

Savanta:

Costs up, demand down

- another major crisis
for NI Businesses

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make better decisions



Costs up, demand down

Cost crisis looms

Northern Ireland (NI) businesses are menaced by another major crisis after recently recovering from a crippling two years. Inflation is at the highest we've seen in 40 years. Gas prices have more than doubled since May 2022, and transporting products has become increasingly challenging. None of this helped by the recent instability within the political world; Liz Truss resigned after 44 weeks in office as prime minister, with Rishi Sunak becoming the newly elected PM a few days after. This was followed by an autumn statement of £24 billion in tax rises.

Under a significant government support package from the new Conservative government, energy bills for businesses will be cut by around half their expected level this winter. Shielding businesses from volatile and crippling costs. The scheme will establish wholesale gas and electricity prices for six months starting from October 1st.

Savanta has used its flagship survey to better understand business sentiment on this very important issue.



MarketVue Business Banking
Banking from Savanta Northern Ireland: A continuous survey of 1300 financial decision makers in NI businesses with 8 years of historical data

Note: interviewing was conducted before the government mini-budget and wider support announcements.

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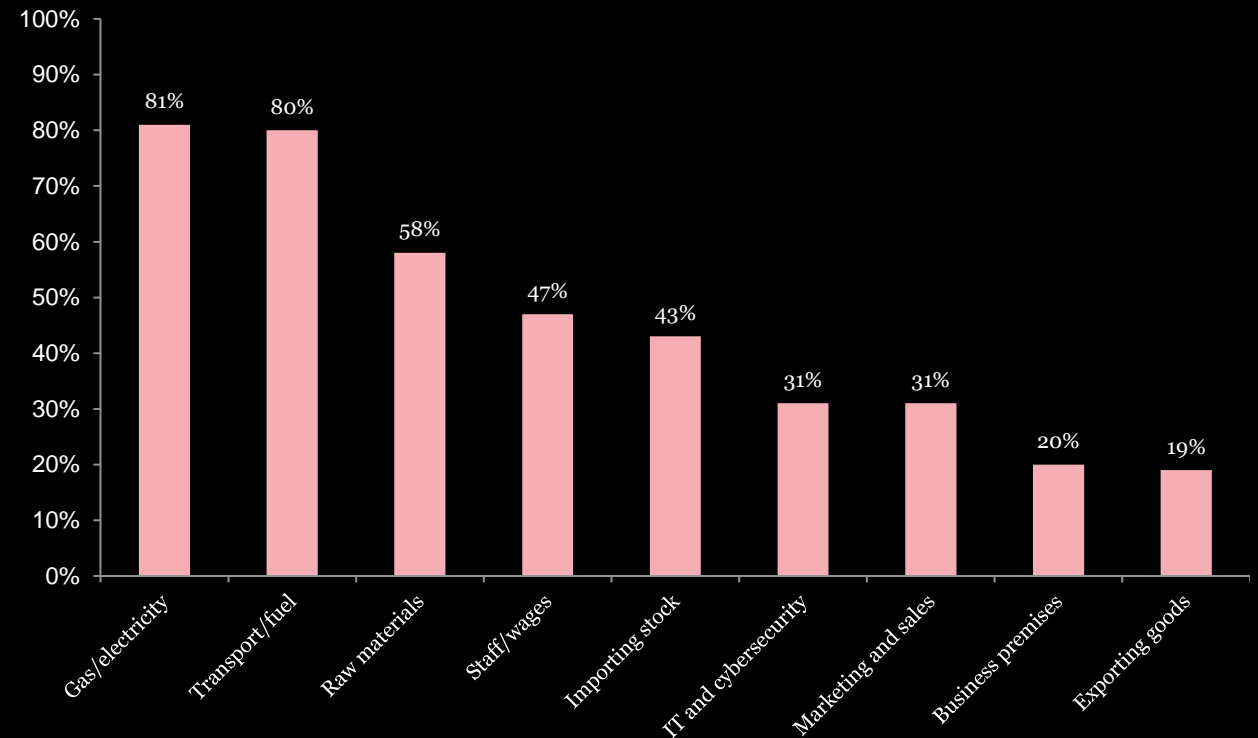
Staff/wages, energy and fuel price increases are the biggest concerns

Unsurprisingly considering the current economic crisis, energy and fuel price increases are by far the greatest concerns for NI businesses (standing at 81% and 80% respectively).

Raw materials (58%), staff wages (47%) and importing stock (43%) are also key concerns for businesses.

Business concerns for type of cost increase

Are increases to the following types of cost a big concern to your business this year? Yes summary (excluding DK)



MVBB: YE Q2 2022 SU EST £0-1bn NI

Base: All (385)

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Businesses plan to pass on price increases to customers

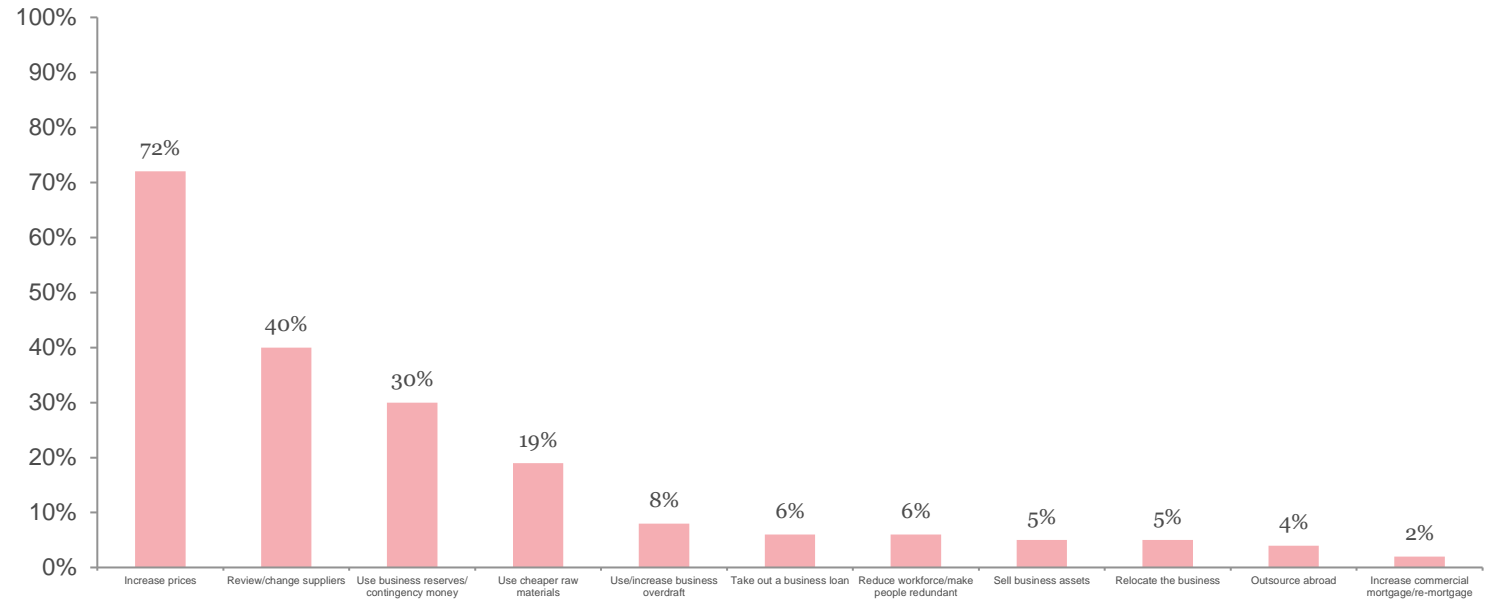
Increasing their prices and passing these on to their customers is the number one action NI businesses plan this year (72%) to combat the crisis.

This is very worrying for both businesses and consumers alike.

4 in 10 (40%) businesses will review/change suppliers and 3 in 10 (30%) plan to use their business reserve/contingency money.

Actions businesses plan to take to deal with rising costs

And do you plan to take any of the following actions this year to deal with cost increases? Yes summary (excluding DK)



MVBB: YE Q2 2022 SU EST £0-1bn NI

Base: All (385)

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Will the Government support package be enough?



If the cost crisis isn't over before the end of 2023 how will businesses in Northern Ireland cope once the government's six-month energy support package runs out?

Energy prices are likely to remain high meaning businesses will require support for a longer period to protect jobs and remain competitive. Experts are also predicting there will be a recession in 2023 and therefore aside from the government support, businesses are likely to try and cut costs, meaning jobs could be lost, as well as putting in further action plans to protect themselves

Will the plans with measures designed to tackle the energy and cost-of-living crisis, and a range of policies and tax cuts aimed at stimulating economic growth, be the further support businesses need?

Only time will tell.

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Savanta's MarketVue Business Banking

Based on a continuous survey of 15,000 financial decision makers in UK businesses and 10 years of historical data, MarketVue Business Banking is a highly reliable and detailed monitor of how banks are perceived by business customers.

It is designed as a complete market overview covering market share, trends, brand health and customer experience to inform business strategy and provide tactical feedback for action planning. Interviewing is conducted continuously among a UK representative sample from start-ups, SMEs up to major corporates throughout the year and data/insight is delivered to clients on a quarterly basis.

Savanta:

Savanta is a fast-growing data, market research and advisory company. With five global offices and 500+ staff, we inform and inspire our clients through powerful data, empowering technology and high-impact consulting. All designed to help our clients make better decisions and achieve faster progress.

Savanta offers clients a full range of intelligence services, including:

- Data collection and analysis – access to consumer, business, wealth & youth respondents globally through a proprietary technology platform
- Research and Insight – tailored solutions built using specialists from Savanta's Industry and Methodology Practices
- Proprietary tech & products – instantly access digital intelligence about markets, brands and customers. It's our own technology. And it's fast and flexible.

Meet the team



Stephen Palmer

EVP, Financial Services

Stephen has 25 years' research experience across financial services and tech and leads the financial services team at Savanta. Prior to Savanta, Stephen was Head of Insight at Kantar Financial Services & Technology and responsible for delivering customer experience, brand and segmentation research. Stephen is a certified member of the MRS and has sat on the standards board.

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Helen Davey

Associate Director, Financial Services

Helen has more than 20 years' research experience having previously worked for Public Attitude Surveys (PAS), Infratest Burke/NFO and TNS and has worked in the MarketVue Business Banking team for the past 6 years. She has considerable experience in managing large scale complicated multi-client research for major blue chip clients.

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Sue Lewis

Senior Director, Financial Services

Sue has over 30 years' market research experience, including six years' experience client side (in the healthcare sector at BUPA and in business banking at Barclays, where she was a senior market research manager). Before joining Barclays, Sue was previously an associate director at City Research. Sue has a BSc (Hons) degree in Sociology from the University of Southampton and is a certified member of the MRS (CMRS).

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Shweta Bharati

Senior Executive, Financial Services

Shweta recently joined Savanta and has 8 years of experience working in Market Research across all industry sectors. She previously worked for Dynata's India Operation; mainly specialising in quantitative projects. She has a BSc (Hons) degree from Patna University in Biotechnology and a Masters in Business Management from JRE College of Institutions.

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Savanta is the full-service global market research and data insight company that helps businesses make better decisions.

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