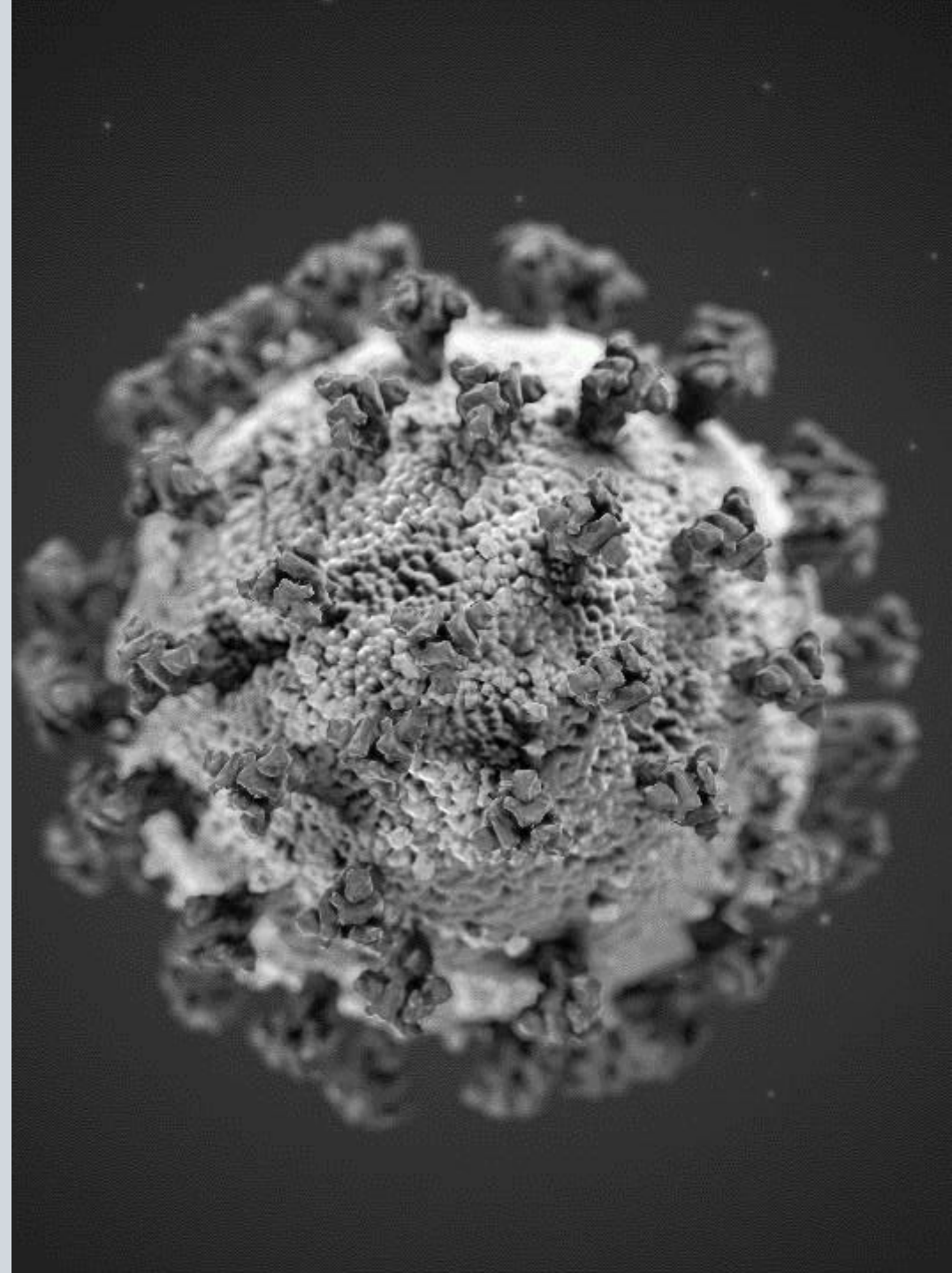


# COVID-19 SMALL AND MEDIUM ENTERPRISE SENTIMENT TRACKER

– WAVE 10 –

15th June 2020



# ABOUT US



ACA Research & Fifth Quadrant have worked closely with TEG Insights on business and consumer research projects for over a decade. Our strong partnership allowed us to collaborate on this new tracker aiming at understanding the impact of COVID-19 on SMEs during these unprecedented times.

Please do not hesitate to contact us should you have any questions!

## TWO BRANDS OPERATING UNDER A SINGLE MANAGEMENT

ACA Research is a full-service market research consultancy, with a **strong focus on B2B projects.**

Our consultants provide strategic qualitative and quantitative research solutions to support business decision making.

Fifth Quadrant is our **specialist customer experience brand** providing industry analysis, benchmarking, research and consulting services.

Our consultants work on strategic and operational projects to help clients optimise CX delivery and reduce cost to serve.

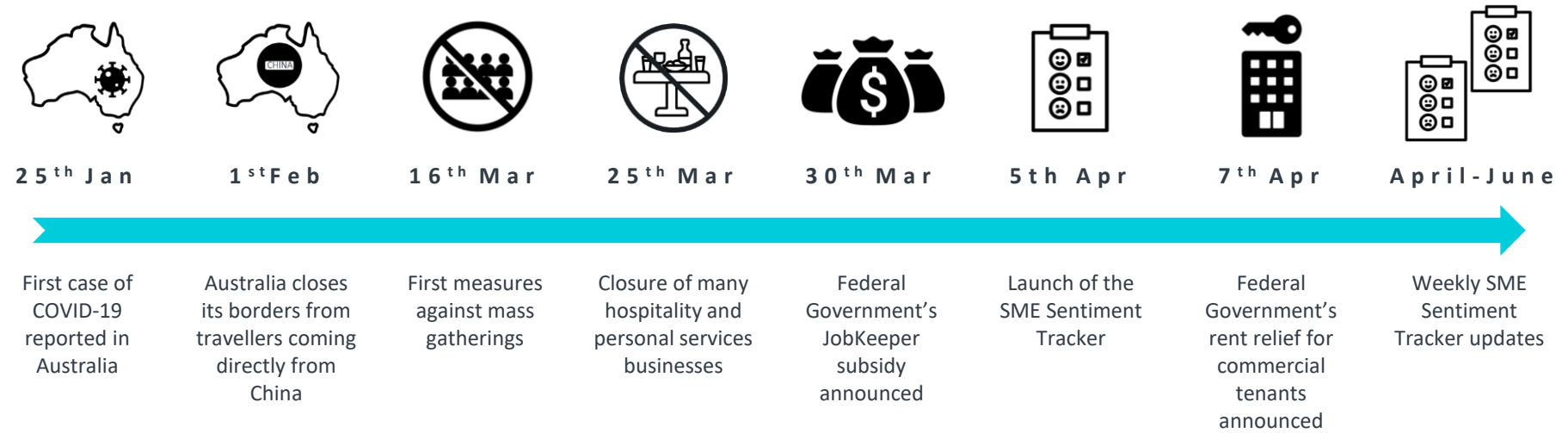
TEG Insights is committed to delivering quality data, analytics and online research services with access to **one of Australia's largest and most responsive online research panels.** Our wide reach includes professionals, from small business owners to executives, across a variety of industries.

Our continued success is based on integrity and passion to ensure the best outcomes for both our Clients and Members alike.

# CURRENT STATE

As in other countries all around the world, COVID-19 has had a significant impact on Australia's economy, with travel bans, restrictions on outdoor and indoor gatherings, and hence the forced closure of business across a range of sectors. The tourism & hospitality sectors were the first to be affected worldwide.

To support the economy, businesses and employees that have been severely impacted by the strict measures & restrictions, the Australian State/ Territory & Federal Governments have introduced a range of measures.



NUMBER OF COVID-19 CASES IN AUSTRALIA	WAVE 1 5/Apr	WAVE 2 12/Apr	WAVE 3 19/Apr	WAVE 4 26/Apr	WAVE 5 3/May	WAVE 6 10/May	WAVE 7 17/May	WAVE 8 24/May	WAVE 9 31/May	WAVE 10 7/June
TOTAL CASES	5,750	6,313	6,612	6,716	6,801	6,941	7,045	7,114	7,195	7,260
DAILY NEW CASES	200	10	26	15	20	14	17	3	10	5
CURRENTLY INFECTED	4,633	2,916	2,311	1,258	889	674	580	504	479	455

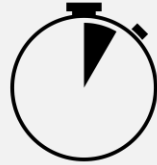
Source: <https://www.worldometers.info/coronavirus/>

# METHODOLOGY

The COVID-19 Weekly Tracker was first launched w/e 5<sup>th</sup> April 2020.

In each week we get minimum n=300 completed surveys.

TEG Insights ensures a consistent sample of financial decision makers and influencers at Small and Medium Size Businesses each week.



**5-minute** questionnaire



All surveys completed **online**  
(TEG Insights Business Panel)



All respondents are **financial decision makers/influencers** in Small and Medium Businesses with up to 500 employees



Respondents are from across Australia, including **metro and regional** areas



A wide selection of **industry sectors** are represented, allowing for deep dive analysis on a regular basis



Data is **weighted** by state and number of employees to reflect the national distribution of businesses across the country

# KEY LEARNINGS



**34% report revenues at pre-COVID-19 levels, compared to 27% in late May.**



**53% of businesses expect revenues to return to pre COVID-19 levels by October compared to 45%, two weeks earlier.**



**Satisfaction with the Government's response increases to 69% despite discontent rising in WA and SA.**



**Concerns about health and wellbeing rises to 60%, the highest level since April.**

Overall sentiment amongst the SME sector is much stronger this week, with 34% of businesses now reporting revenues at pre-COVID-19 levels, compared to 27%, two weeks earlier. Stronger revenues were reported by construction, production and particularly the retail sector.

While, May revenues were lower than April for 34% of SMEs, expectations are much stronger over the next 4 weeks, with 39% expecting an increase.

The proportion of businesses expecting revenues to return to pre-COVID levels by October is also rising with an increase of 8% over the past two weeks, to 53%. It is very important these numbers continue to improve as we move closer to the stimulus cliff at the end of September.

The higher level of confidence reported this week, has also translated to much lower levels of concern regarding business survival. Only 57% reported concerns compared to 70% only two weeks earlier. This is the lowest level we have reported since the inception of the research.

Despite the positive data reported this week, many SMEs are very concerned about travel restrictions and supply chain issues including increasing costs of products/raw materials. Clearly State borders need to open quickly if SMEs are to recover before the stimulus measures are wound back. In fact, more than 50% of decision makers are already comfortable with interstate travel for their employees when State borders do reopen.

Despite satisfaction with the Government bouncing back this week, it is noticeable that business decision makers in WA and SA are much less satisfied. The lack of cross border economic activity is clearly impacting the recovery and hence State Premiers need to act.

Interestingly, concern about health and wellbeing is at its highest since the end of April, indicating the level of stress may peak during the recovery process as decision makers attempt to revive their businesses.

In summary the SME sector is showing strong signs of recovery with both short and medium term revenue projections increasing. However, if stimulus measures are to be wound back in October, it is very important to reverse other restrictions as quickly as possible. Clearly the impact of closed State borders is hurting the recovery and hence affirmative action by State Premiers is critical if we want to avoid substantial job losses and business closures at the end of 2020 and beyond.

# CONTENT

HOW IS THE  
COVID-19 PANDEMIC  
IMPACTING SMES  
ACROSS THE  
FOLLOWING AREAS:

1 BUSINESS REVENUE

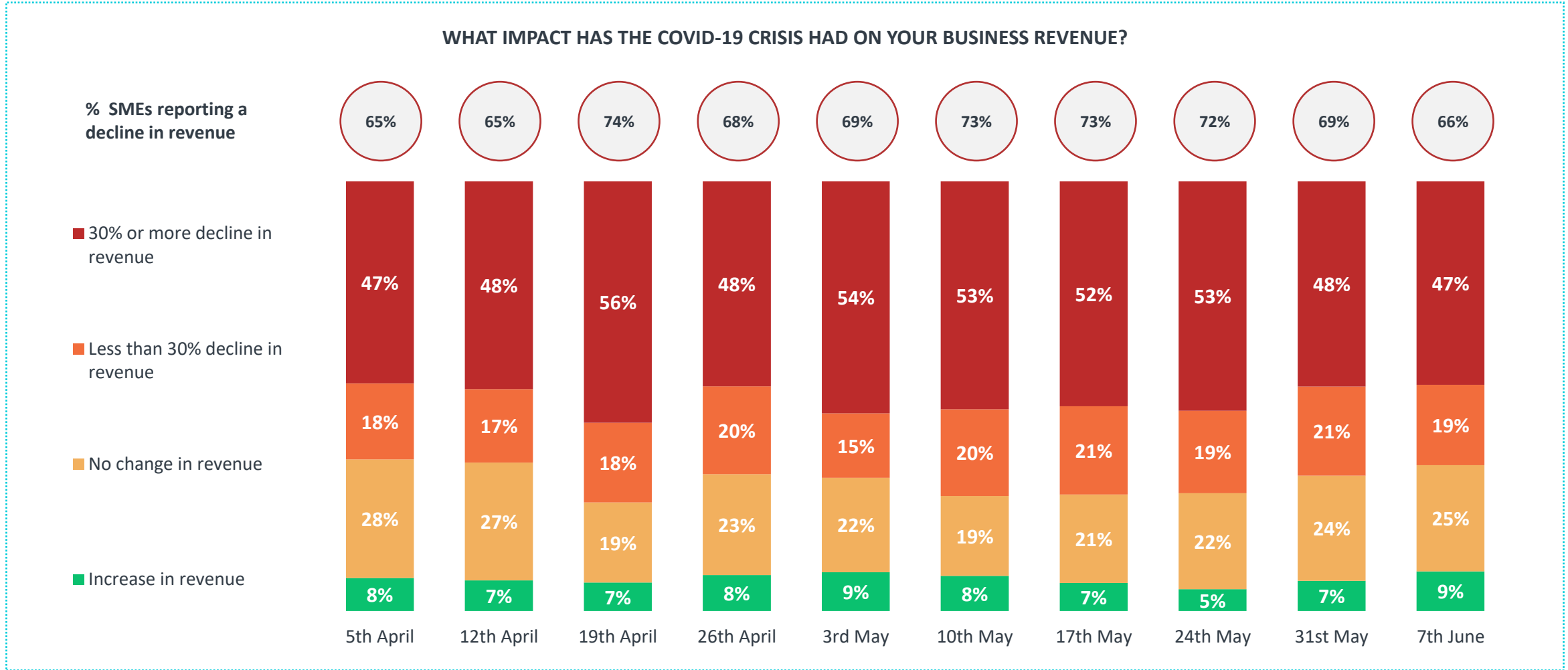
2 BUSINESS CHALLENGES

3 SATISFACTION WITH SUPPORT FROM GOVERNMENT &  
BANKS

4 BUSINESS CONFIDENCE

# DECLINE IN REVENUE DUE TO COVID-19

Steady drop in the proportion of businesses reporting a decline in revenue. Data now reflects figures reported in early April.

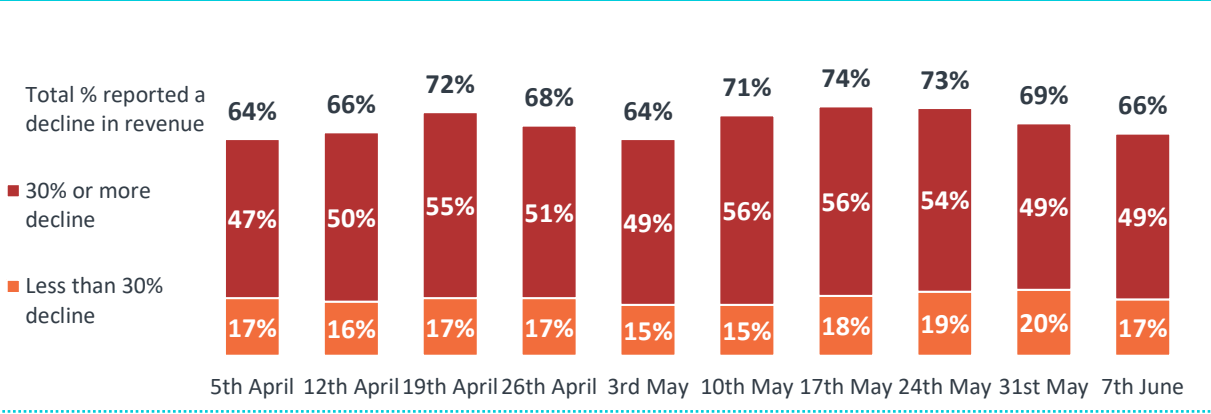


# DECLINE IN REVENUE DUE TO COVID-19

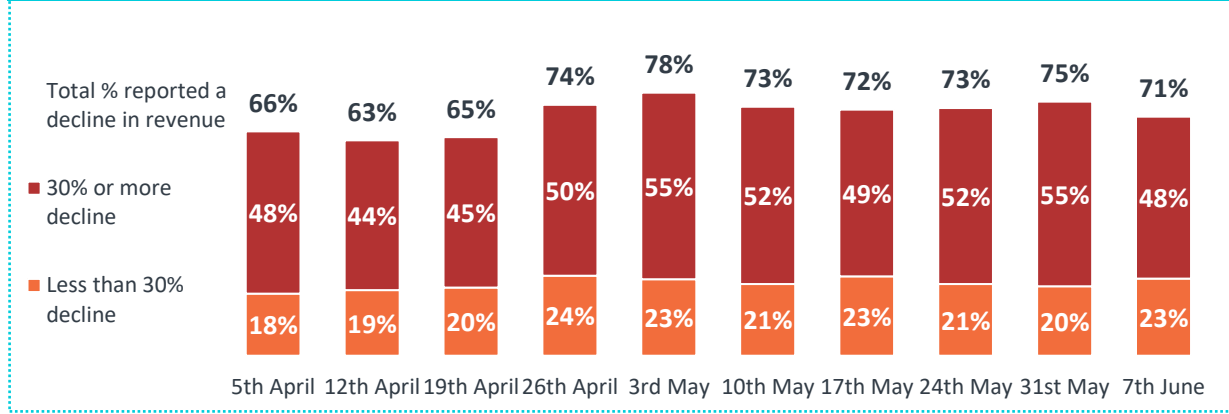
Signs of recovery can be seen across all business sizes.

## WHAT IMPACT HAS THE COVID-19 CRISIS HAD ON YOUR BUSINESS REVENUE?

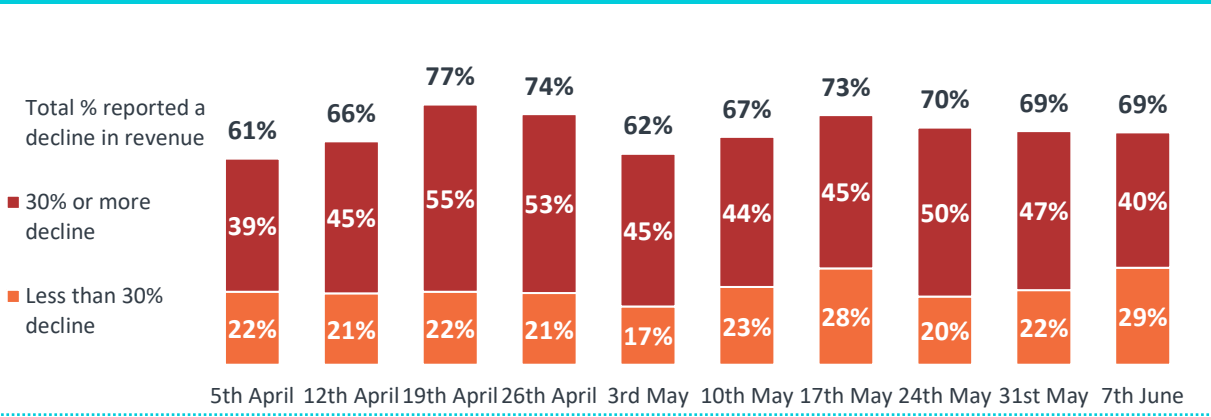
### < 5 EMPLOYEES



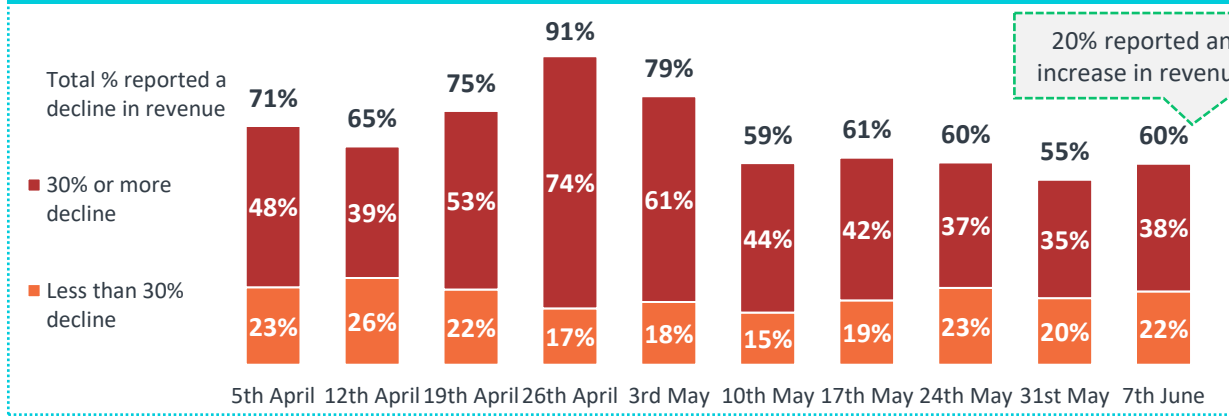
### 5 TO 19 EMPLOYEES



### 20 TO 99 EMPLOYEES



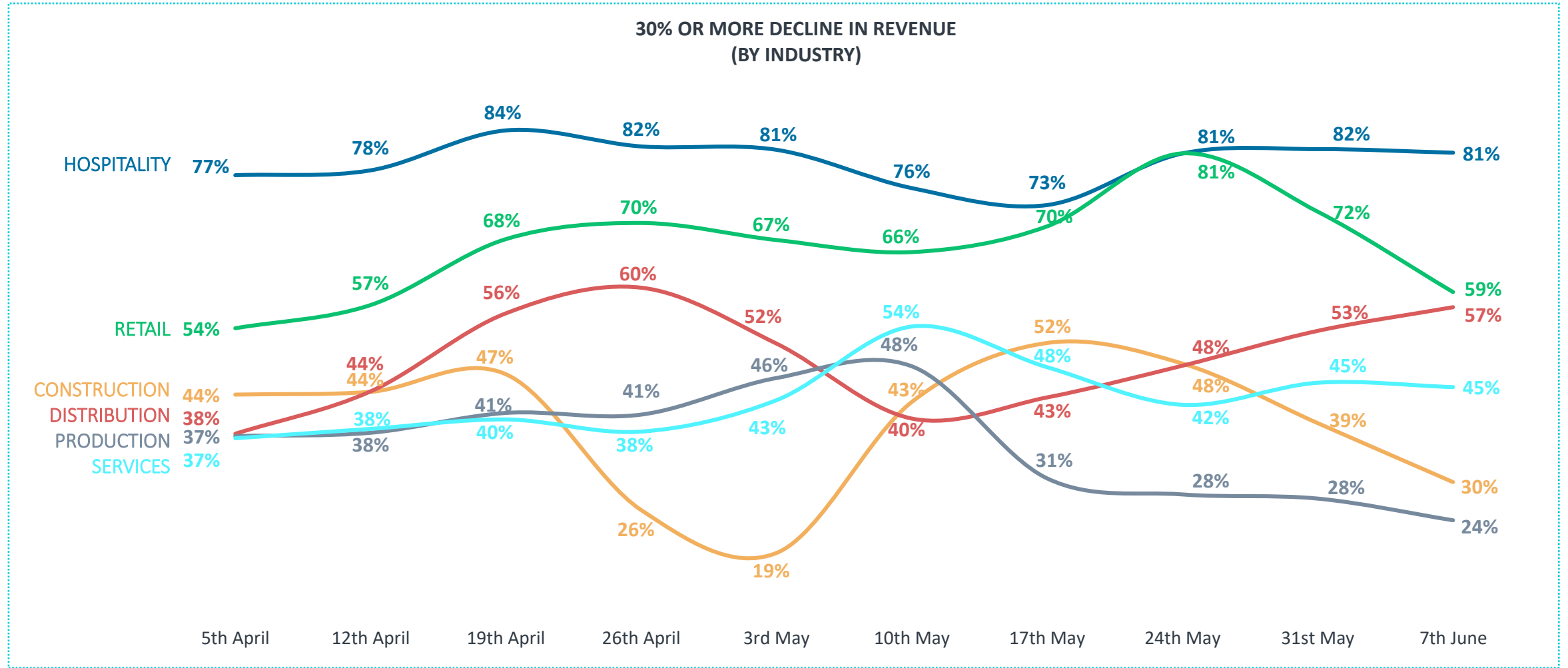
### 100 TO 500 EMPLOYEES





# DECLINE IN REVENUE DUE TO COVID-19

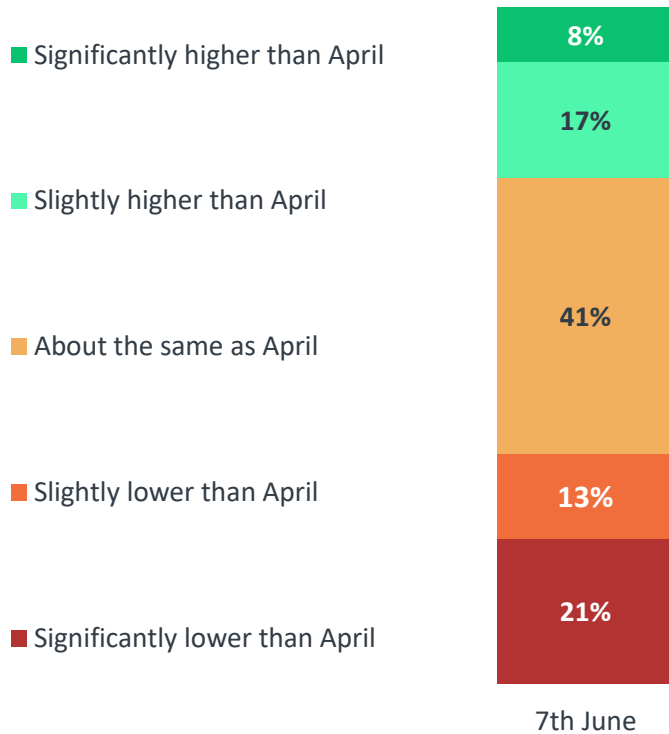
Stronger revenues reported by construction, production and particularly the retail sector.



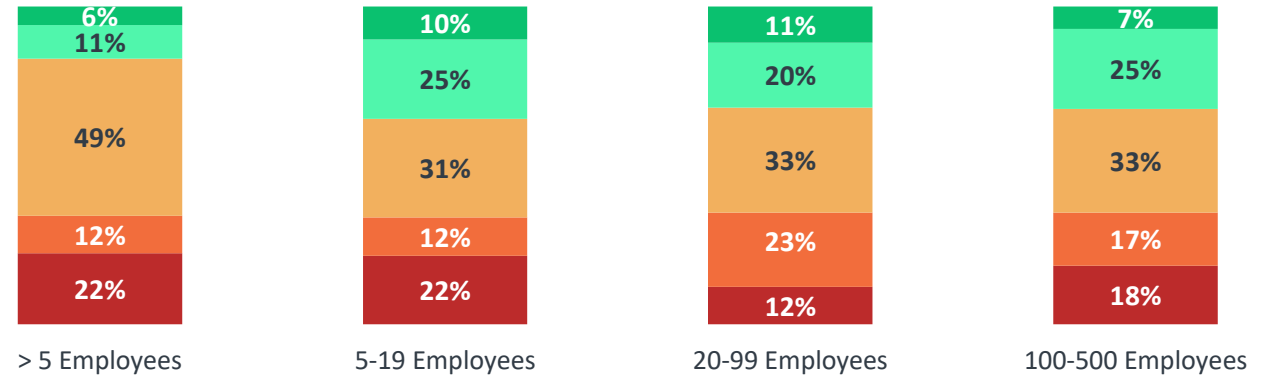
# MAY REVENUE COMPARED TO APRIL REVENUE

Overall May revenues were worse than April, with 34% reporting a decline compared to 25% trending up.

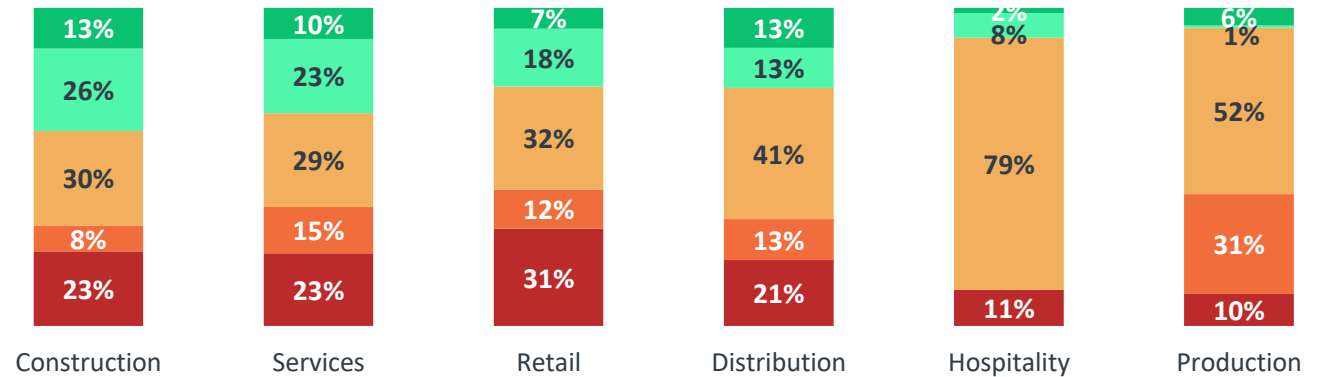
## HOW WAS YOUR MAY REVENUE COMPARED TO YOUR APRIL REVENUE?



## BUSINESS SIZE

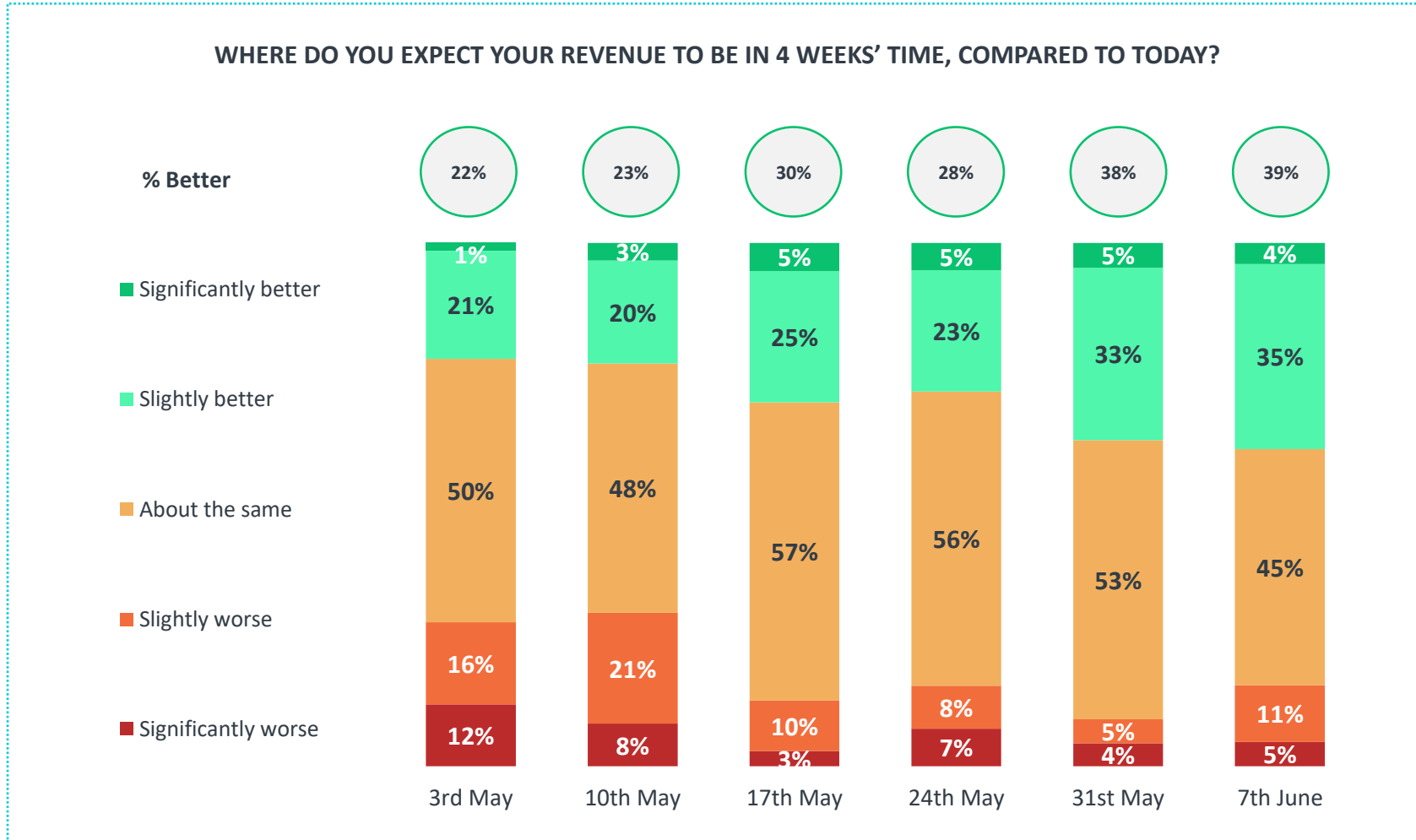


## INDUSTRY



# FUTURE REVENUE EXPECTATIONS

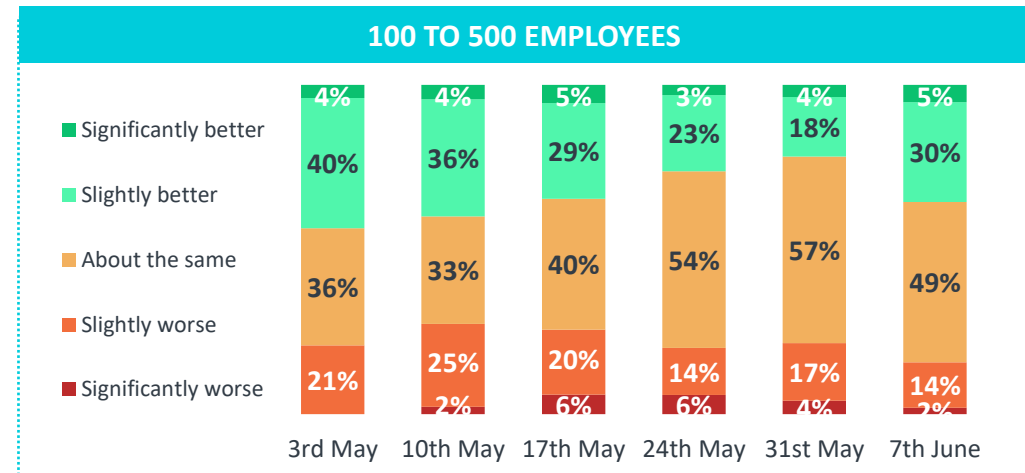
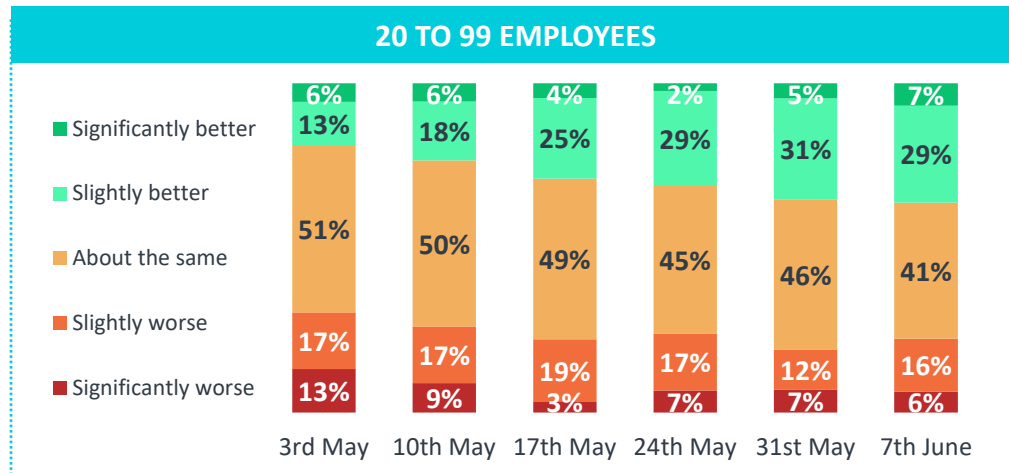
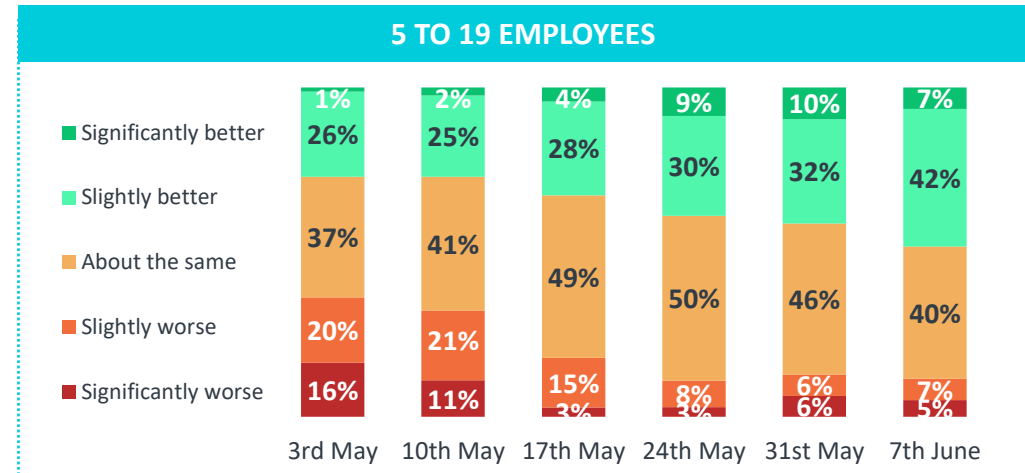
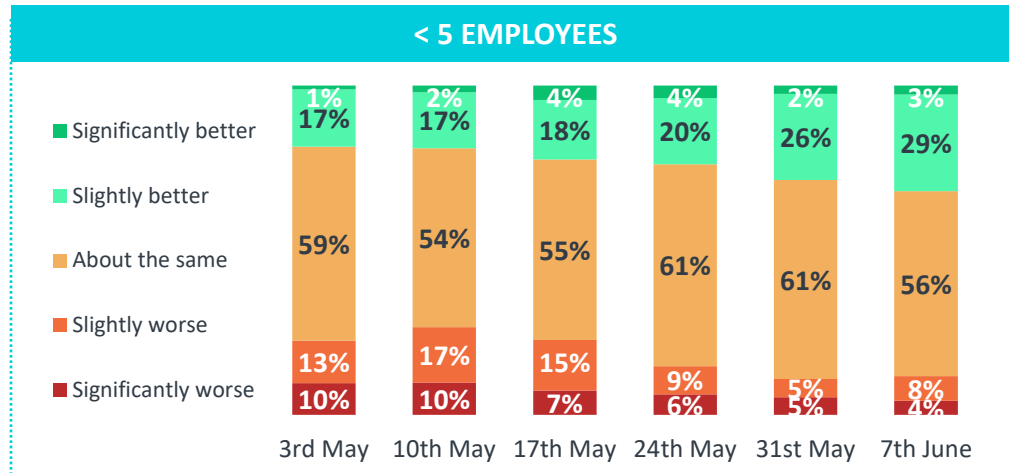
However, looking forward revenue expectations are much stronger with 39% expecting an increase over the next 4 weeks.



# FUTURE REVENUE EXPECTATIONS

This positive trend can be seen across all business sizes. Those with 5 to 19 employees are the most confident, with nearly 50% expecting revenues to increase in the short term.

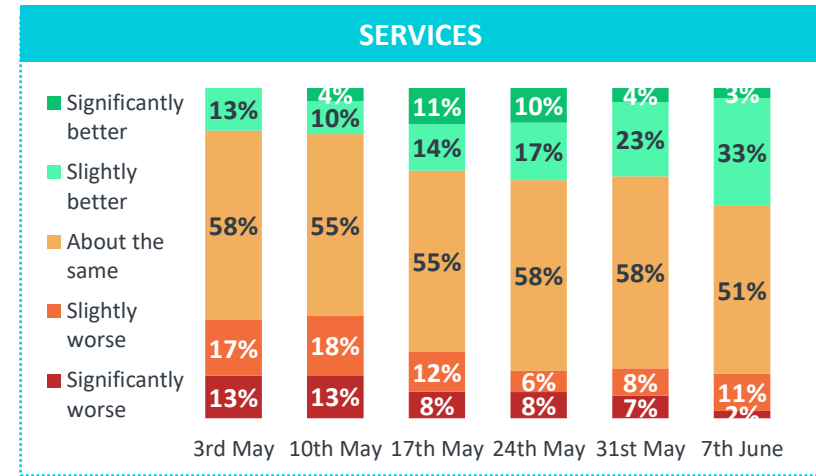
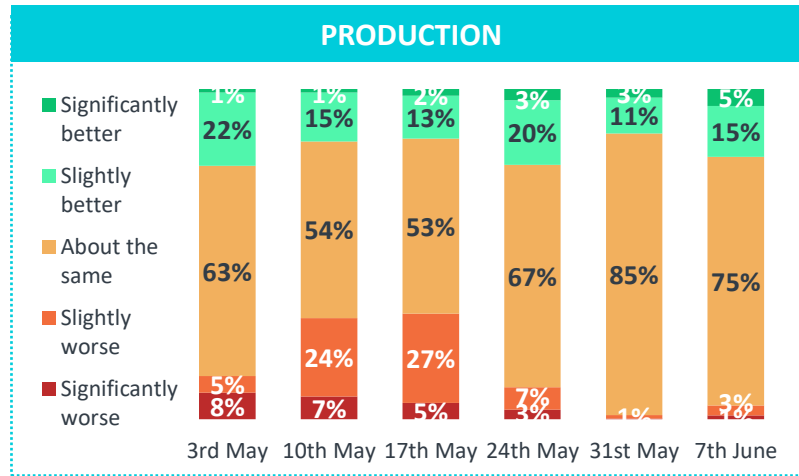
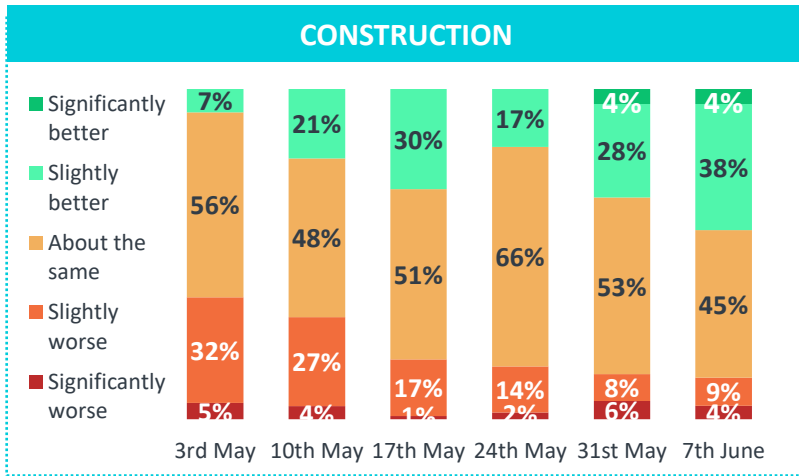
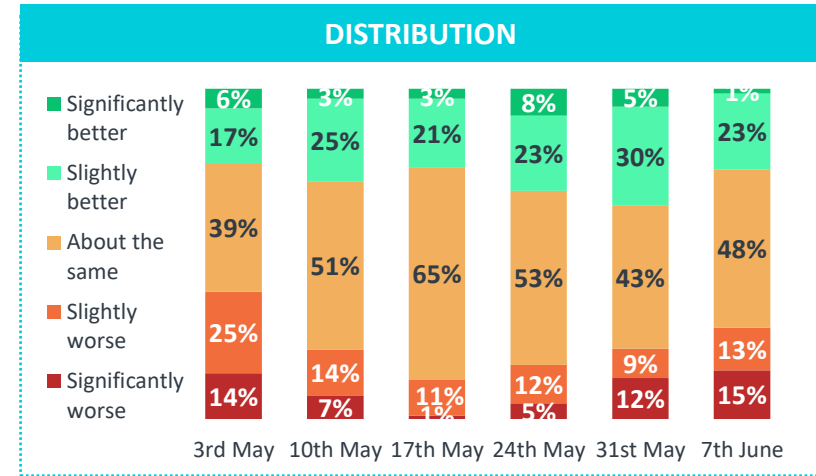
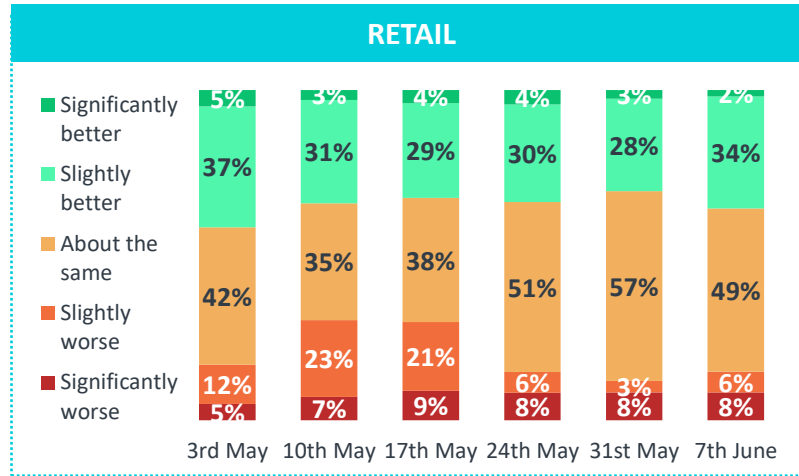
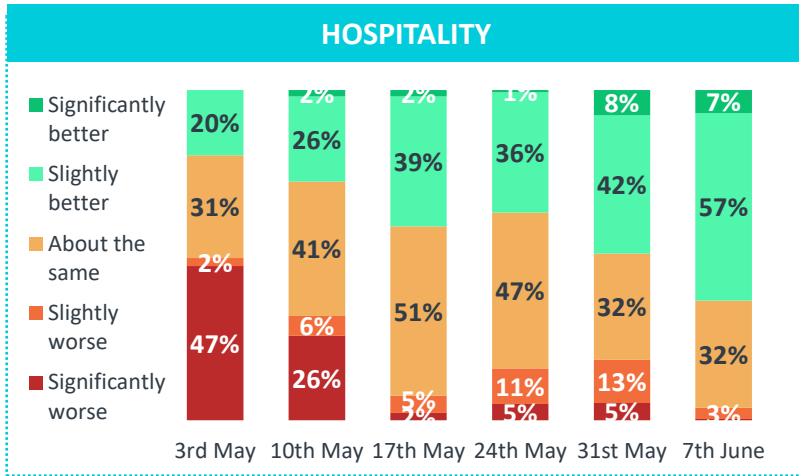
## WHERE DO YOU EXPECT YOUR REVENUE TO BE IN 4 WEEKS' TIME, COMPARED TO TODAY?



# FUTURE REVENUE EXPECTATIONS

Confidence is quickly returning in the hospitality sector as restrictions are lifted.

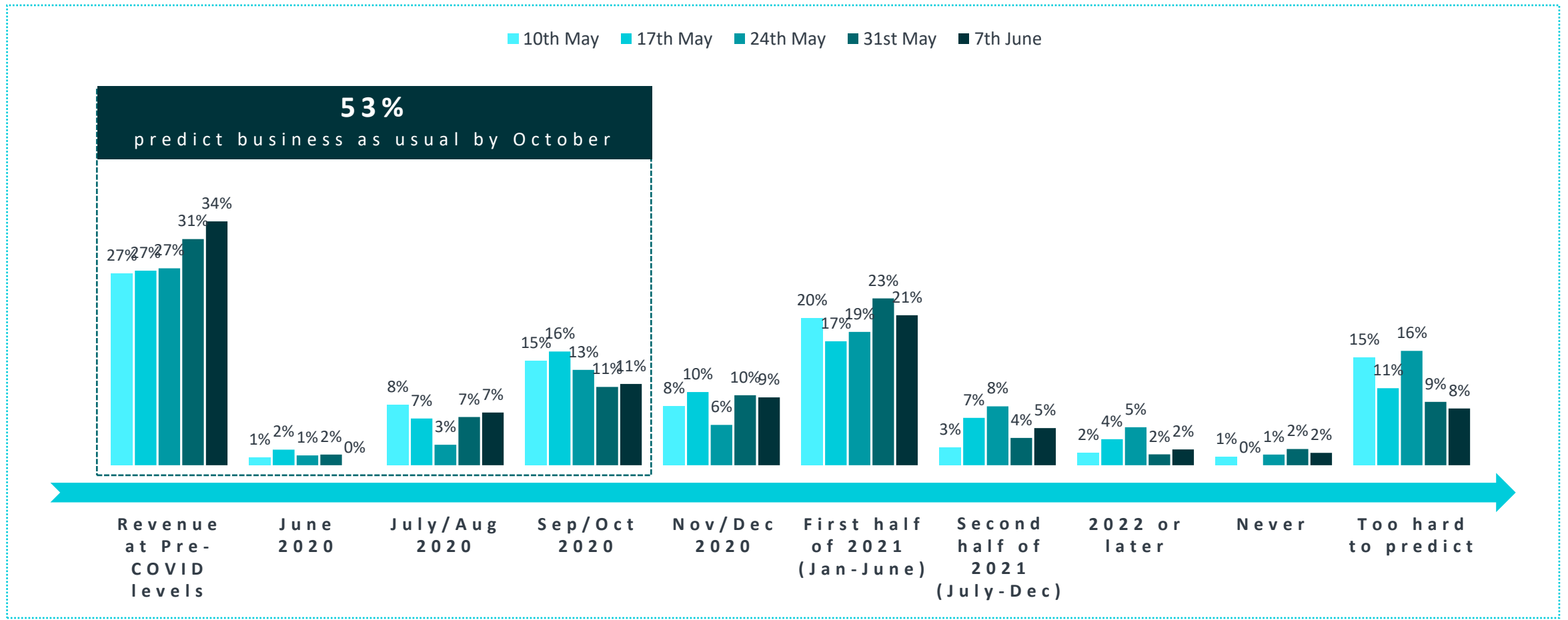
## WHERE DO YOU EXPECT YOUR REVENUE TO BE IN 4 WEEKS' TIME, COMPARED TO TODAY?



# REVENUE RETURNING TO PRE-COVID LEVELS

Importantly the proportion of businesses already returning to pre-COVID revenues has increased to 34%, up from 27%, two weeks earlier.

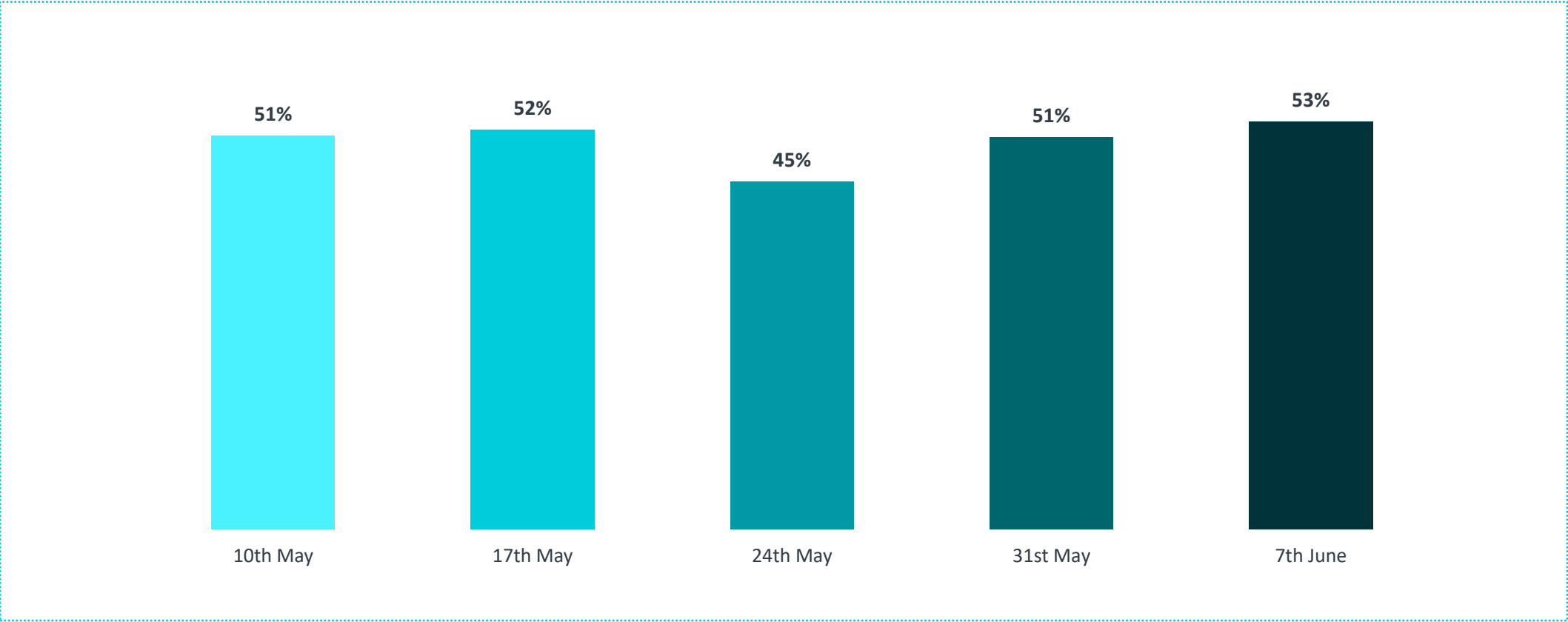
## WHEN DO YOU BELIEVE YOUR BUSINESS REVENUE WILL RETURN TO PRE-COVID-19 LEVELS?



# REVENUE RETURNING TO PRE-COVID LEVELS

The proportion of businesses expecting revenues to return to pre-COVID levels by October has reached its highest level at 53%

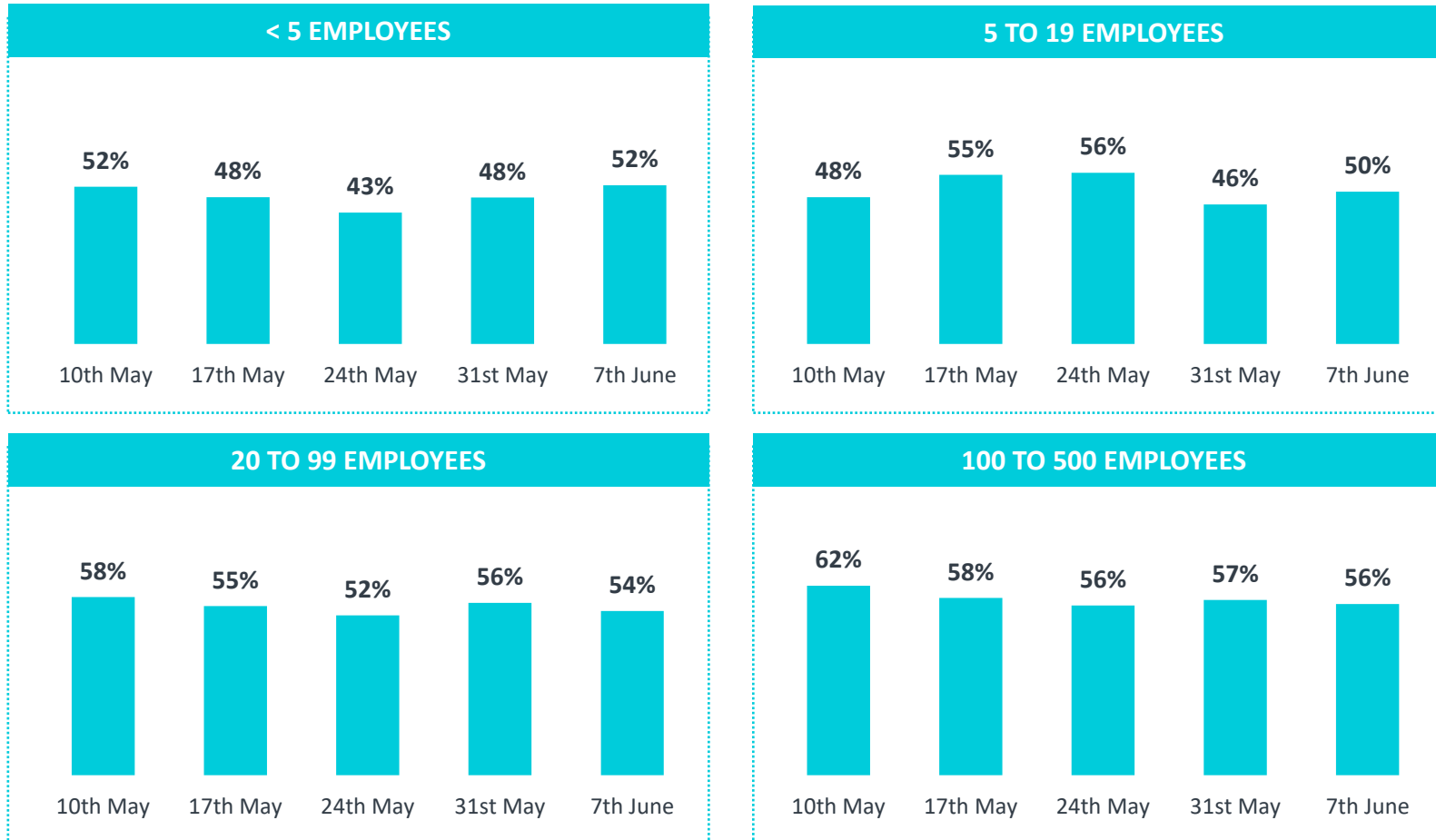
**% BELIEVE THEIR BUSINESS REVENUE WILL RETURN TO PRE-COVID-19 LEVELS BY OCTOBER 2020**



# FUTURE REVENUE EXPECTATIONS

Expectations are trending up strongly amongst businesses with less than 5 employees, which represents the highest number of organisations in the SME sector.

## % BELIEVE BUSINESS REVENUE WILL RETURN TO PRE-COVID-19 LEVELS BY OCTOBER 2020

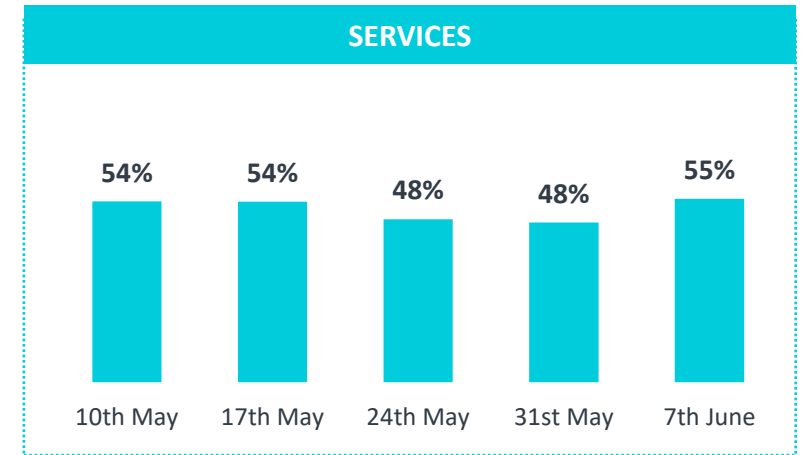
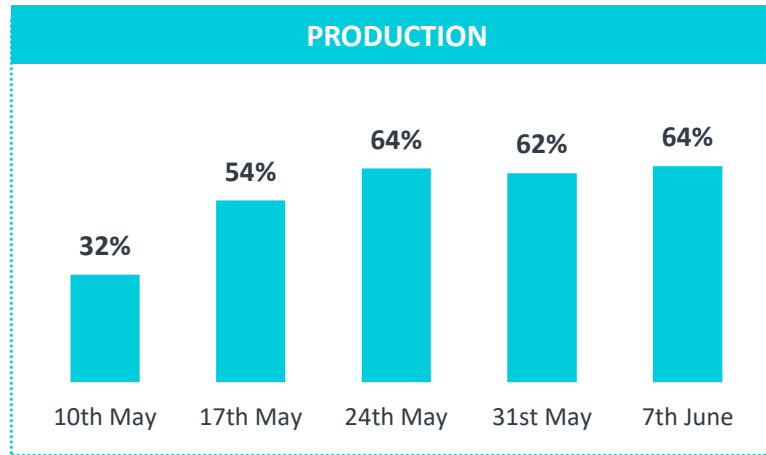
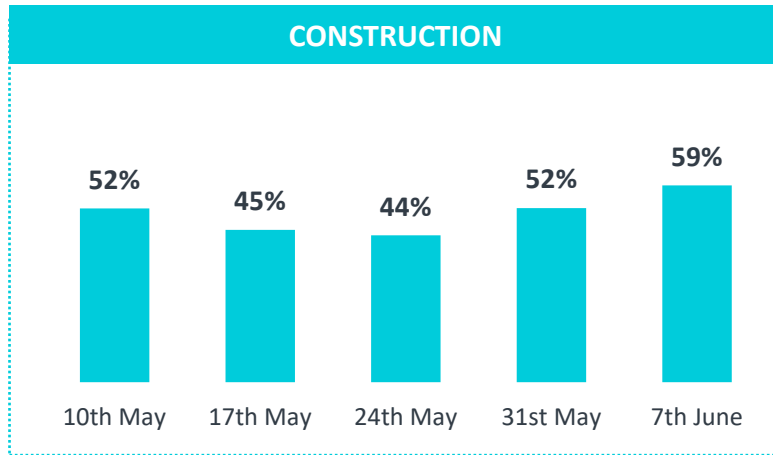
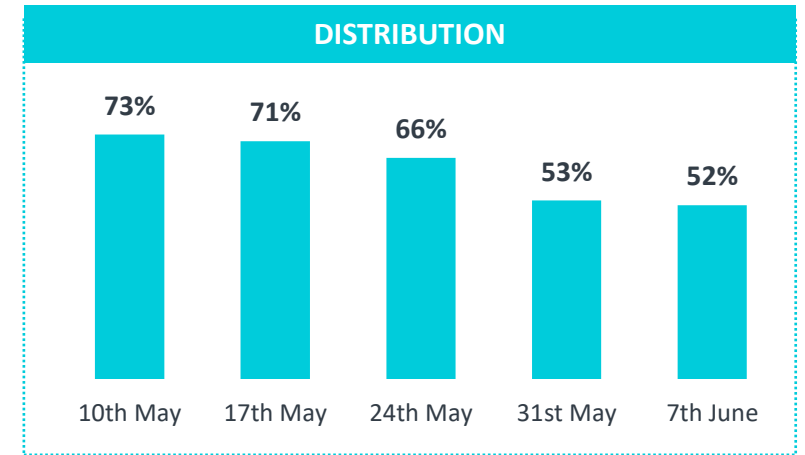
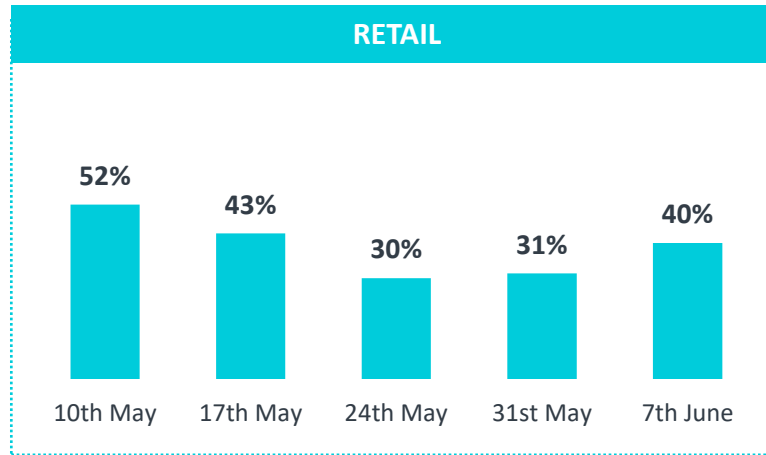
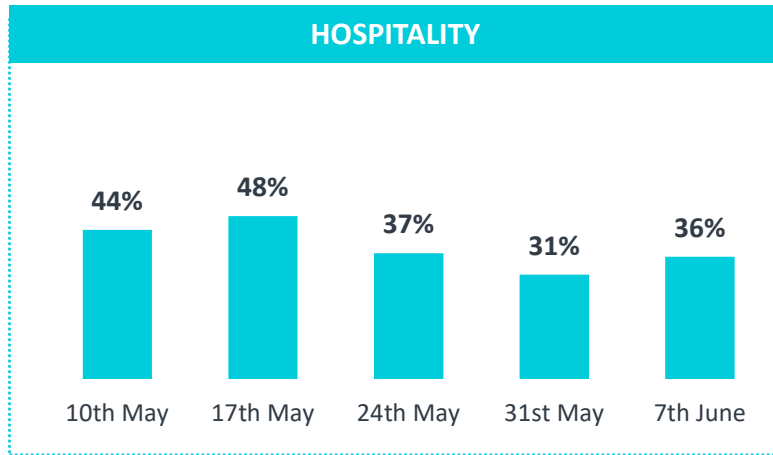




# FUTURE REVENUE EXPECTATIONS

Also positive to report stronger recovery sentiment across all industry sectors except distribution, which continues a steady downward slide.

## % BELIEVE BUSINESS REVENUE WILL RETURN TO PRE-COVID-19 LEVELS BY OCTOBER 2020



# CONTENT

HOW IS THE  
COVID-19 PANDEMIC  
IMPACTING SMES  
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FOLLOWING AREAS:

1 BUSINESS REVENUE

2 BUSINESS CHALLENGES

3 SATISFACTION WITH SUPPORT FROM GOVERNMENT &  
BANKS

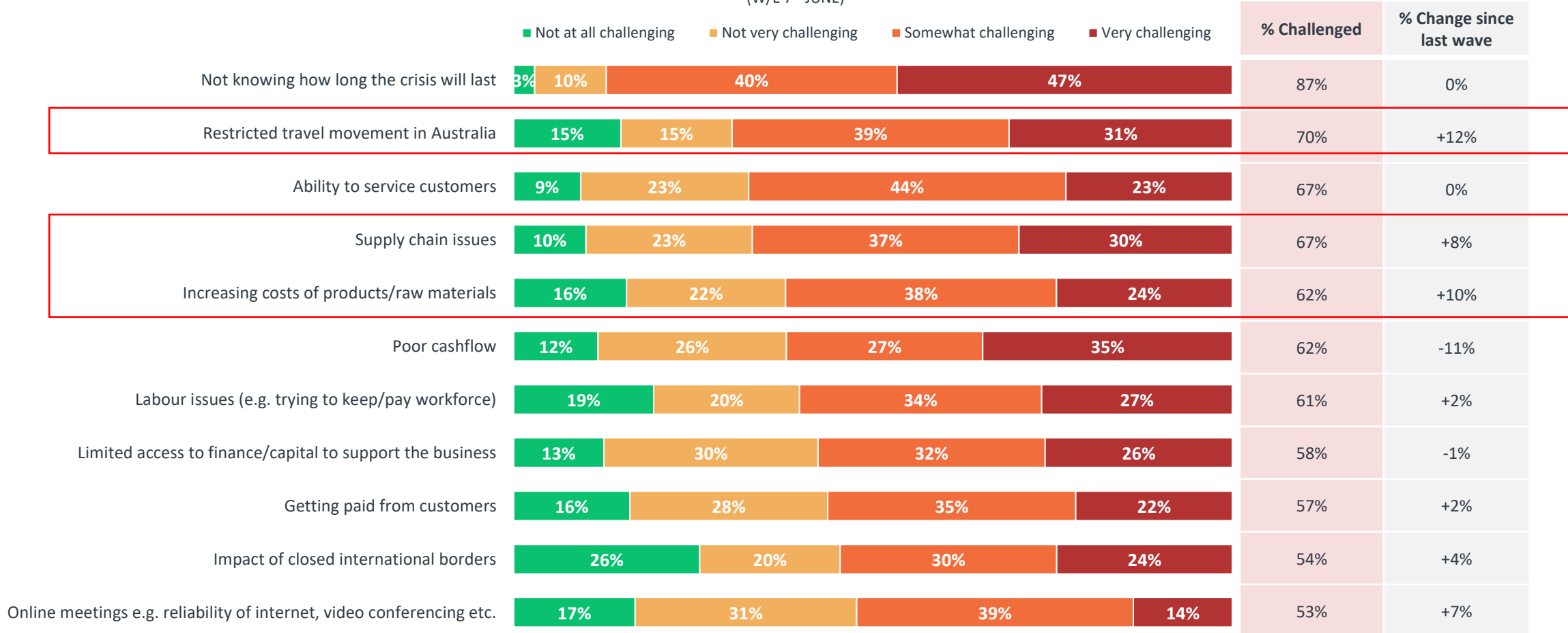
4 BUSINESS CONFIDENCE

## BUSINESS CHALLENGES

Clearly time to open borders as the SME sector is reporting higher levels of concern regarding travel restrictions in Australia and supply chain issues including increasing costs of products/raw materials.

### HOW CHALLENGING ARE THE FOLLOWING ISSUES AS A RESULT OF COVID-19 AND THE CURRENT MARKET CONDITIONS?

(W/E 7<sup>th</sup> JUNE)



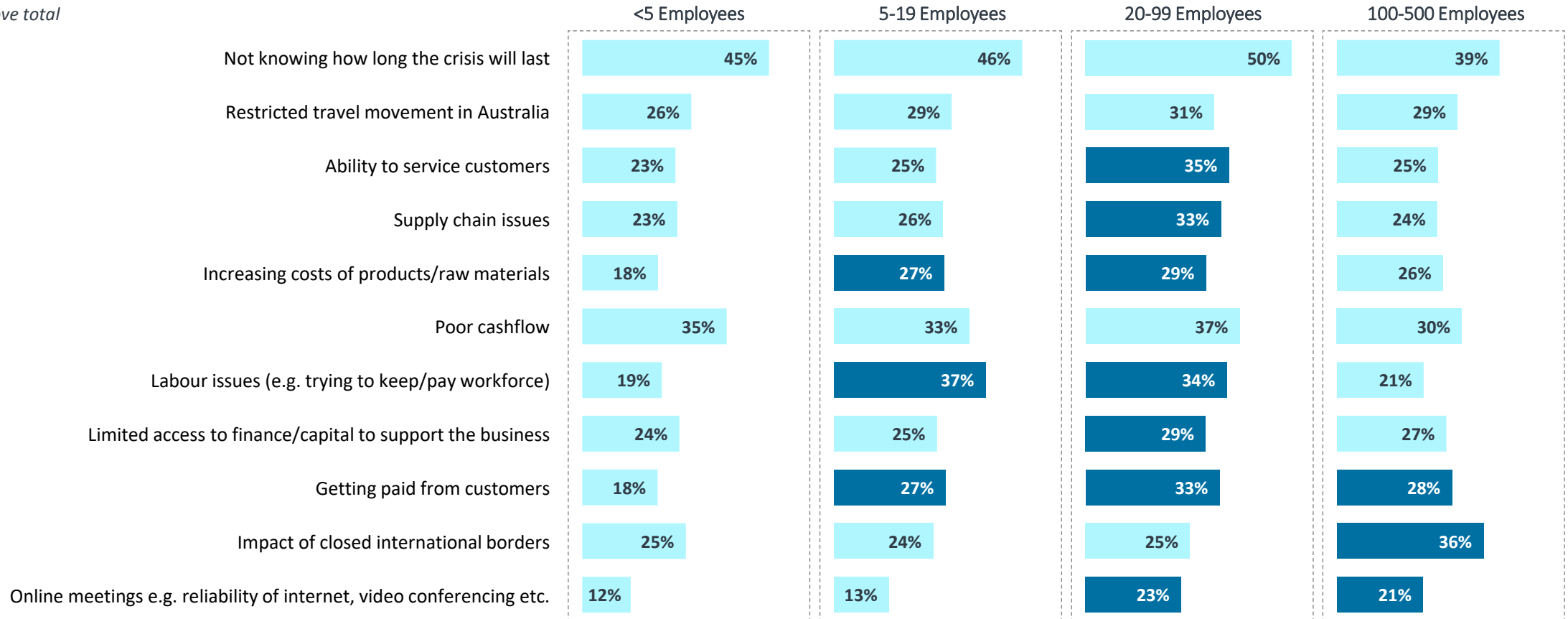
# BUSINESS CHALLENGES BY BUSINESS SIZE

Maintaining workforce numbers is particularly challenging for businesses with 5-99 employees, emphasizing the importance of quickly lifting further restrictions and opening State borders to stimulate stronger economic activity.

## HOW CHALLENGING ARE THE FOLLOWING ISSUES AS A RESULT OF COVID-19 AND THE CURRENT MARKET CONDITIONS?

*% VERY CHALLENGED*, (W/E 7<sup>th</sup> JUNE)

■ 5% above total



# BUSINESS CHALLENGES

Despite some level of caution regarding travel, more than 50% of decision makers would be comfortable with interstate travel for their employees.

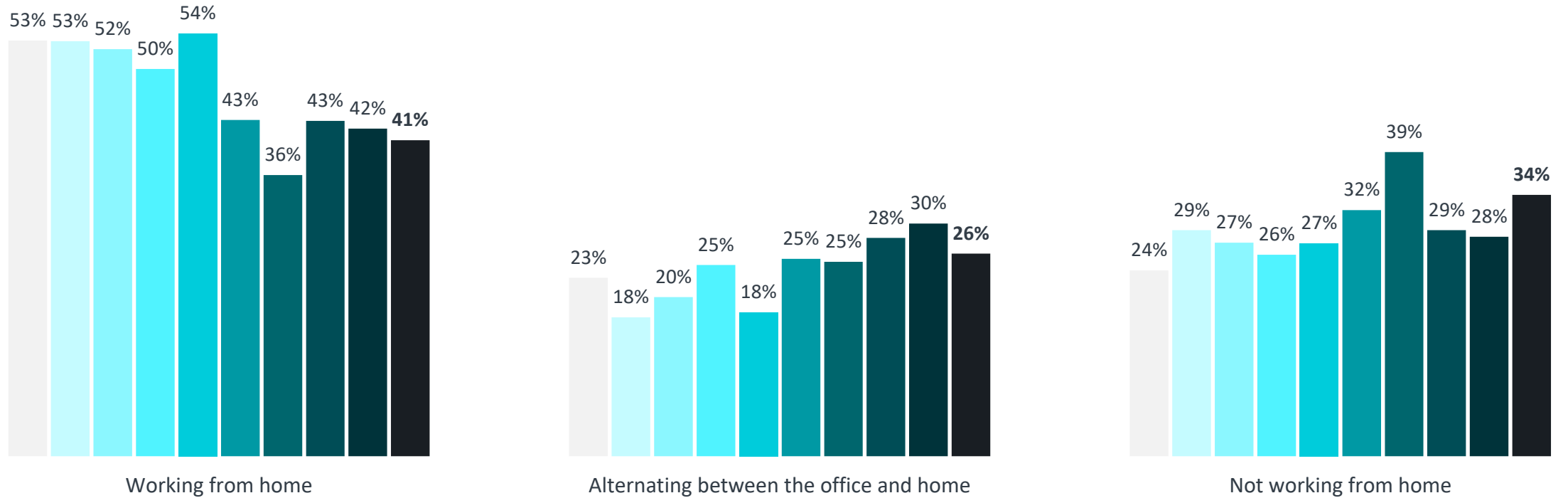
## WOULD YOU BE COMFORTABLE DOING THE FOLLOWING ACTIVITIES IN THE CURRENT ENVIRONMENT?



Despite a downward trend in the number of decision makers working from home, the transition back to the office is likely to take a few months.

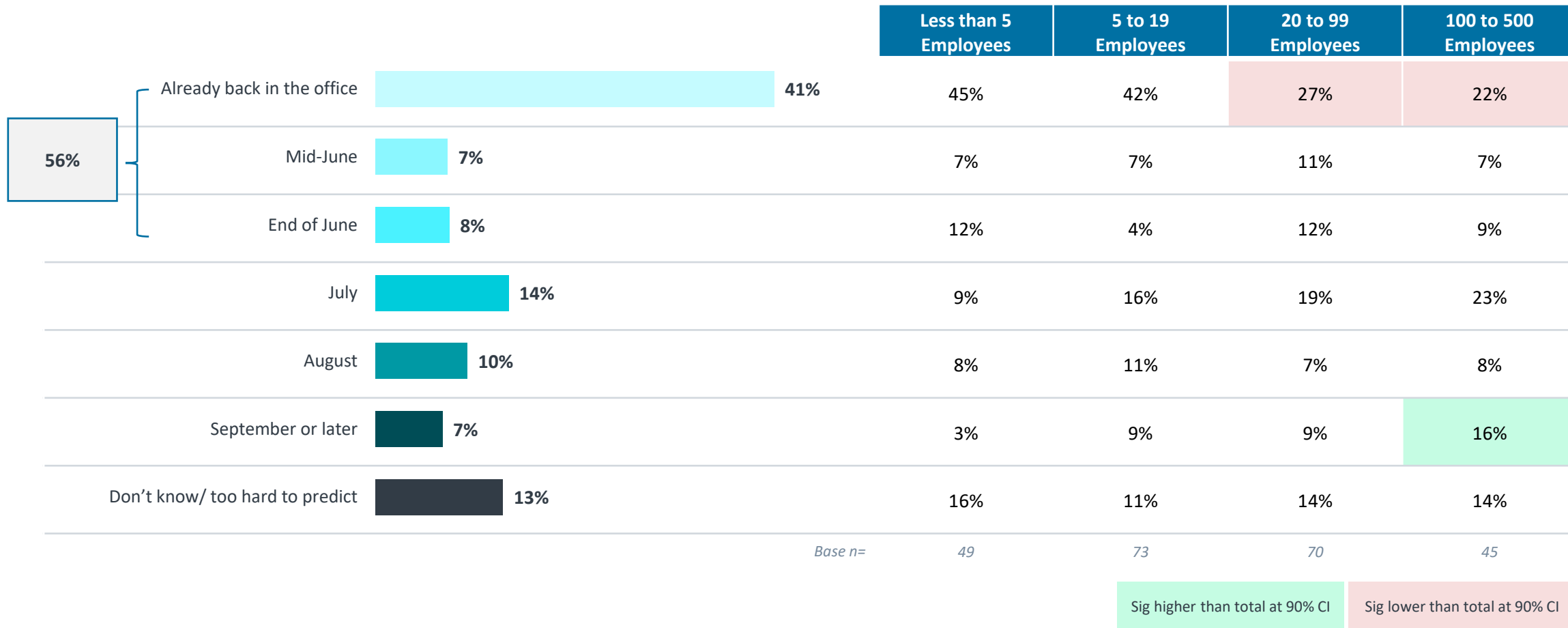
## ARE YOU WORKING FROM HOME DURING THE COVID-19 CRISIS?

5th April 12th April 19th April 26th April 3rd May 10th May 17th May 24th May 31st May 7th June



56% of businesses expect the majority of their staff to be back in the office by the end of June.

## WHEN WILL THE MAJORITY OF YOUR STAFF BE BACK IN THE OFFICE/WORKPLACE? (AMONGST THOSE WHO EMPLOY STAFF)



# CONTENT

HOW IS THE  
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FOLLOWING AREAS:

1 BUSINESS REVENUE

2 BUSINESS CHALLENGES

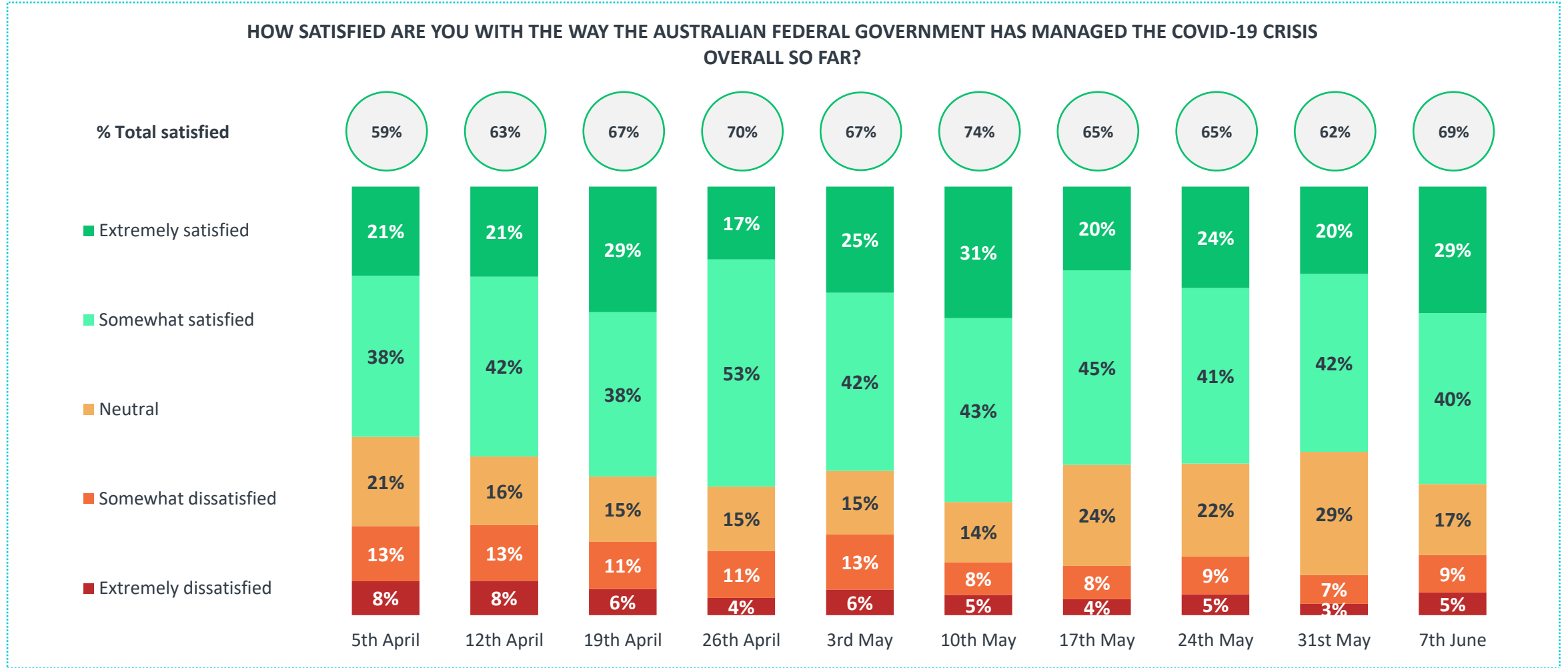
3 SATISFACTION WITH SUPPORT FROM GOVERNMENT &  
BANKS

4 BUSINESS CONFIDENCE



# SATISFACTION WITH THE GOVERNMENT'S RESPONSE

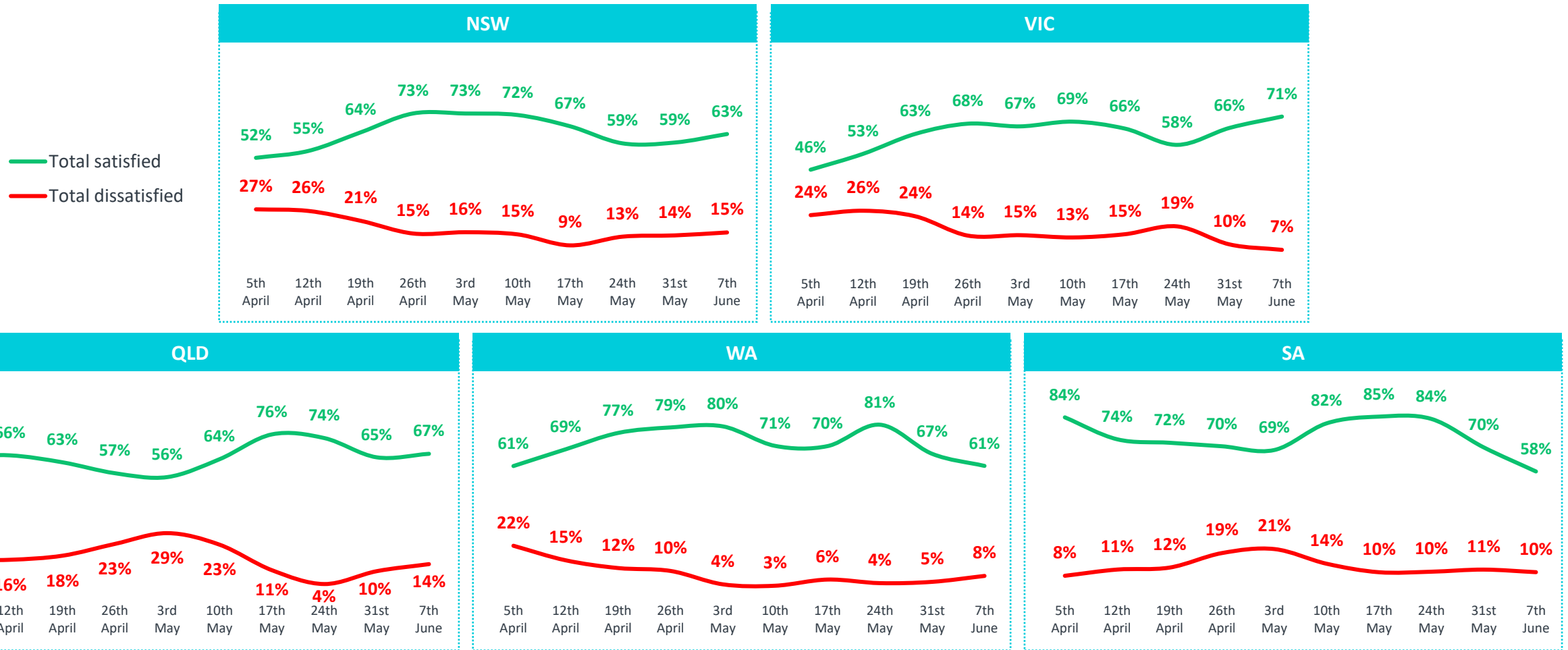
Satisfaction with the Federal Government has bounced back in the past week as restrictions continue to be lifted and the second tranche of JobKeeper payments hit bank accounts.



# SATISFACTION WITH THE GOVERNMENT'S RESPONSE

Uptick in satisfaction can be seen in NSW and VIC, where restrictions continue to be lifted.

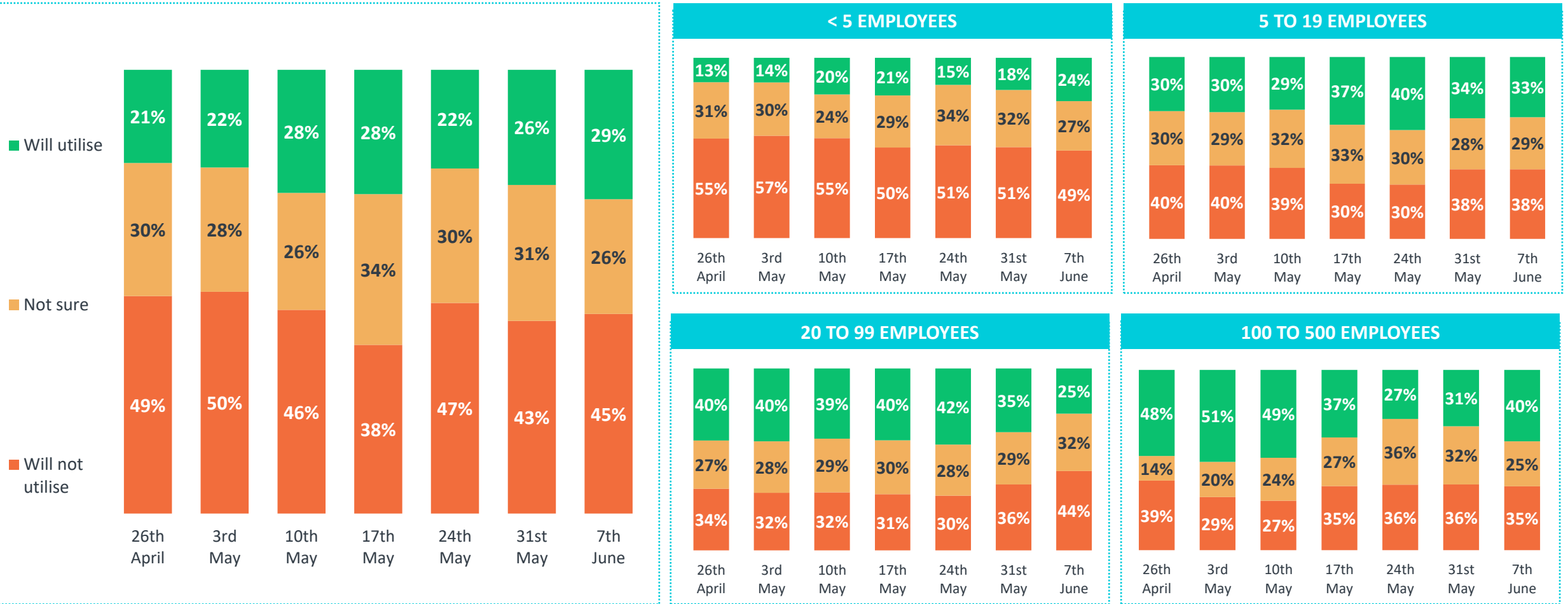
% SATISFIED WITH THE GOVERNMENT'S MANAGEMENT OF THE COVID-19 CRISIS OVERALL SO FAR



# GOVERNMENT STIMULUS & SUPPORT MEASURES

The recently announced extension to the instant asset write-off stimulus has created a positive response from the SME sector, with a nearly a third of businesses intending to use this program.

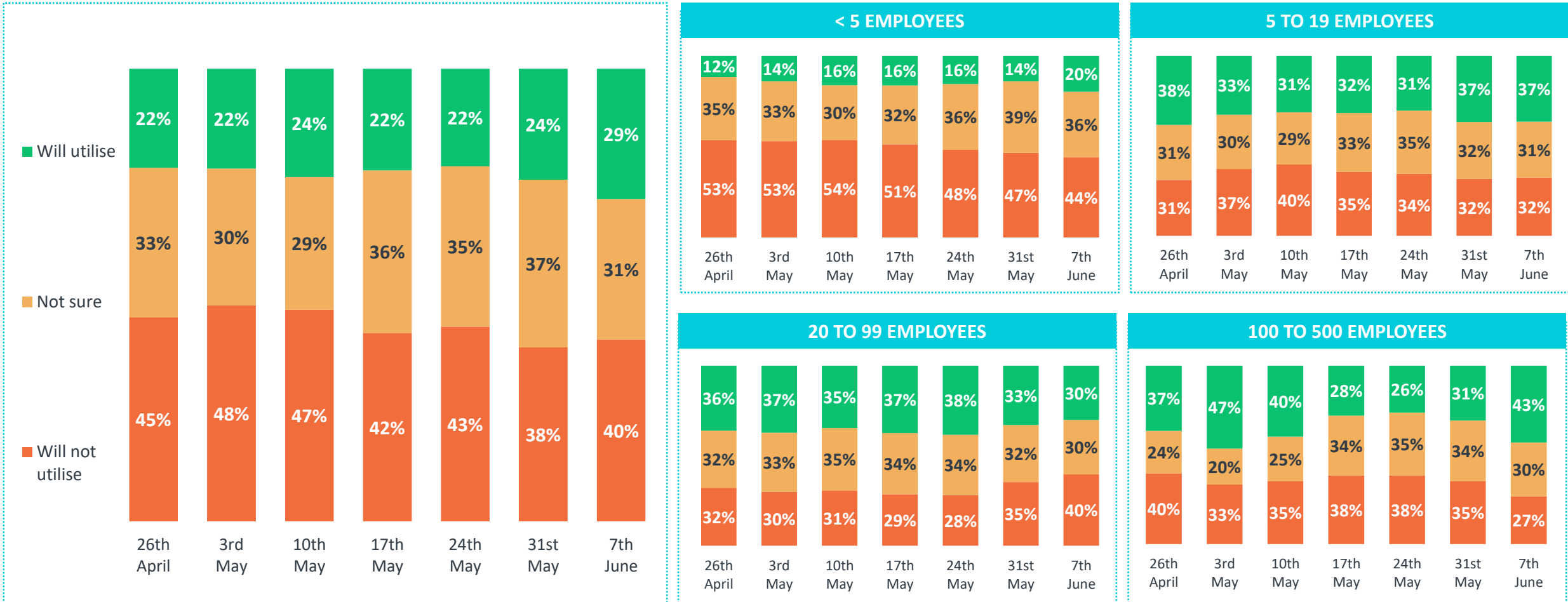
## GOVERNMENT STIMULUS AND SUPPORT MEASURES TO BE USED BY THE BUSINESS: INSTANT ASSET WRITE-OFF



# GOVERNMENT STIMULUS & SUPPORT MEASURES

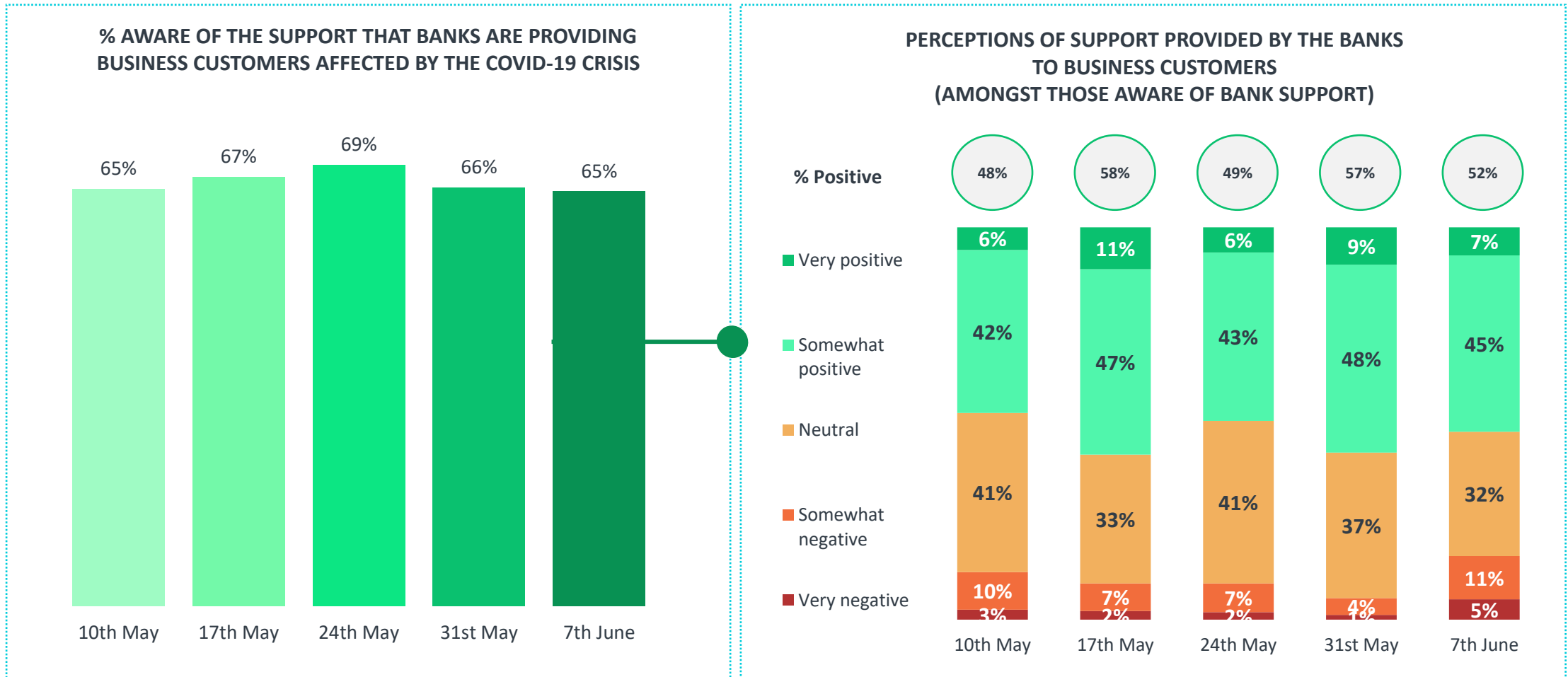
As we approach EOFY there has also been a notable increase in those businesses intending to utilise the accelerated depreciation deductions.

## GOVERNMENT STIMULUS AND SUPPORT MEASURES TO BE USED BY THE BUSINESS: ACCELERATED DEPRECIATION DEDUCTIONS



## SUPPORT FROM THE BANKS

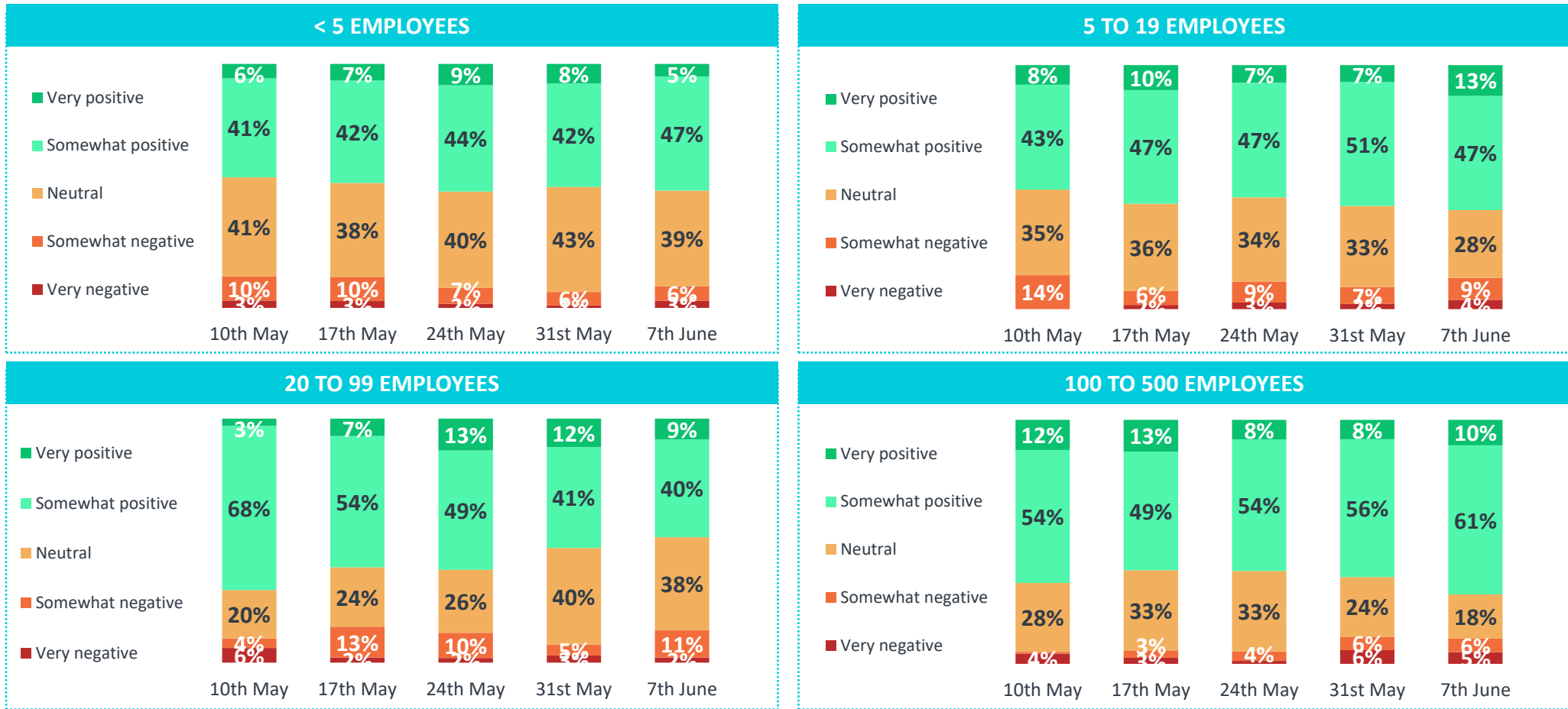
Awareness of bank support for SMEs during COVID-19 has remained steady. Although SMEs are generally positive, concerning to see there has been a notable increase of those expressing negative sentiment.



# SUPPORT FROM THE BANKS

Negative sentiment towards the Banks is increasing amongst these businesses with 20-99 employees.

**PERCEPTIONS OF SUPPORT PROVIDED BY THE BANKS TO BUSINESS CUSTOMERS  
(AMONGST THOSE AWARE OF BANK SUPPORT, BY BUSINESS SIZE)**



# CONTENT

HOW IS THE  
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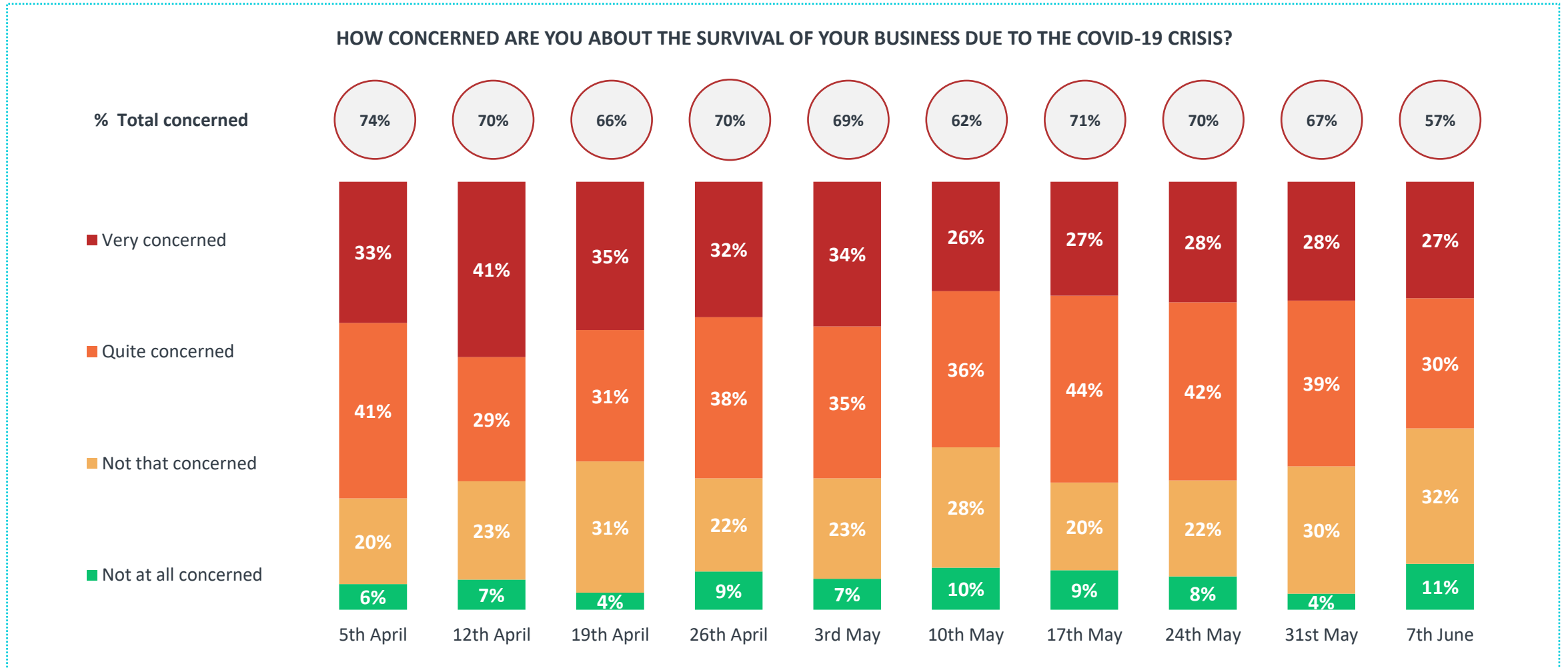
2 BUSINESS CHALLENGES

3 SATISFACTION WITH SUPPORT FROM GOVERNMENT &  
BANKS

4 BUSINESS CONFIDENCE

# LEVEL OF CONCERN ABOUT BUSINESS SURVIVAL

The higher level of confidence reported this week, has translated to much lower levels of concern regarding business survival.



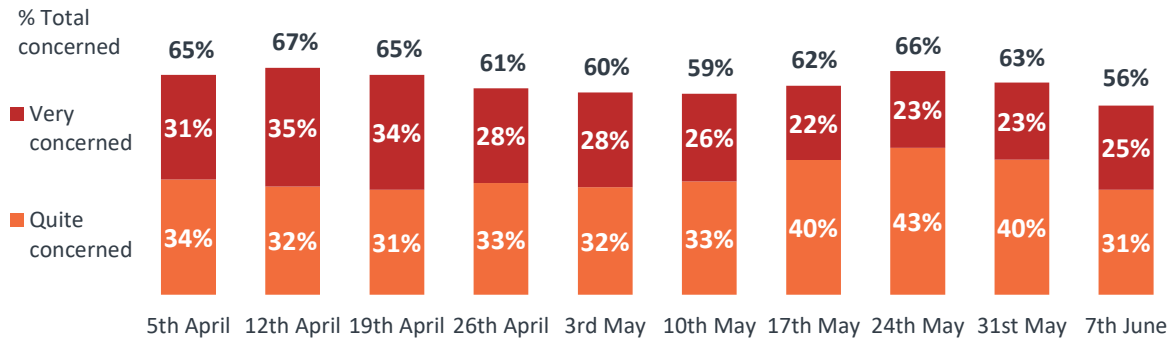


# LEVEL OF CONCERN ABOUT BUSINESS SURVIVAL

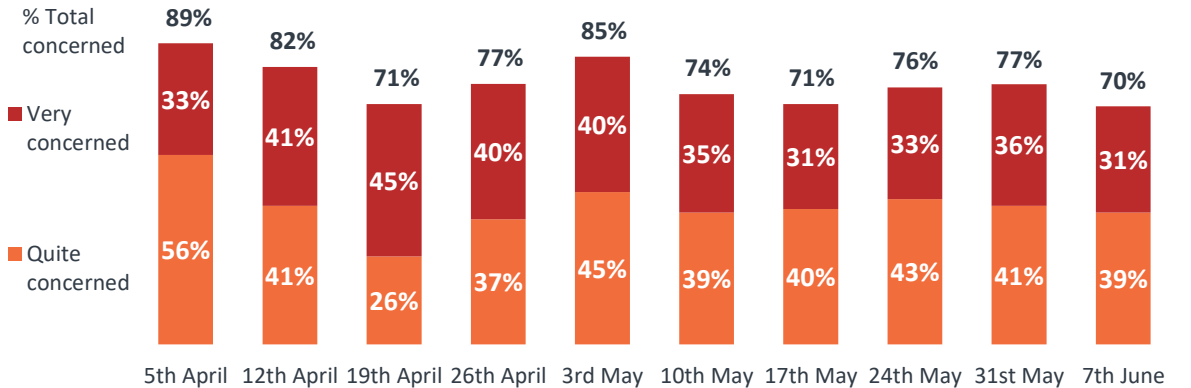
Positive to report the downward trend across all business sizes.

## HOW CONCERNED ARE YOU ABOUT THE SURVIVAL OF YOUR BUSINESS DUE TO THE COVID-19 CRISIS?

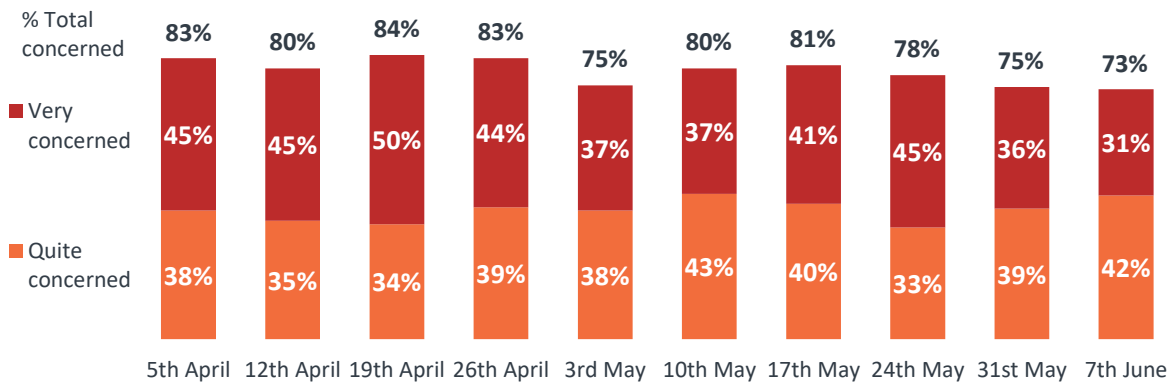
### < 5 EMPLOYEES



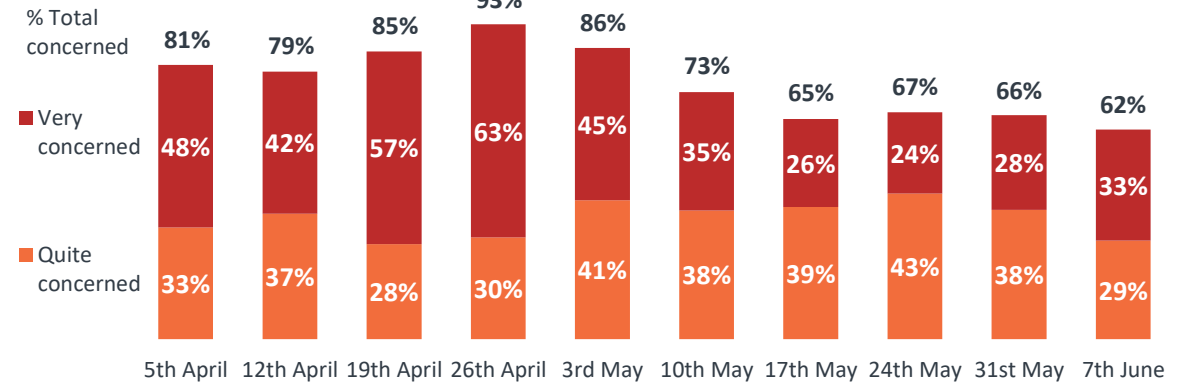
### 5 TO 19 EMPLOYEES



### 20 TO 99 EMPLOYEES

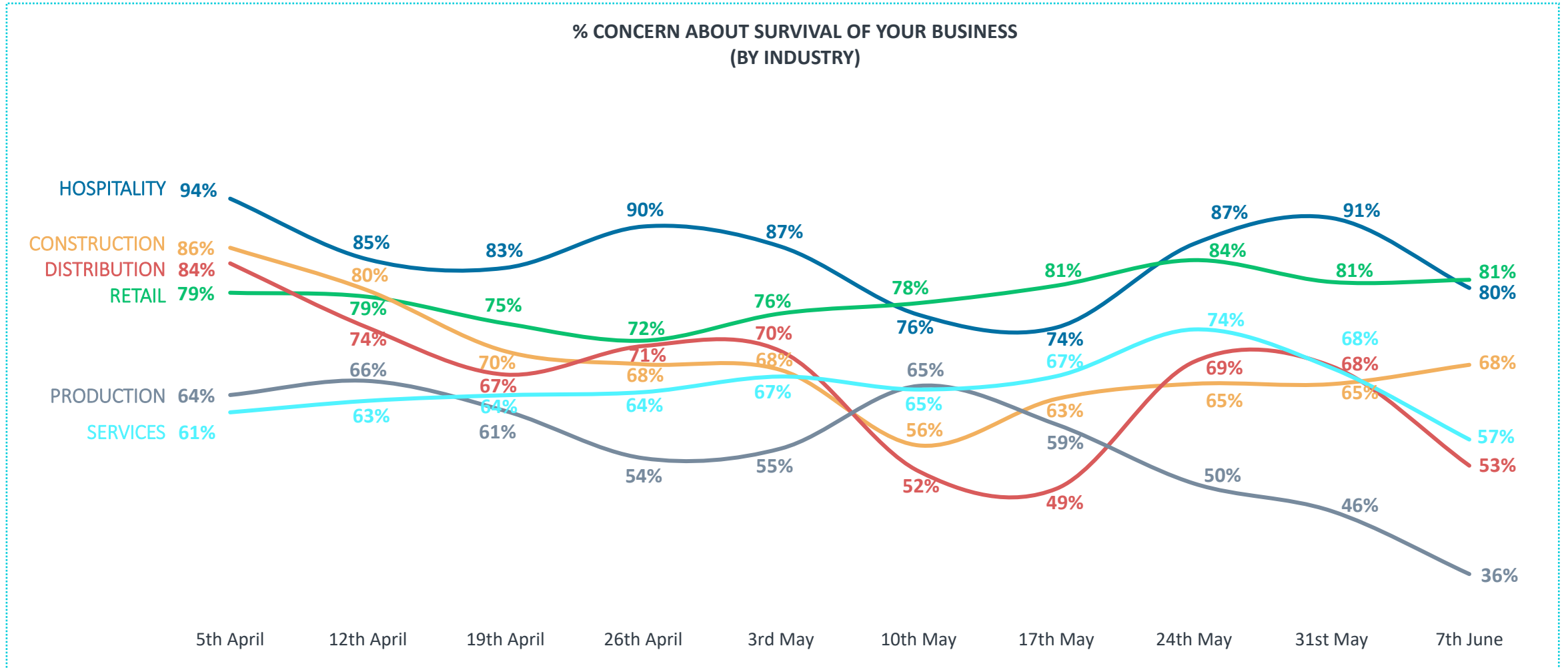


### 100 TO 500 EMPLOYEES



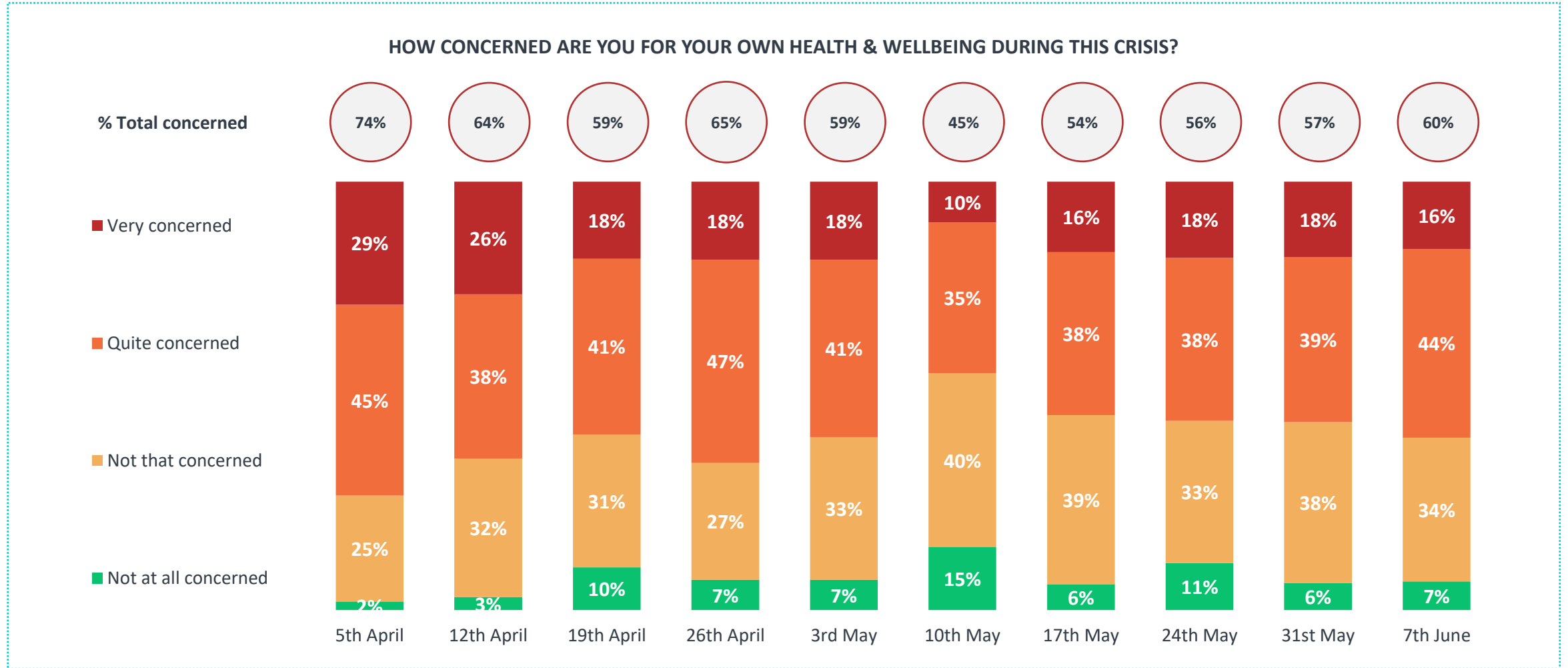
# LEVEL OF CONCERN ABOUT BUSINESS SURVIVAL

Positive to see significant decreases in concern amongst the majority of sectors.



# LEVEL OF CONCERN ABOUT PERSONAL WELLBEING

Concern around health and wellbeing is at its highest since the end of April, demonstrating the level of stress which comes with the recovery process.



# CONTENT

APPENDIX:

1 METHODOLOGY & SAMPLE

2 ABOUT ACA RESEARCH & FIFTH QUADRANT

# METHODOLOGY

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TEG Insights ensures a consistent sample of financial decision makers and influencers at Small and Medium Size Businesses each week.



**5-minute** questionnaire



All surveys completed **online**  
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All respondents are **financial decision makers/influencers** in Small and Medium Businesses with up to 500 employees



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A wide selection of **industry sectors** are represented, allowing for deep dive analysis on a regular basis

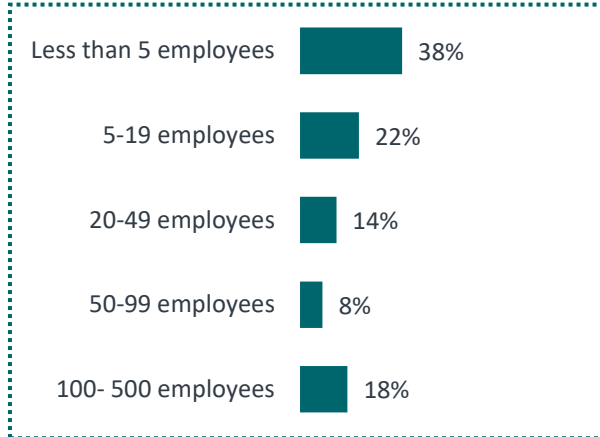


Data is **weighted** by state and number of employees to reflect the national distribution of businesses across the country

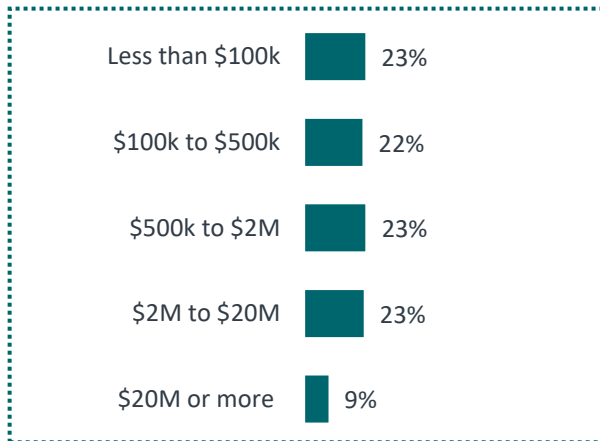
# OUR SAMPLE

We targeted SMEs across all sizes and industry sectors.

## SIZE OF BUSINESS: EMPLOYEES

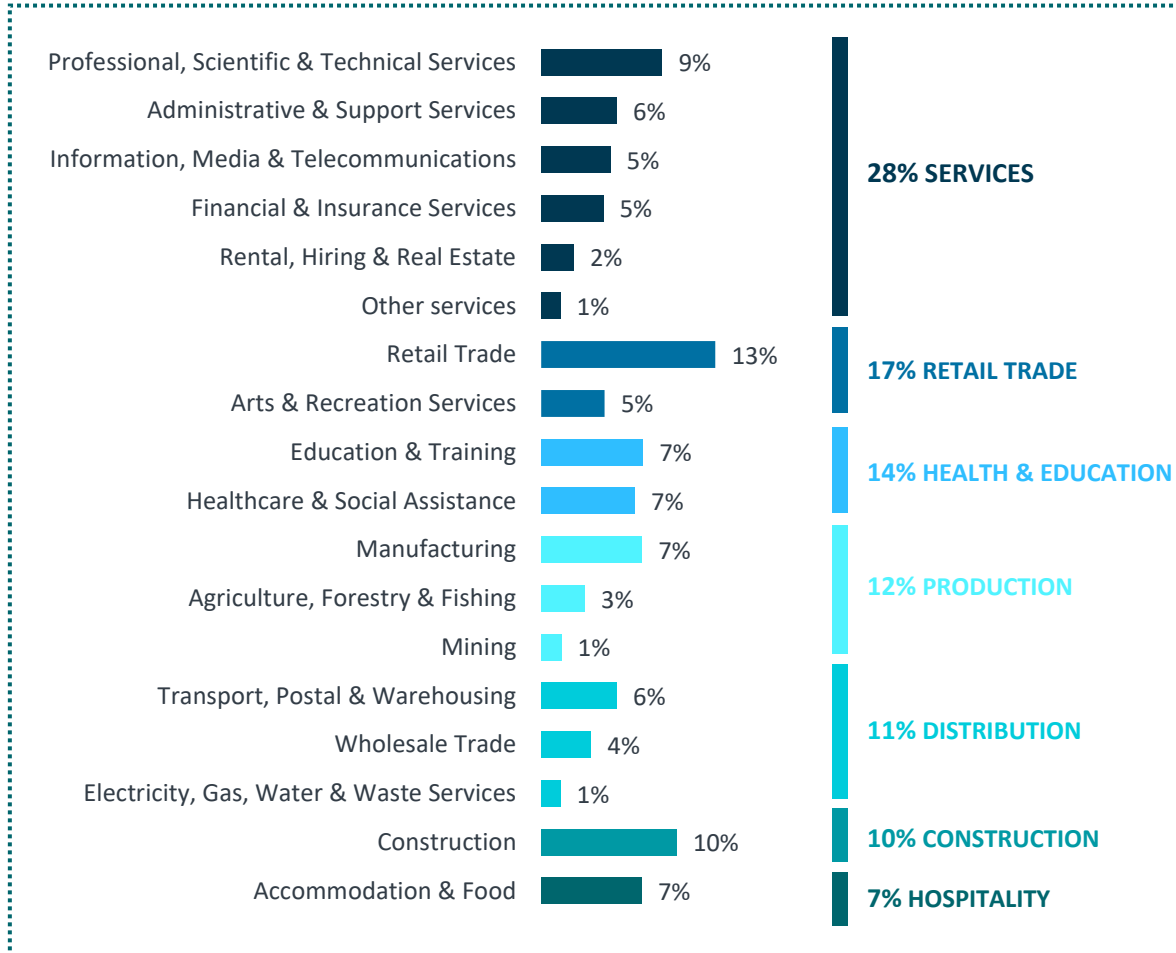


## SIZE OF BUSINESS: TURNOVER



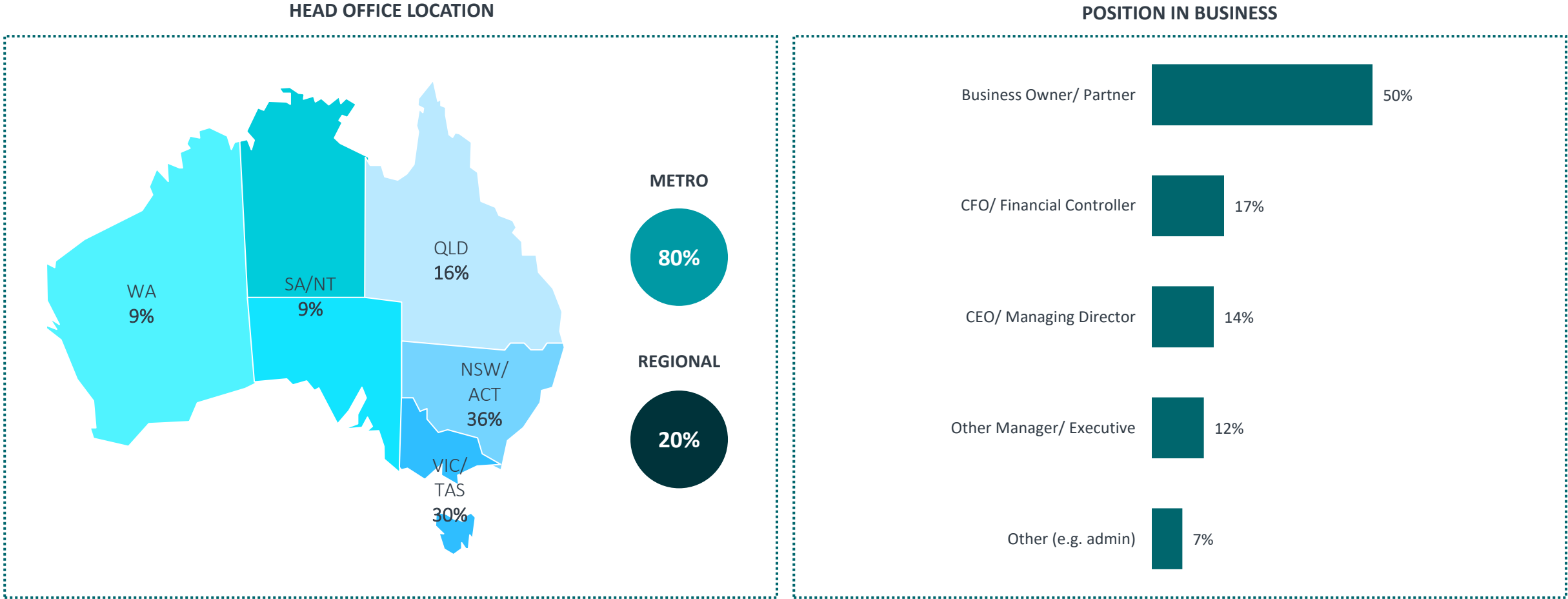
NOTE: CHARTS SHOW UNWEIGHTED DATA

## INDUSTRY SECTOR



# OUR SAMPLE

Key decision makers and influencers at SMEs across all states and territories responded to the survey, including metro and regional areas.



NOTE: CHARTS SHOW UNWEIGHTED DATA

# CONTENT

APPENDIX:

1 METHODOLOGY & SAMPLE

2 ABOUT ACA RESEARCH & FIFTH QUADRANT



## OUR PROMISE TO CLIENTS

WE HELP OUR CLIENTS  
MAKE INFORMED  
BUSINESS DECISIONS

Providing meaningful insight to allow you to make informed business decisions that drive growth, competitive advantage and productivity

BY LEVERAGING OUR  
SPECIALIST  
CAPABILITIES

Leveraging our deep industry expertise and customer experience specialisation to drive better outcomes for your business, customers, employees, business partners, shareholders and the community

TO EXECUTE  
CUSTOMISED RESEARCH  
AND CONSULTING  
PROGRAMS

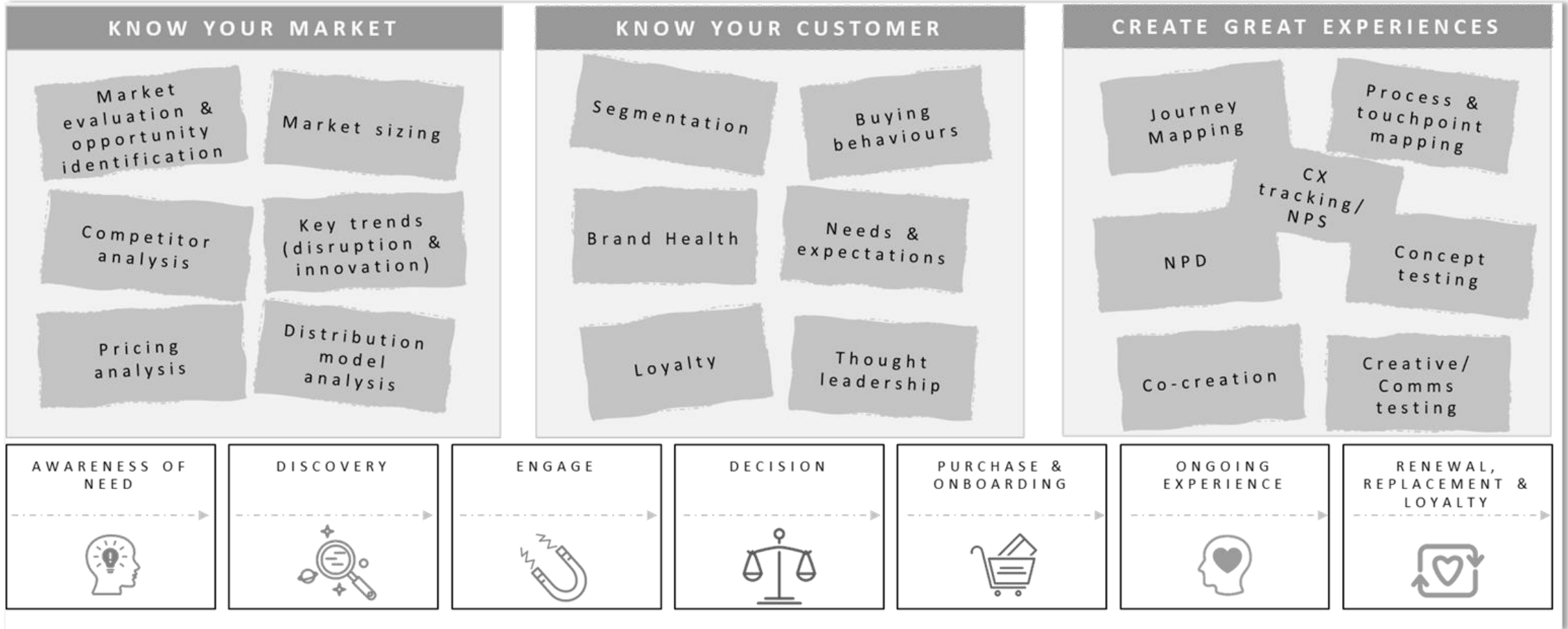
Working in partnership with you to design and deliver research & consulting programs aligned to your individual needs

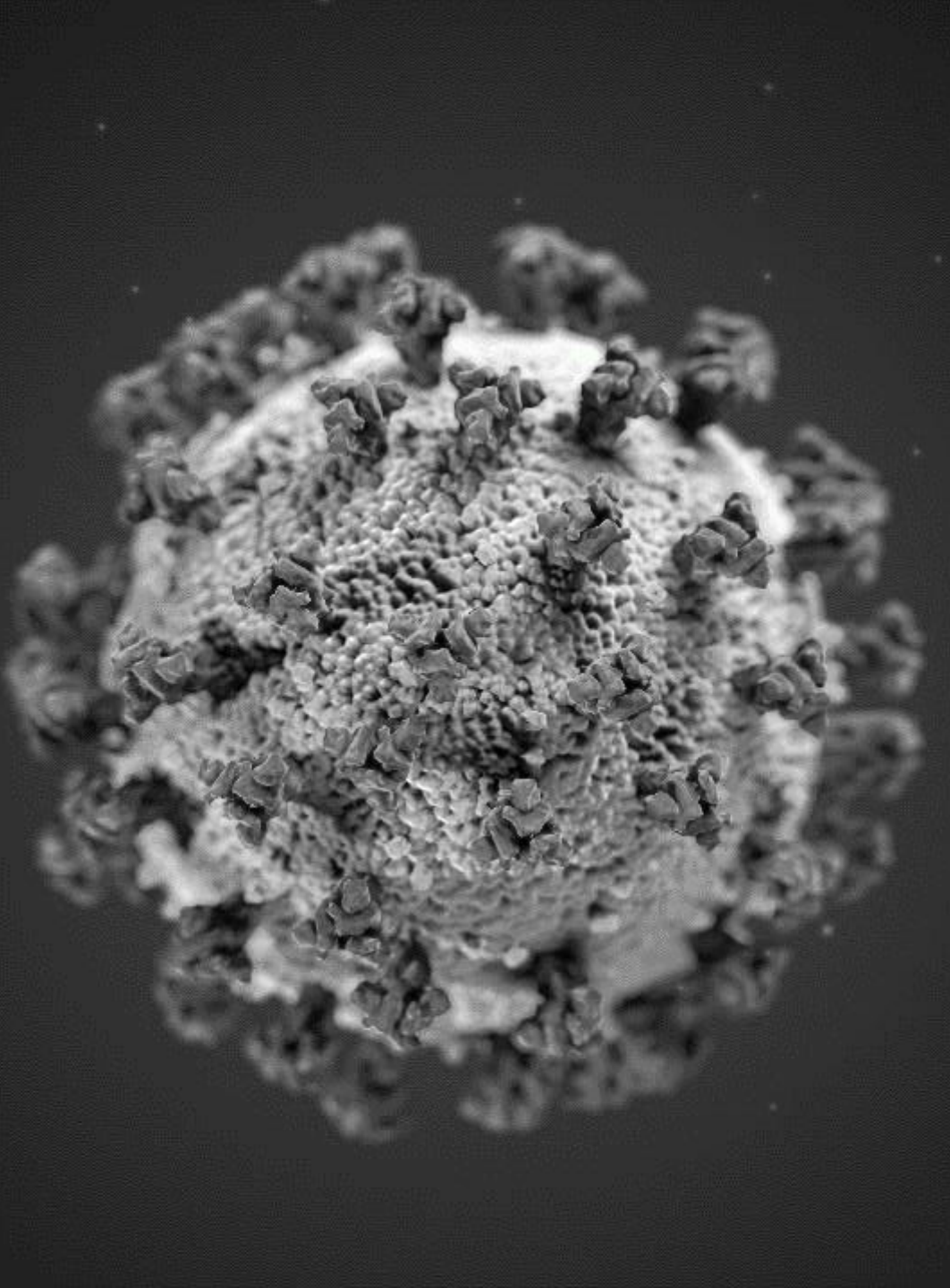
TO DELIVER  
ACTIONABLE  
RECOMMENDATIONS  
AND ADVICE

Helping you achieve your goals by delivering pragmatic, actionable recommendations and strategic advice

# OUR RESEARCH FRAMEWORK

We deliver insights throughout the customer journey enabling you to...





**THANK YOU!**

FOR FURTHER INFORMATION, PLEASE CONTACT:

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