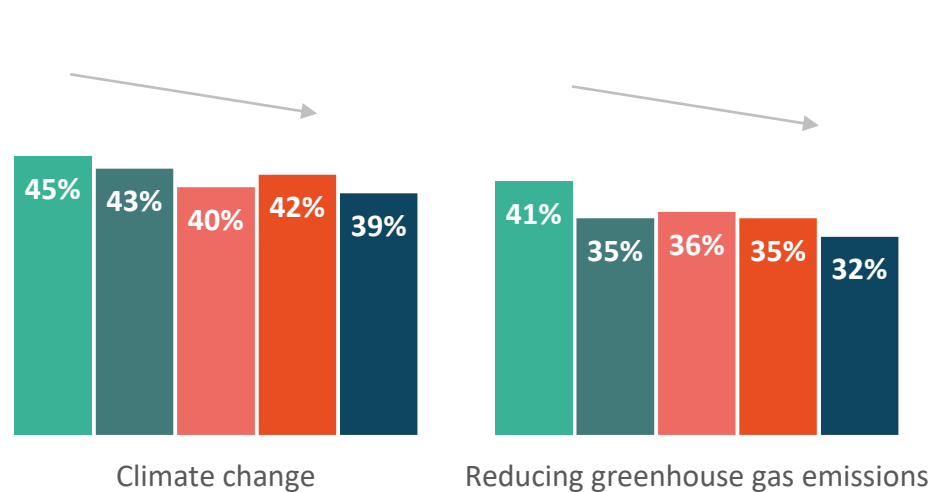
With businesses more concerned with survival, climate action risks slipping down the business agenda.



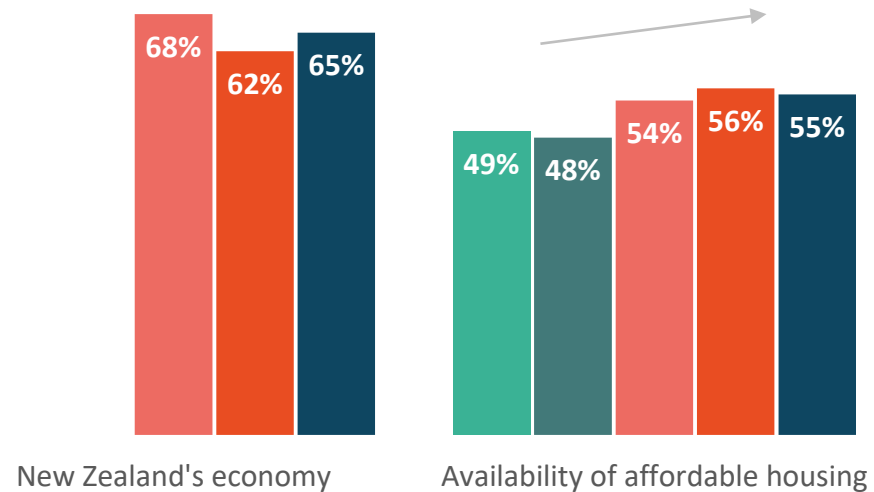
Climate change and reducing emissions are considered less of a pressing national issue

ISSUES FACING NEW ZEALAND OVER TIME (STRONGLY AGREE)

The proportion of businesses agreeing climate change and reducing emissions are very important national issues was at a record low in May 2021, ranking bottom in a list of 15 issues.



The number one business issue in May 2021 was the economy, while availability of affordable housing has seen the steepest increase in concern over the research period.



■ May-19 ■ Nov-19 ■ May-20 ■ Nov-20 ■ May-21

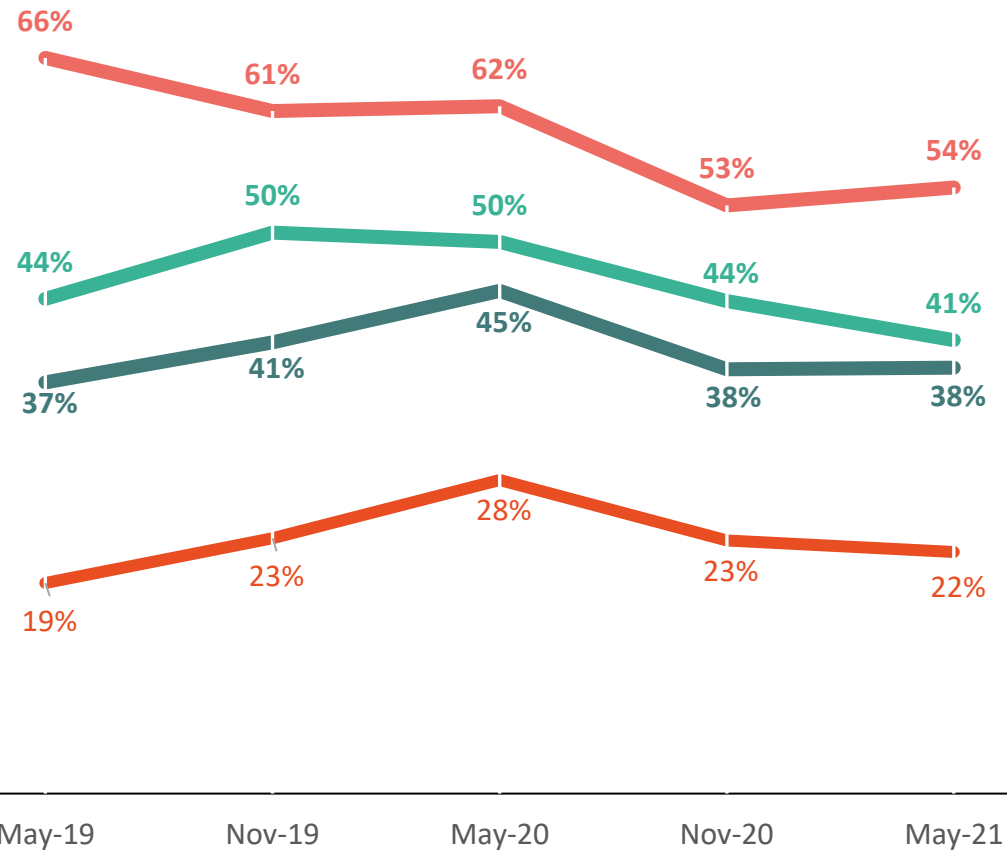
GENERAL_ISSUESr: X- How important do you consider each of the following issues to be for New Zealand? (Very important)

May 2019 n=510, Nov 2019 n=515, May 2020 n=500, Nov 2020 n=501, May 2021 n=623



Diminishing perceptions of climate action as a competitive advantage and source of business pride

BUSINESS CLIMATE BELIEFS: TRENDS OVER TIME



I admire business leaders that prioritise actions to reduce climate change

We're proud of how environmentally aware our company is

Having a low carbon footprint gives businesses a competitive advantage

Our customers and / or suppliers are encouraging us to do more

Small businesses with 5 FTEs or fewer are significantly less likely than larger businesses to agree across all of these measures.

As an example, 36% of small businesses agree that having a low carbon footprint gives them a competitive advantage, compared to 64% of those with 20 - 99 FTEs, and 59% of those with 100+.

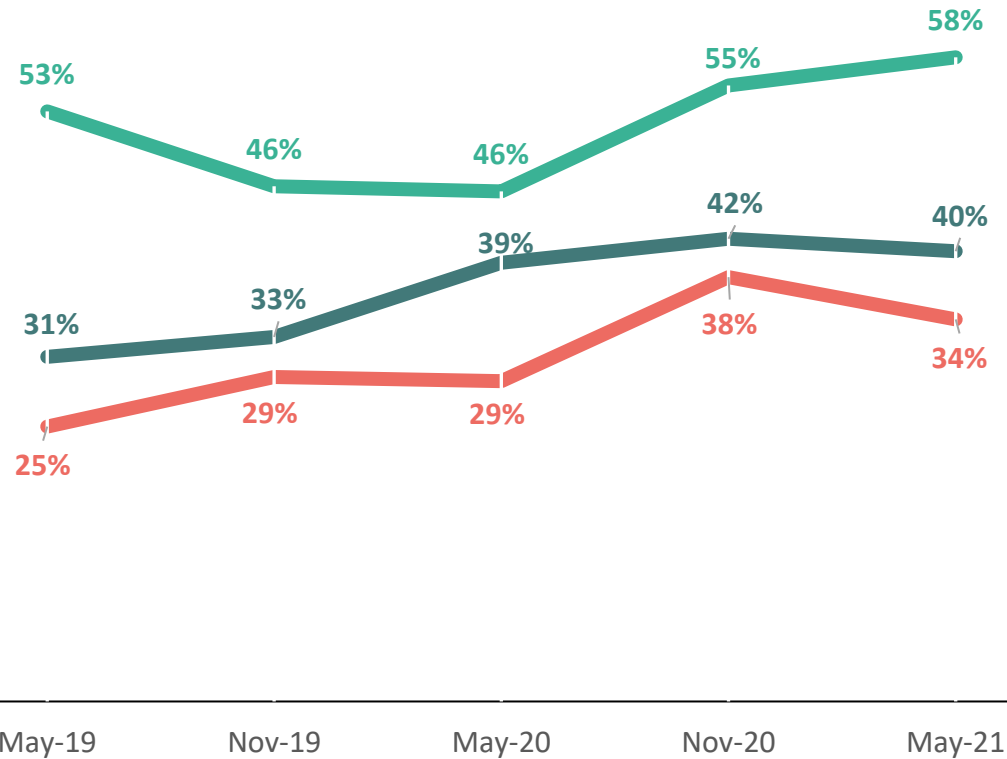
Given these businesses make up the majority (87%) of New Zealand's business population, their views hold significant weight in the overall result (source: Stats NZ New Zealand business demography statistics, February 2020).

CLIMATE_BELIEFS – How much do you agree or disagree that... – Not Stated REMOVED - NET T2B AGREE
 May 2019 n=371, Nov 2019 n=391, May 2020 n=381, Nov 2020 n=390, May 2021 n=474



Businesses are seeing more barriers to acting and greater priorities elsewhere

BUSINESS CLIMATE BELIEFS: TRENDS OVER TIME



It's hard to reduce our greenhouse gas emissions without increasing our costs

There are too many environmental issues to think about in business

Our business has too many other priorities to focus on reducing our greenhouse gas emissions

Although smaller businesses with 5 FTEs or fewer generally show lower support for the climate cause, they see fewer barriers to taking action: 57% state that it's hard to reduce gas emissions, compared to 66% of businesses with 6 – 19 FTEs, and 62% with 20+ FTEs.

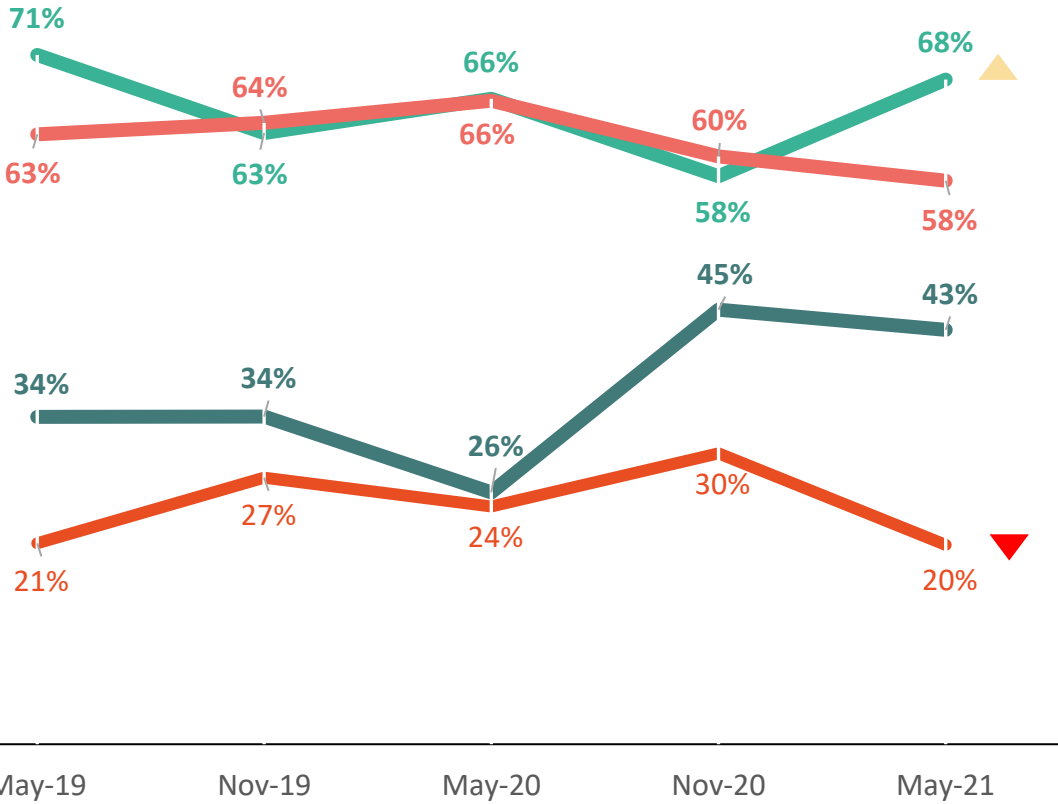
And just one-third of smaller businesses say they have too many other priorities to focus on reducing gas emissions, compared to nearly half of large businesses with 100+ FTEs.

CLIMATE_BELIEFS – How much do you agree or disagree that... – Not Stated REMOVED - NET T2B AGREE
 May 2019 n=371, Nov 2019 n=391, May 2020 n=381, Nov 2020 n=390, May 2021 n=474



And they're more likely to see climate issues as somebody else's problem

BUSINESS CLIMATE BELIEFS: TRENDS OVER TIME




The Government needs to reduce their direct impact on the environment

We need to consider all solutions to climate change, even if it means changing how our business does things

New Zealand is too small to have a global impact on the environment

Others in our industry do all they can to reduce their greenhouse gas emissions

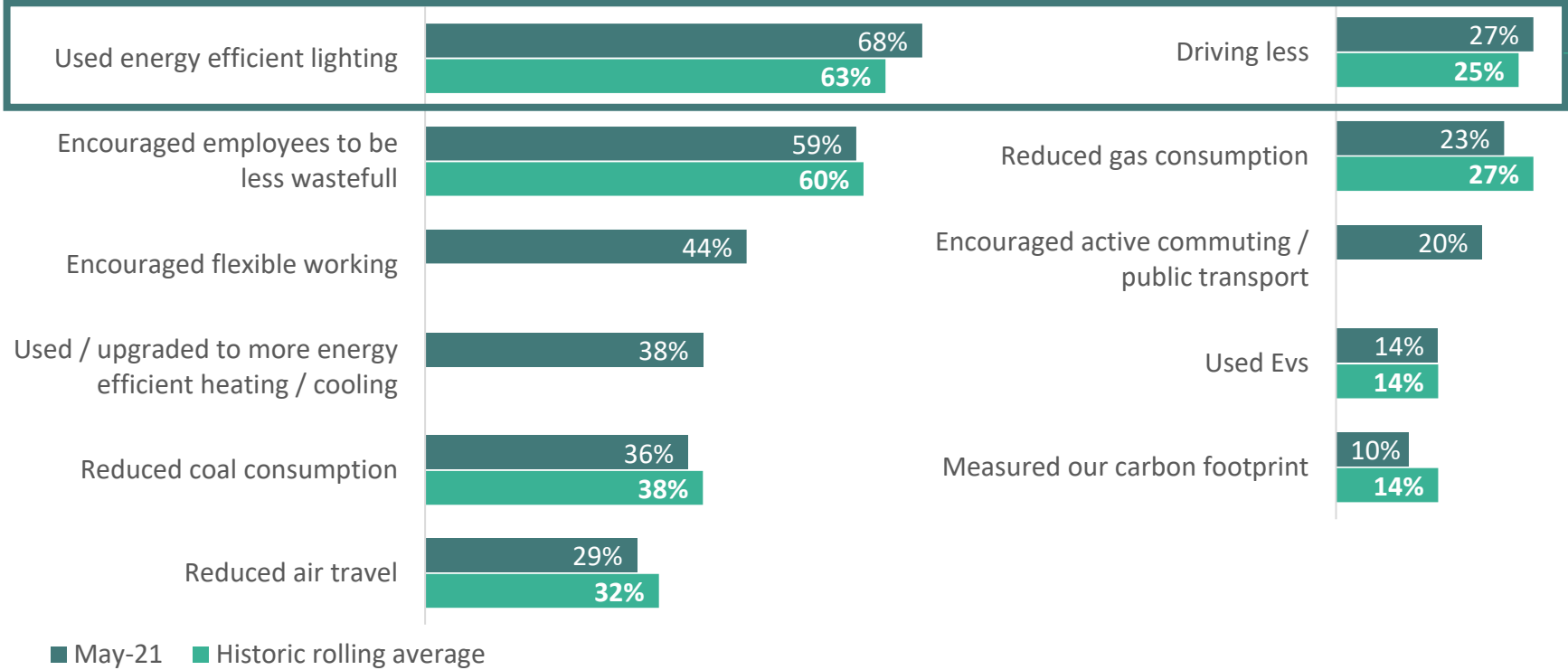
Statistically significant difference: 

CLIMATE_BELIEFS –How much do you agree or disagree that... – Not Stated REMOVED - NET T2B AGREE
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These shifting beliefs translate into fewer businesses taking climate action

BUSINESS ACTIONS TAKEN TO REDUCE CLIMATE IMPACT



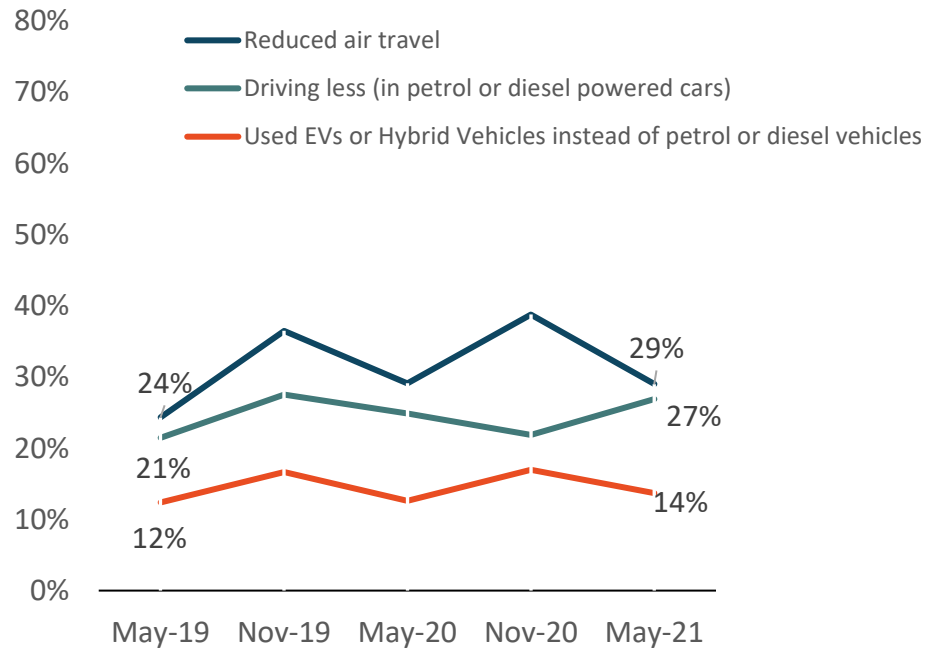
Just two actions in May 2021 showed a higher than historic average result; in most cases results were lower and this difference was most pronounced for reducing gas consumption and measuring carbon footprint (both -4% points in May 2021 compared to the historic average).



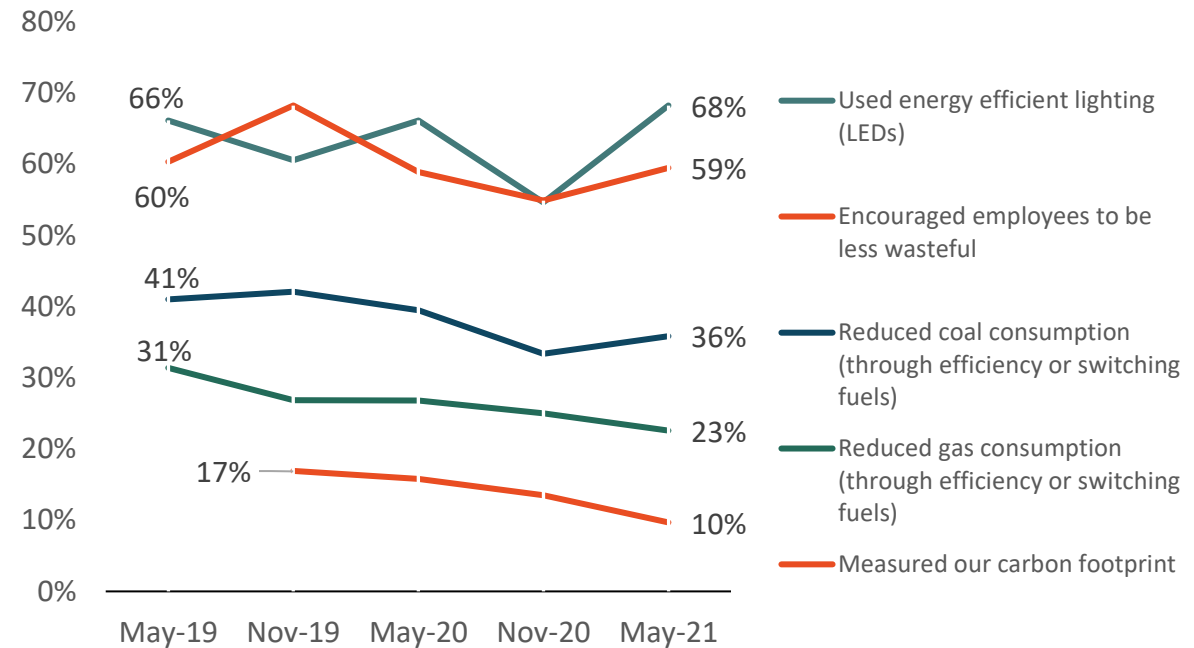
CLIMATE_ACTION - Which of the following actions has your business taken in order to reduce your impact on climate change? (NS REMOVED) - T2B TAKING REGULAR ACTION
 Base: n = 268.

Despite fluctuations, travel specific actions have all improved since 2019

TRAVEL SPECIFIC ACTIONS



OTHER ACTIONS



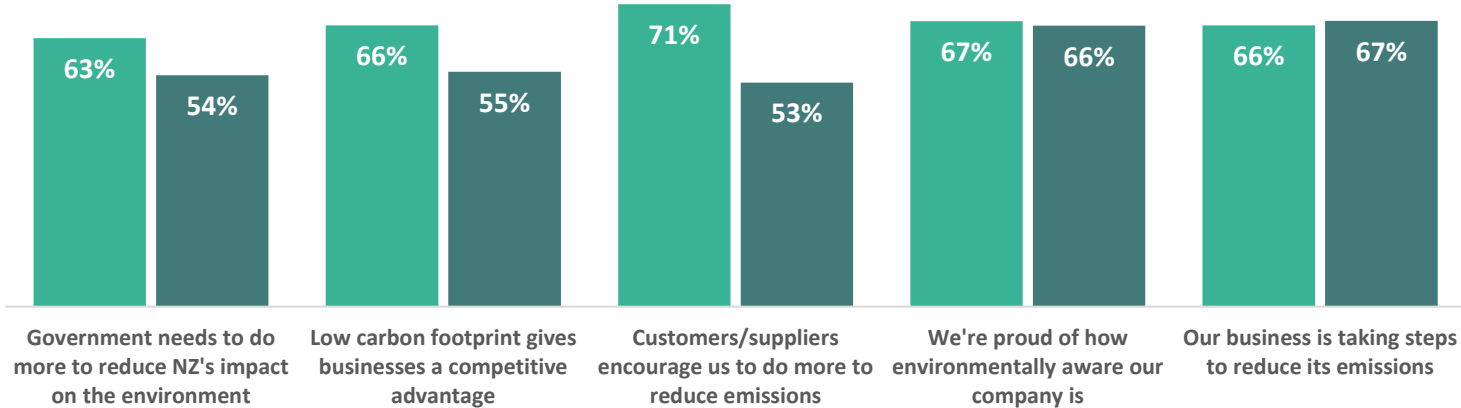
GENLESS_ACTION: (As a result of seeing this advertising campaign, which of the following actions did your business take?) by Wave
 May 2019 n=371, Nov 2019 n=391, May 2020 n=381, Nov 2020 n=390, May 2021 n=474



There's a strong connection between attitudes and behaviour

Transport or fuel consumption actions – which beliefs align with highest and lowest activity (May 2021)

Beliefs corresponding with *higher* levels of taking action



Beliefs corresponding with *lower* levels of taking action



■ NET Transport Action ■ NET Reduce Fuel Consumption Action

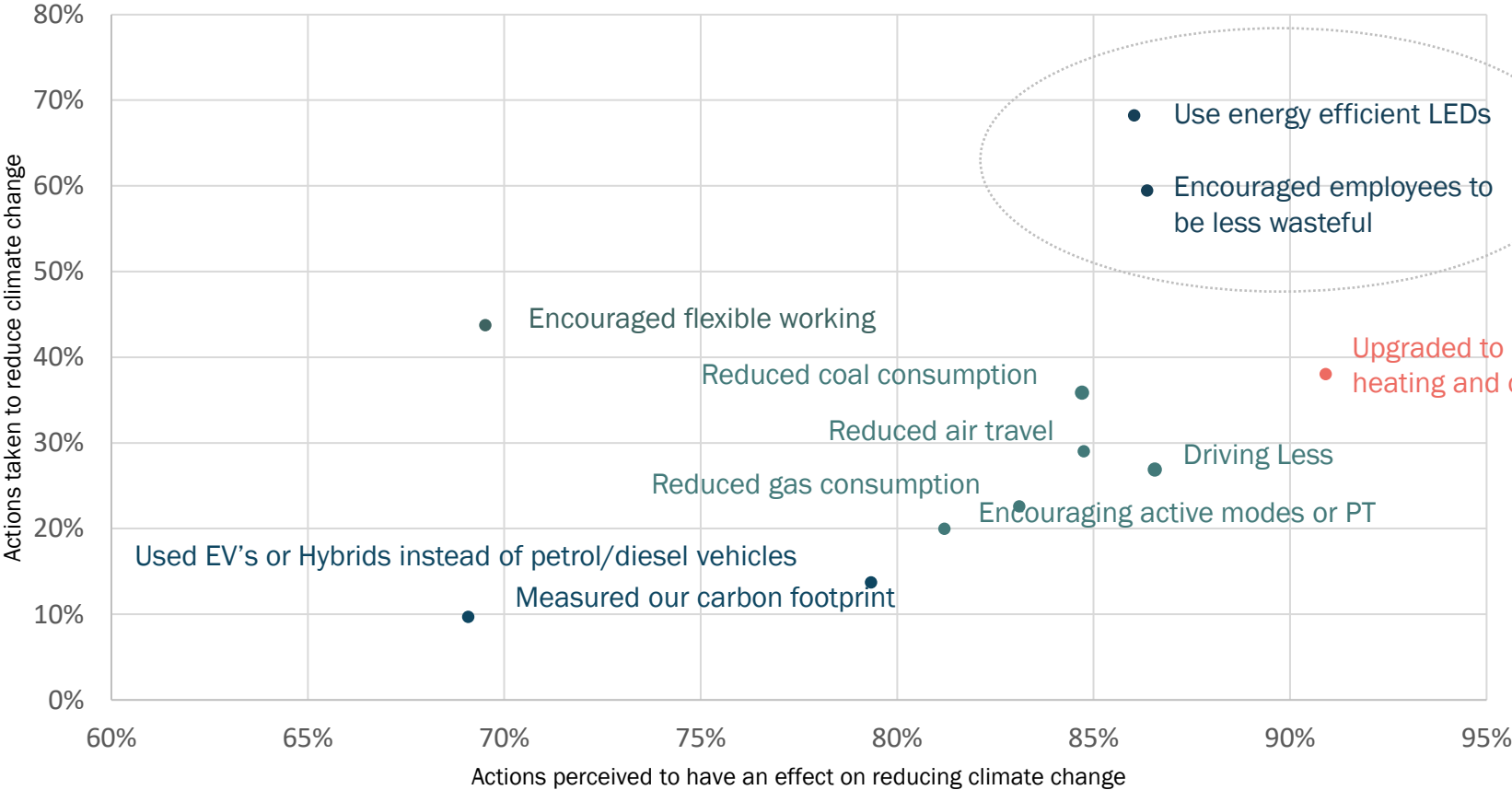
Beliefs naturally align with behaviour. Business decision makers with 'proactive' beliefs and attitudes around climate change are significantly more active in terms of reducing their businesses' transport and emissions impact than those less on board with the climate cause.



CLIMATE_BELIEFS - How much do you agree or disagree that... - Not Stated REMOVED - NET T2B AGREE;
 CLIMATE_ACTION - Which of the following actions has your business taken in order to reduce your impact on climate change? (NS REMOVED) - T2B TAKING REGULAR ACTION
 Base: n = 268.
 NET Transport Action (Driving less + Reduced Air Travel + Encouraged Active/Public Transport + Used EV's); NET Reduce Fuel Consumption (Reduced Coal Consumption + Reduced Gas Consumption).

There are gaps between what actions businesses think will be impactful and what actions they actually take

Actions perceived as having an effect on reducing climate change vs actions taken regularly.

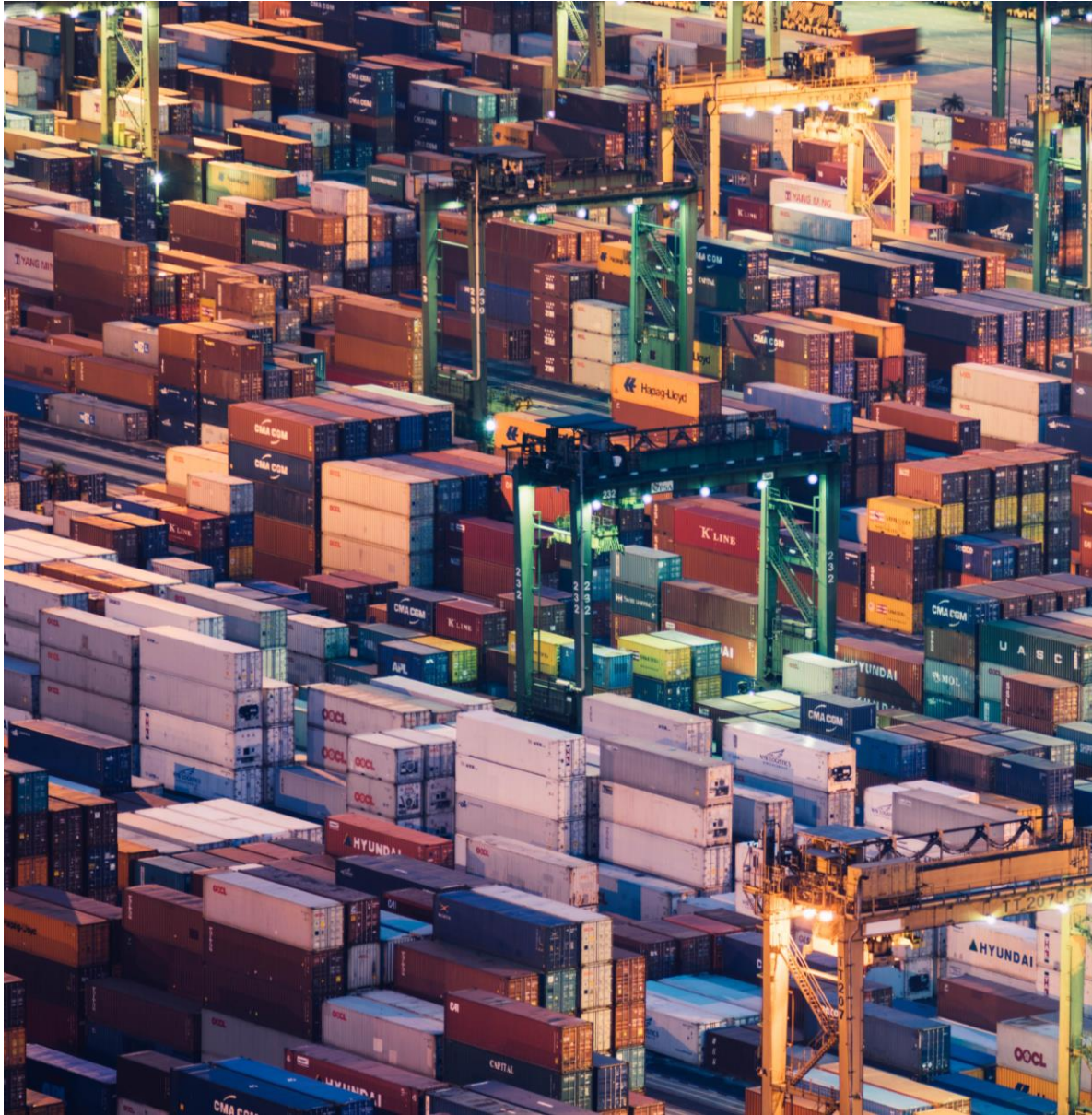


Businesses currently think the easiest-to-take actions (changing light bulbs and influencing employee waste behaviour) are the most impactful.

- High Effect; High Action
- High Effect; Moderate Action
- Moderate Effect; Moderate Action
- Low Effect; Moderate Action
- Low Effect; Low Action



CLIMATE_EFFECTR: X- Thinking about businesses, how much of an impact do you think the following have on helping to reduce climate change - NET Has an Impact. Base: n=594
 CLIMATE_ACTION - Which of the following actions has your business taken in order to reduce your impact on climate change? (NS REMOVED) - T2B TAKING REGULAR ACTION Base: n=249



IMPLICATION

Businesses need targeted engagement so they don't revert to their old ways

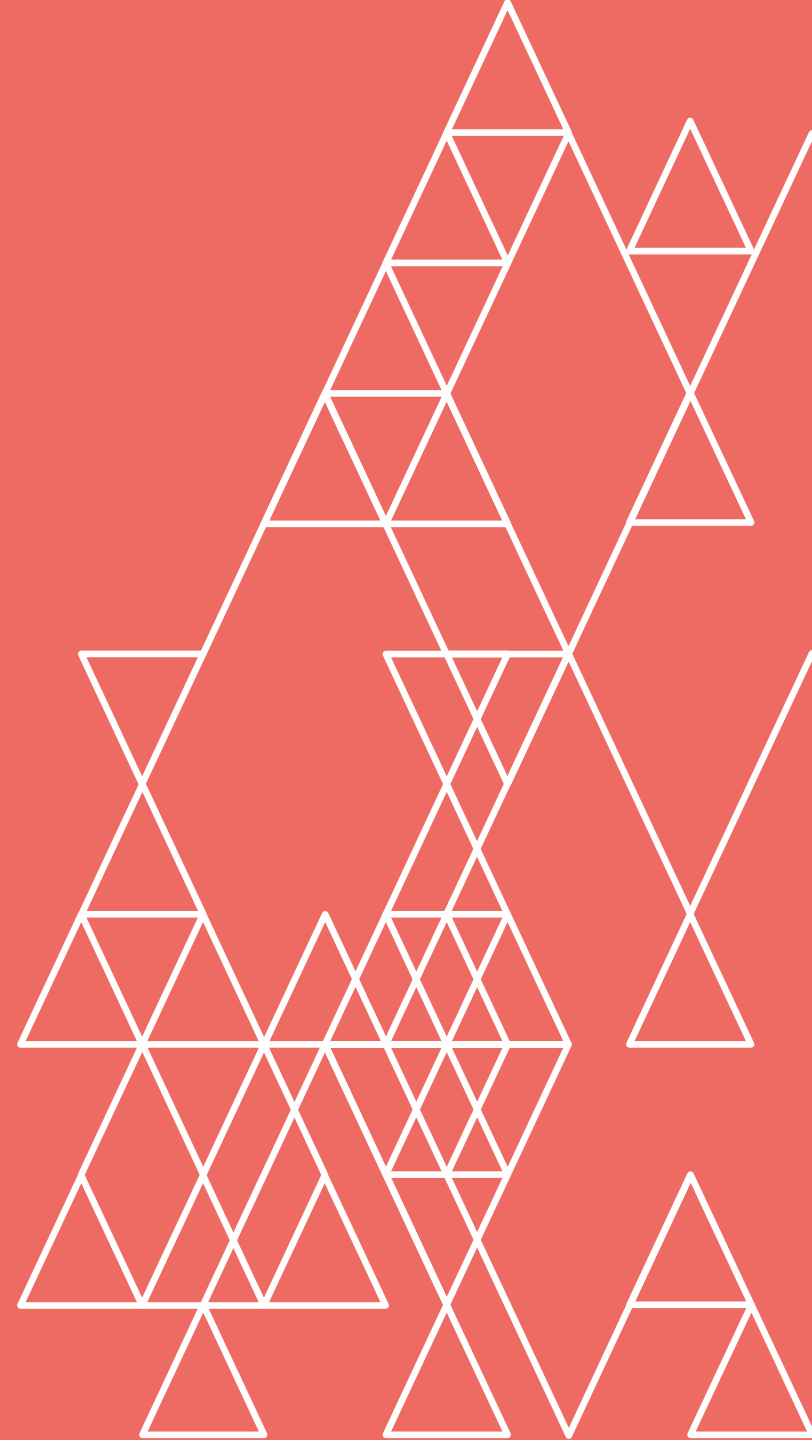
Coming out of a difficult, disruptive time, businesses are still distracted. Climate change is less of a pressing problem and it's something they're increasingly unlikely to feel responsible for.

Businesses are also seeing less value in climate action as a competitive advantage or something to be proud of. As a result they're generally doing less to combat their climate impact and going for the 'easy' options when they do.



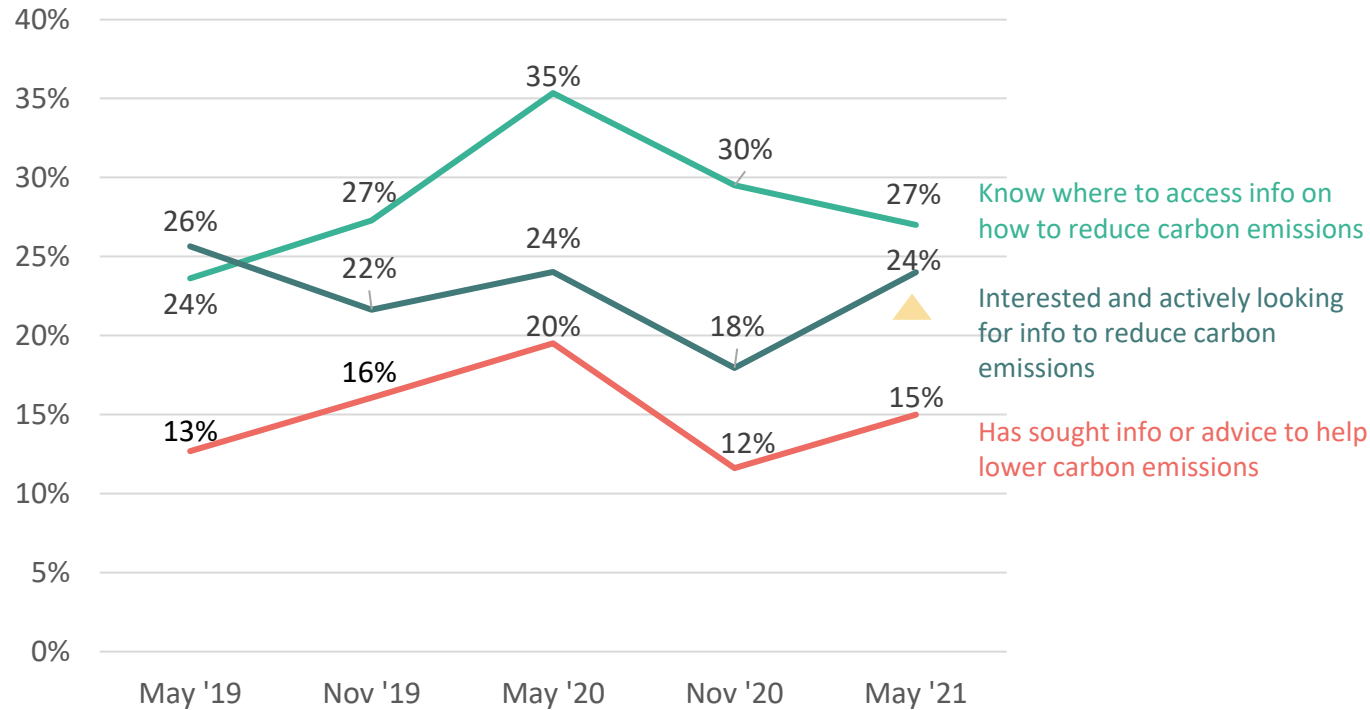
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Business access to info



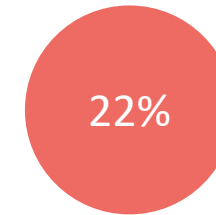
Levels of interest and access to relevant info have recovered, but there's a downward trend in businesses knowing where to get info

BUSINESS ACCESS TO REDUCING CARBON EMISSIONS

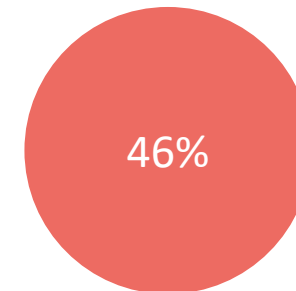


% OF BUSINESS DECISION MAKERS ABLE TO NAME AN ORGANISATION / BRAND UNPROMPTED...

... that gives advice on reducing emissions



... that gives advice on using energy more efficiently



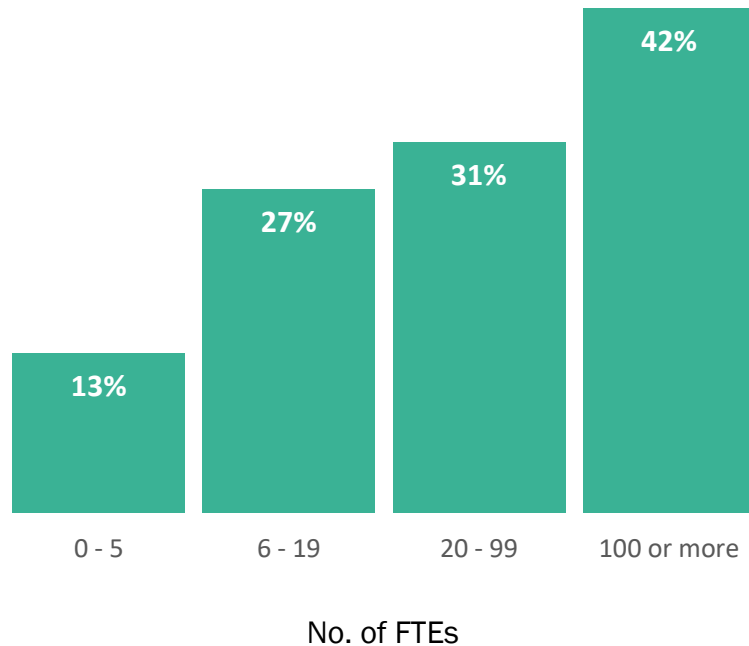
Statistically significant difference:

INFO_ABILITY: How much do you agree/disagree that you know where to access information about how to reduce your business's carbon emissions? (Agree/Strongly Agree) **INFO_INTEREST** What best describes your level of interest in finding information or advice that can help you lower your business's carbon emissions? ('I actively look for this information when I need it, but not often/'I often actively look for this information) **INFO_SEEK:** In the past 3 months, have you looked for information or advice that can help you lower your business's carbon emissions? (Yes) **Base:** Total Sample - 3MR (n=623).



Larger companies are the most likely to seek advice

SOUGHT EMISSIONS ADVICE IN PAST 3M BY BUSINESS SIZE



Seeking this type of information is significantly more likely to be done by decision makers:

- Based in Auckland (22%)
- Aged under 40 (23%)
- Working in land-based workplaces (22%) or retail stores (24%).

And significantly less likely than average to be done by decision makers:

- Aged 60 or over (12%)
- Working in industrial workplaces (7%)
- And at companies that are established / comfortable with their current position (11%)

INFO_SEEK: In the past 3 months, have you looked for information or advice that can help you lower your business's carbon emissions? (Yes) **Base:** Total Sample n=623
0-5 FTEs n=293, 6-19 FTEs n=140, 20-99 FTEs n=110, 100+ FTEs n=80, Environmental Realists n=140, Ease Seekers n=96, Social Impactors n=151, Business Efficiency Seekers n=225



IMPLICATION

Targeting is essential to engaging businesses

Most businesses lack knowledge on which organisations can help them make positive emissions changes, and they're not prioritising climate action; just 15% actively sought information to help them cut emissions in the past 3 months.

We can't rely on businesses to be proactive. This is a pivotal time to actively engage the business community through targeted messaging that helps steer them away from falling back into old habits and regressive mindsets.



EECA

We're here to support New Zealand businesses to tackle climate change. Visit [EECA](https://www.eeca.govt.nz) for more information.

