



Rutherford

Rutherford Labs Presents:
**The COVID-19
Love Local
Survey**



Kiwis will show more love for local businesses—if the price is right.

The COVID-19 crisis has hit the New Zealand economy extremely hard. Many business owners are fighting for the survival of their companies with attenuated cash flows, uncertain time frames, and little knowledge about what the country will look like after COVID-19 abates.

On social media between January 2020 and April 2020, there has been an average of 176 conversations per day about local and ethical businesses and this volume is increasing by about one additional conversation per day. Between January and February, there was very little discussion of small businesses closing, but between March and April, it's one of the largest themes in negatively-valenced conversations.

Recent research has shown that New Zealanders are experiencing a new sense of national pride stemming from the success of our COVID-19 response measures and many are pledging their support for New Zealand businesses in the future.

Our survey identified the same intention, but also uncovered an important caveat: **price is still king.**

- Not only are over 53% of people deliberately choosing to make changes to how they shop coming out of lockdown, 70% of these changes are expected to last for years or permanently
- Kiwis plan on making changes to the brands, products, and services they'll buy—many for the long-term
- Being a NZ-owned business has become more important across all categories, but it is still not as important as price-competitiveness
- Brands that adopt pro-social and ecologically-friendly business practices (e.g. Chia Sisters and Ecostore) may also have a new edge after lockdown lifts



Taking a closer look

When we dove into each individual shopping category, we found some differences in what Kiwis feel is most important:

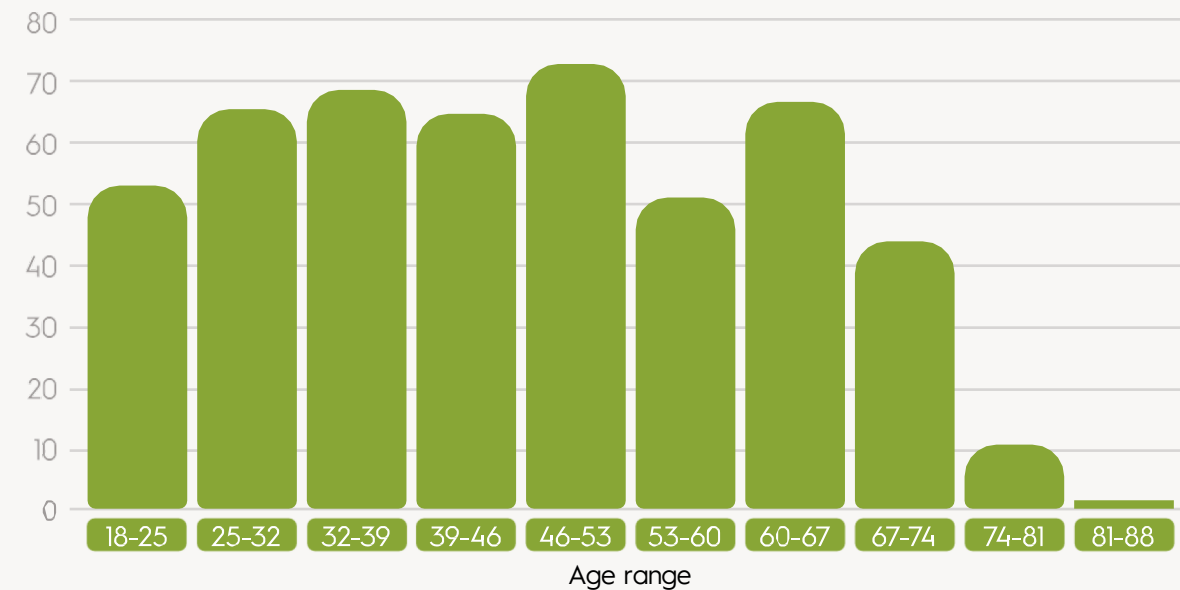
- For most categories, product quality ranks above being NZ-Made or being a local business
- Trust remains a key driver when selecting a bank, but ease of digital interface is more important than before lockdown
- Supermarkets are likely to see a rise in New Zealand made, organic products if price and quality expectations are met
- Price and quality are drivers of online shopping and shopping for clothing, but being New Zealand-made and business ethics are becoming more important
- Local cafes and restaurants are likely to see a large boost in support

We also analysed whether our respondents' opinions differed by gender or by region of New Zealand.

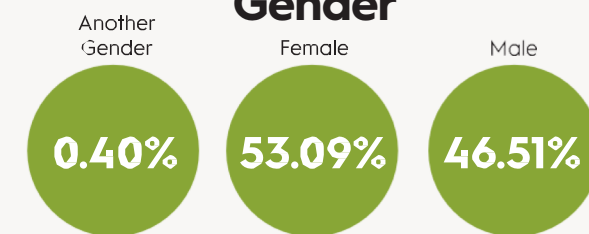
- Contrary to global studies on opinions about climate change, Kiwi men valued price and environmental factors, such as use of alternative energy and carbon neutrality, as key factors more than women
- Nelson and Northland were the only regions that ranked "no nasty ingredients" nearly as important as price
- Ethical/environmental business attributes were valued more by Nelson and Northland people than other regions

Results page 1

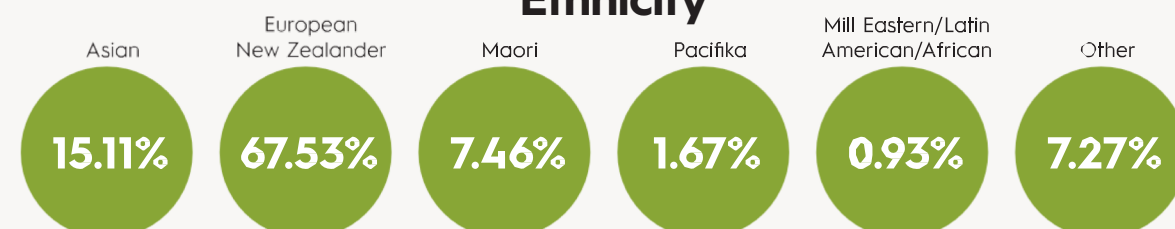
Key Demographics 501 Total respondents



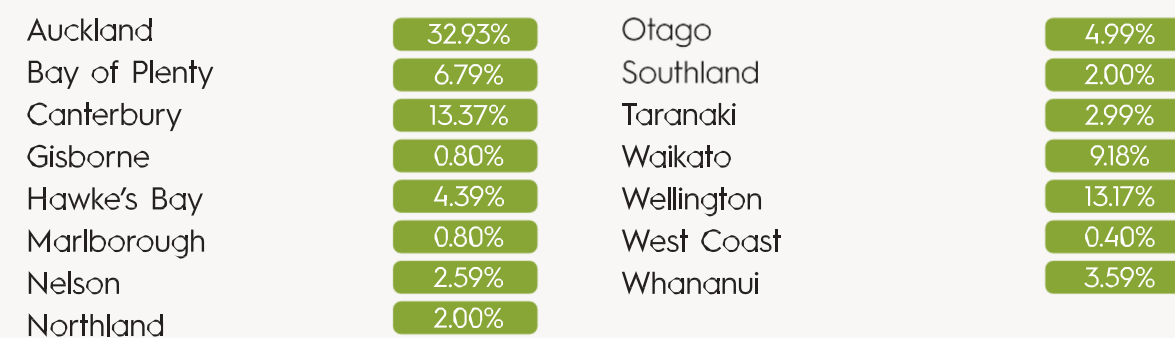
Gender



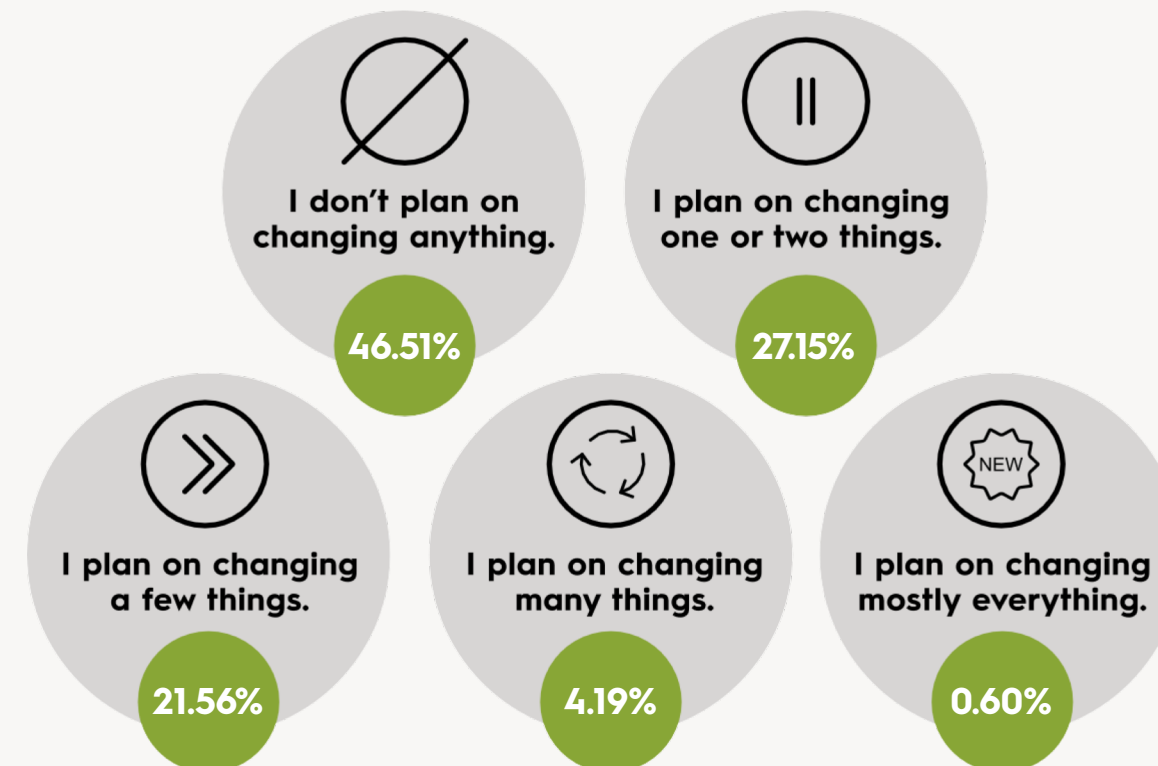
Ethnicity



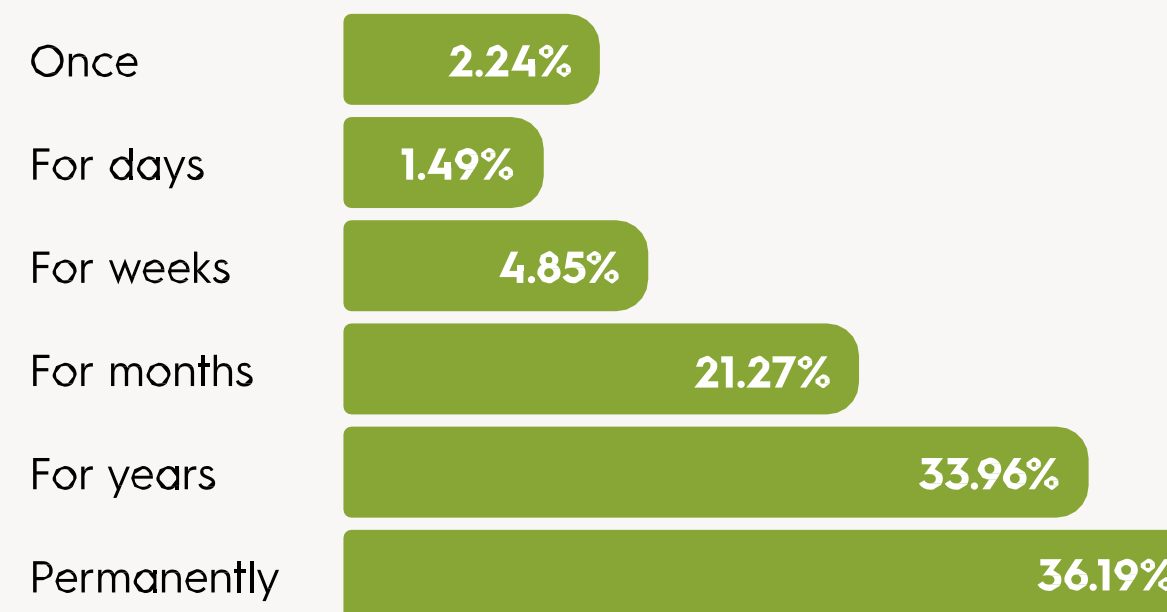
Region



To what extent will do you plan to change any of the products, services, or brands you will choose once the COVID-19 lockdown protocols lift?



How long do you expect to choose these alternatives for?



What are some examples of the new products, services, or brands you'll choose once the COVID-19 lockdown protocols lift?



In what other ways might your behaviour change?



Results page 2

Ranking of business attributes by importance for brand/product selection

1ST	Price competitiveness
2ND	NZ owned
3RD	Made in NZ
4TH	Recyclable
5TH	No nasty ingredients/Chemicals
6TH	Business pays a living wage
7TH	Alternative energy
8TH	Trusted Brand
9TH	Carbon neutrality
10TH	Positive impact on the planet
11TH	Circular economy

Ranking of business attribute importance for shopping by category before & afterCOVID-19 crisis

Banking

RANK	BEFORE	AFTER
1st	Trust	Trust
2nd	Price	App/internet banking
3rd	Customer Service	Price
4th	App/internet banking	Customer Service
5th	What products are offered	NZ bank
6th	NZ bank	What products are offered
7th	Branch/ATM locations	Branch/ATM locations
8th	Brand/business ethics	Brand/business ethics
9th	Brand popularity	Brand popularity

Clothing

RANK	BEFORE	AFTER
1st	Price	Price
2nd	Quality	Quality
3rd	Local business	NZ made
4th	NZ made	Local business
5th	Brand/business ethics	Brand/business ethics
6th	Brand popularity	Brand popularity

Online Shopping

RANK	BEFORE	AFTER
1st	Price	Price
2nd	Quality	Quality
3rd	Local business	Local business
4th	NZ made	NZ made
5th	Brand Popularity	Brand/business ethics
6th	Brand/business ethics	Brand popularity

Restaurants & Cafes

RANK	BEFORE	AFTER
1st	Quality	Quality
2nd	Price	Local business
3rd	Location	Price
4th	Customer Service	Location
5th	Local business	Customer Service
6th	NZ grown/made	NZ grown/made
7th	Brand/business ethics	Brand/business ethics
8th	Brand popularity	Brand popularity

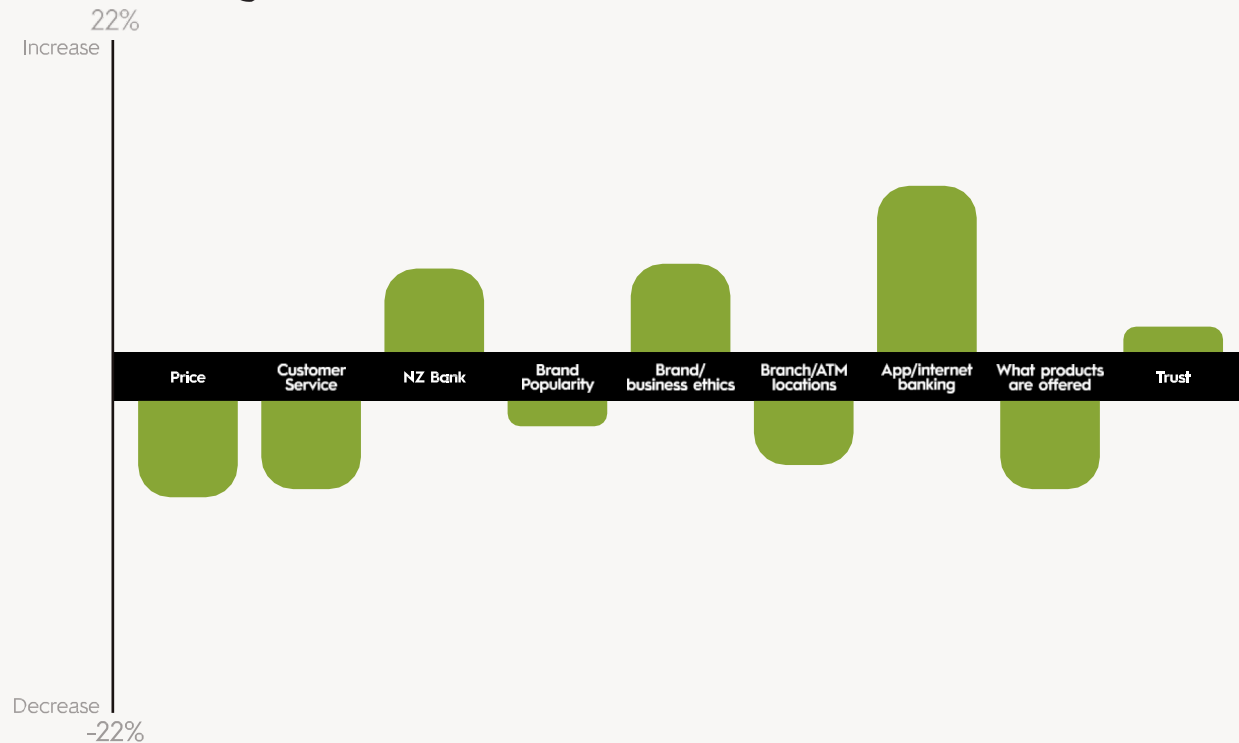
Supermarket

RANK	BEFORE	AFTER
1st	Price	Price
2nd	Quality	Quality
3rd	NZ made	NZ made
4th	Brand/business ethics	Organic
5th	Brand popularity	Brand/business ethicsethics
6th	Organic	Brand popularity

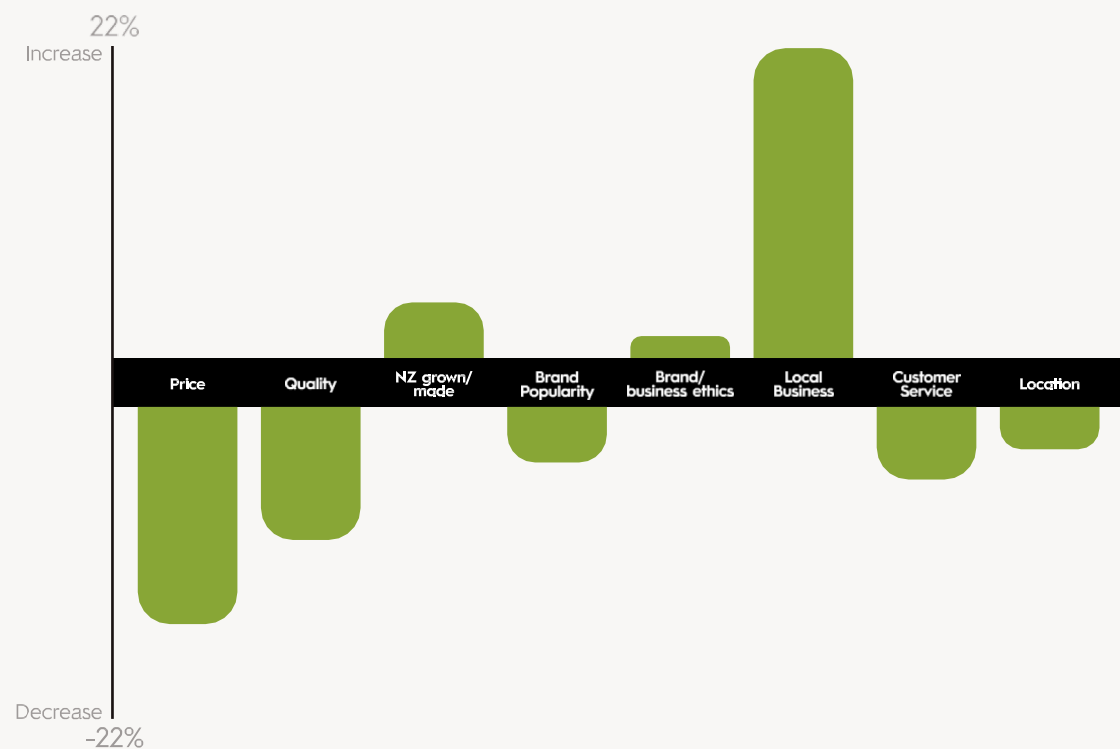
Results page 3

Uplift in importance for consumer decisions before & after COVID-19 by category

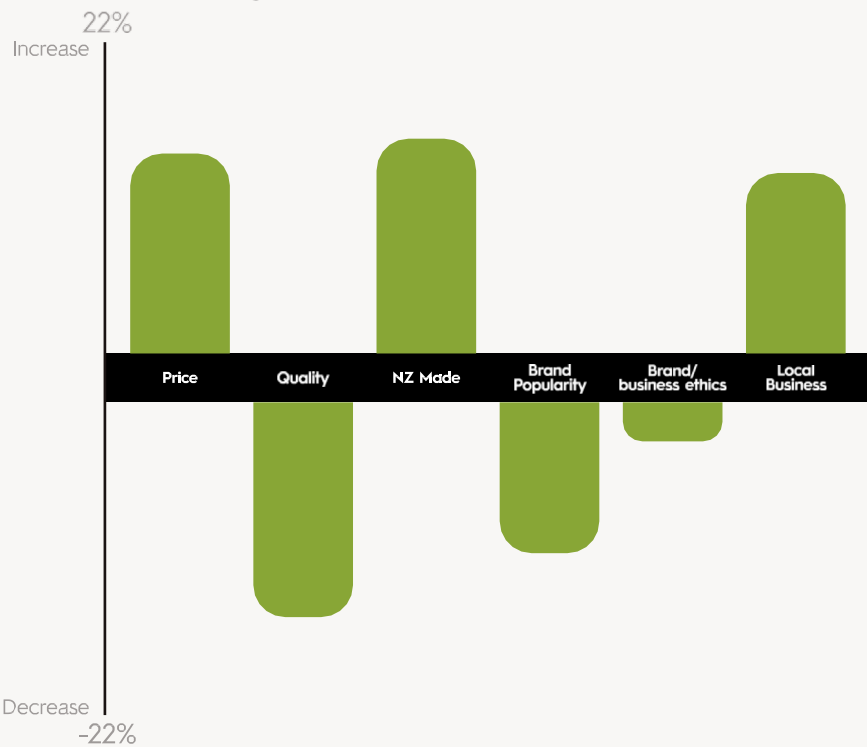
Banking



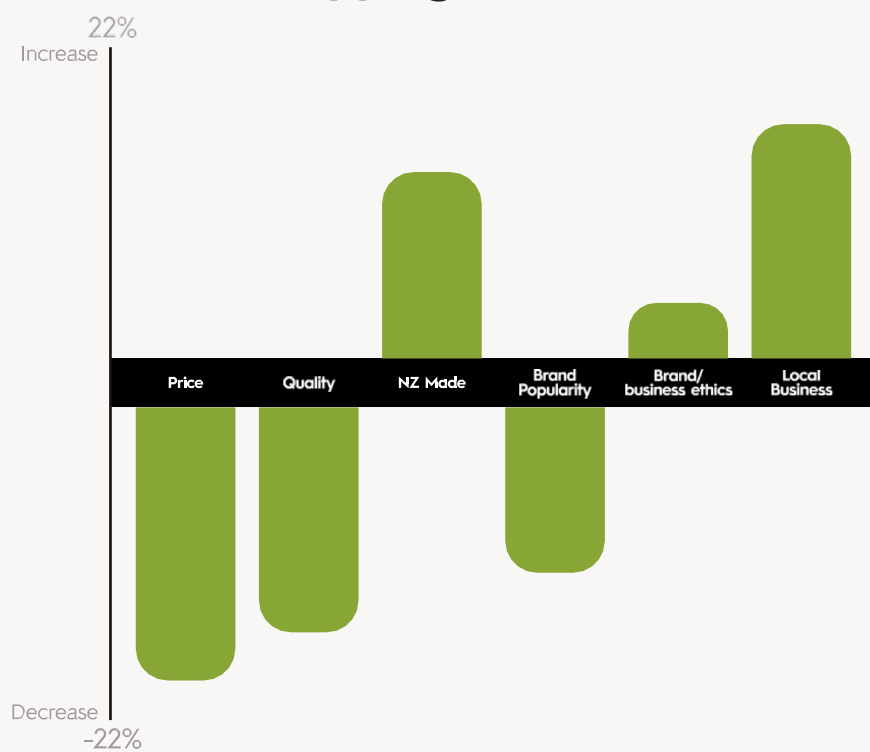
Restaurants & Cafes



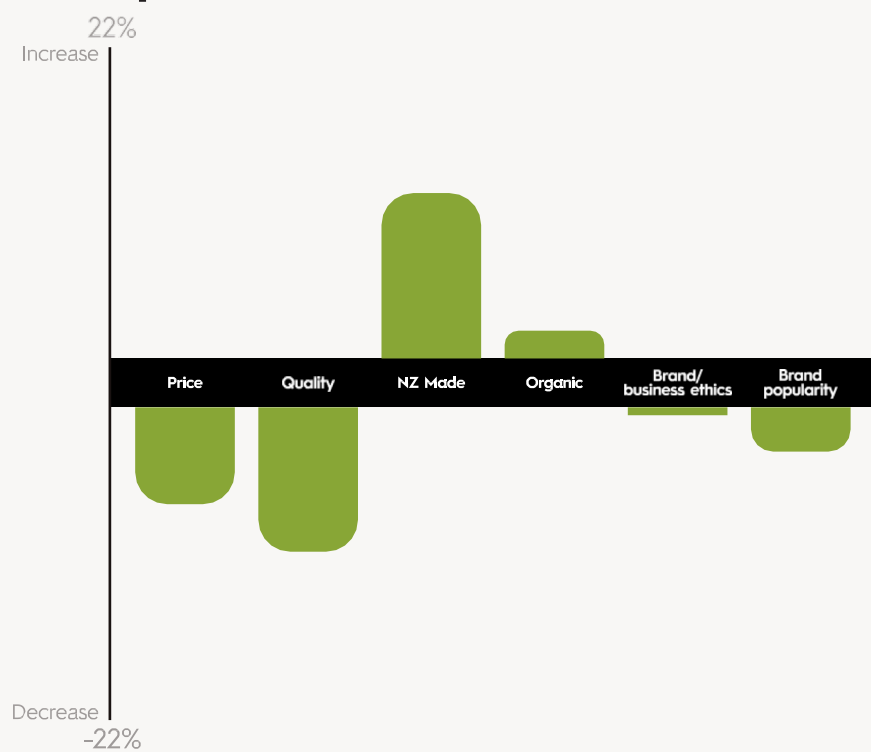
Clothing



Online Shopping



Supermarket



Businesses that want to speed their recovery following lockdown might want to consider marketing based on their affiliation with local communities—or at least position themselves as a "Kiwi" business.

How should businesses adapt?

Considering our results, businesses that want to speed their recovery following lockdown might want to consider marketing based on their affiliation with local communities—or at least position themselves as a "Kiwi" business.

It may also be a particularly opportune time for businesses to combine their "local" positioning with a genuine investment in ethically positive business practices. We may also find that larger NZ businesses and the Government may begin assigning more weight to tenders from NZ businesses to further aid the New Zealand economy. Future research from Rutherford Labs looks to explore this possibility.

It should be noted that this survey gathers evidence from hypothetical claims about future behaviour and actual future behaviour does not often reflect these claims. However, the fact that our respondents still placed price as the most important deciding factor for their shopping decisions is a good sign for the reliability of our results. It has long been established that New Zealand consumers are driven most often by price, and by other factors less-so.

**Ngā Mihi
Thanks**



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