



# WELLBEING IN RETAIL

BDO WELLBEING IN BUSINESS INDEX  
BDO TE RANGAHAUA O NGĀ HAUORA PAI

JULY 2022

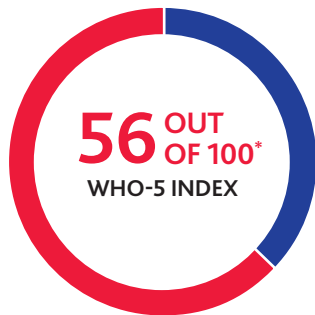


## WELLBEING IN RETAIL

# A DIFFICULT TWO YEARS FOR RETAILERS

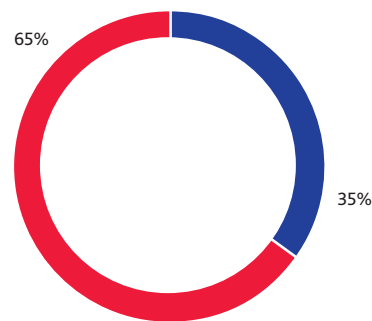
The retail sector scored the lowest in the WHO-5 index of all our surveyed industries, scoring just 56 out of 100 (the whole of business average was 69). Nearly two thirds (65%) of retailers also said that in the last 6 months they have been feeling less mentally healthy than normal – this was the highest percentage among our focus industries.

It is perhaps unsurprising that retailers are struggling at the moment. COVID-19 caused the biggest shock to the industry that many retail businesses have ever seen. They were unable to make any income for significant periods over the last two years. Even now that we are hopefully over the worst of the pandemic, the fall-out remains – restrictions still apply in retail settings, and many consumers continue to eschew the CBD, preferring to work from home. This is a trend that is likely to stay, and is having a significant negative impact on retailers' income – and clearly, their mental wellbeing also.



**\* HOW THE WHO-5 SCORE IS CALCULATED:**  
Someone who scores 'all of the time' on a particular statement is given a score of 5, while if they score 'at no time' they get a score of 0 for that statement. The total raw score, ranging from 0 to 25, is multiplied by 4 to give the final score, with 0 representing the worst imaginable wellbeing and 100 representing the best imaginable wellbeing.

**IN THE LAST 6 MONTHS HAS ANYTHING BEEN CAUSING YOU TO FEEL LESS MENTALLY HEALTHY THAN NORMAL?**



- YES – I HAVE BEEN FEELING LESS MENTALLY HEALTHY THAN NORMAL
- NO – I HAVE NOT BEEN FEELING LESS MENTALLY HEALTHY THAN NORMAL

## SUPPLY CHAIN WOES HAVING A NEGATIVE IMPACT ON WELLBEING

At the same time, there are huge issues with supply chains and this means many retailers simply cannot get the stock they normally sell.

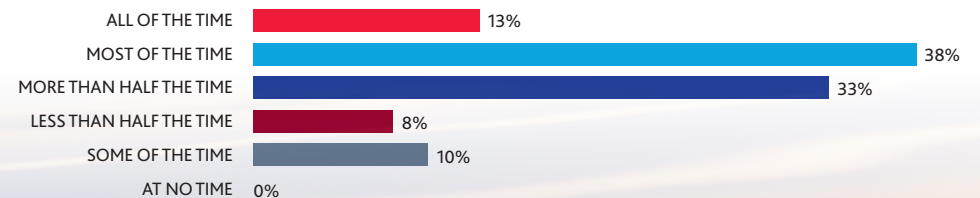
This was borne out in the survey results – nearly half (46%) said that supply chain issues were negatively impacting their mental wellbeing. Joint second at 38% was external economic and political factors and business systems and technology challenges.

We had expected that uncertainty would be a key factor in causing stress, but the business systems and technology challenges came as something of a surprise. This was by far the highest score for this category among our key industries, and perhaps highlights the increasingly urgent need for retailers to incorporate some form of online shopping to reach customers who are no longer going into the CBD.

**COMPARED WITH WHEN YOUR BUSINESS WAS FACING THE MOST DISRUPTION FROM COVID-19, WOULD YOU SAY IN THE LAST TWO WEEKS YOUR GENERAL WELLBEING HAS BEEN:**



**TAKING INTO CONSIDERATION YOUR PREVIOUS ANSWERS, HOW DO YOU EXPECT YOUR GENERAL SATISFACTION WITH LIFE TO BE IN 6 MONTHS' TIME?**



## WELLBEING IN RETAIL

### HOW RETAIL TECHNOLOGY CAN HELP WITH WORKLOAD

#### BENEFITS OF SYSTEMS UPGRADES FOR RETAILERS

"E-commerce technology is becoming an essential investment for retailers that want to stay current, while legacy systems also cause many problems which can have an impact on business owner stress.

Every day at BDO, we work with retailers to help them upgrade their systems and technology. Legacy systems cause delays and inaccuracies – many retail business owners have very little time, and so the task of upgrading these can seem insurmountable sometimes. However, the efficiencies that up-to-date and inter-connected point-of-sale, inventory management, payroll and sales and CRM systems bring cannot be understated. If retailers are feeling like their workload is too high, and that certainly seems to be the case, with over one-third (35%) saying this has been causing them to feel less mentally healthy, then an updated technology system can alleviate a lot of this burden."



JUSTIN MARTIN,  
BDO RETAIL SECTOR LEADER

When asked to compare their wellbeing now to how it was at peak COVID-19 disruption, 48% said it was about the same, while only 10% said it was significantly better. This indicates that supply chain and the uncertain external environment is causing just as many mental health stresses for retailers as COVID-19 did when it was at its most disruptive.



CONTACT OUR SPECIALIST RETAIL TEAM  
AT [BDO.NZ/RETAIL](https://www.bdo.co.nz/retail)

### A MORE POSITIVE FUTURE OUTLOOK

That said, the future outlook does appear to be slightly more promising for retailers. In six months' time, at least half (51%) said that they expect to feel generally satisfied with their life all or most of the time, while a further 33% said they expect to feel that way more than half the time. Though this is still somewhat lower than some of our other focus sectors, it does indicate that retailers expect business conditions to get a little better than they are now.

### TOP TIPS FOR OVERCOMING SUPPLY CHAIN ISSUES

For retail business owners who are worried about the impacts of supply chain on their business, there are several ways for you to front-foot the disruption and form even stronger bonds with your customers:

- 1. Open communication is key** – customers know supply chains are disrupted. So provided you are open and honest with your customers, they should normally empathise with you. Ask for customers' contact details so that you can let them know when you don't have certain items in stock, and give them regular updates, or offer alternatives (or a refund), if necessary.
- 2. Get strategic with your stock management** – review previous years' results to forecast which products will be popular at which times. This enables you to order those products well ahead of when customers will need them.
- 3. Streamline your product offering** – you can simplify your supply chain by working out where 80% of your profits come from and then only purchasing those items.
- 4. Conduct a supply chain audit** – understanding where your stock is coming from will enable you to plan ahead if certain countries go into lockdown or face other disruption. It's always useful to find local alternatives if possible.
- 5. Use data to understand your customers' needs** – use customer feedback tools, either on your EFTPOS machine or via a survey, to find out whether your customers was satisfied and which alternative products they may find useful.



WELLBEING SUPPORT  
CONTACTS

Xero Assistance Programme (XAP)  
[1737.org.nz](https://www.1737.org.nz) – National mental health helpline  
Mental Health Foundation ([mentalhealth.org.nz](https://www.mentalhealth.org.nz))