

Making sense of our small business health check

For small businesses, no two days, weeks or years are the same. Behind every corner are new challenges and opportunities for small business, and navigating these is no small feat. Our end of year small business health check, which surveyed **330+ small business leaders across Australia**, has revealed what's keeping the community up at night.



Here's the TL;DR...

Despite being optimistic about the peak sales season, small businesses are struggling to keep up with new expectations and demands from customers. This is only being exacerbated by the boom in cheap offshore eCommerce marketplaces—and Australian SMBs are feeling the pressure to match up. But despite the changing market conditions, savvy leaders are taking proactive steps to succeed, with many turning their attention to growing in global markets.

Read on to discover how SMBs plan on tackling 2025.

Top challenges for SMBs

Competing on price against cheap global marketplaces, navigating changing consumer expectations and combating rising costs are among the top concerns for small business leaders.

48%

Half of SMBs said new marketplaces had added price pressures on their businesses.



43%

of SMBs said these marketplaces have increased expectations of free shipping among consumers.



24%

One in four of small businesses believe that online sites have an unfair advantage with cheaper rates.



71%

of small businesses want to see more shipping in regional and rural areas.



Sendle's latest survey shows that Australian small businesses are concerned about competition from overseas retailers who can sell a broad range of products at very low prices. To attract and keep customers, we have seen a lot of small businesses hunt around for better shipping rates and options, in order to offer free or discounted shipping to customers.



~ Laura Hill, Managing Director of Sendle

SMBs want the government to intervene and protect local retailers from overseas marketplaces

67%

Two thirds of SMBs want the Government to crack down on overseas competition.



37%

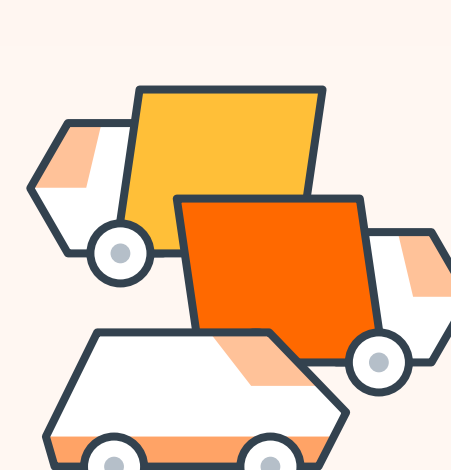
of small businesses believe the government should intervene to curb rising shipping costs in Australia



And SMBs are calling out for **increased competition** in the shipping industry

33%

One in three of small businesses want to see more competition among carriers.



50%

One in two of small businesses also want to see more affordable delivery options for overseas shipping.



Australia Post has a monopoly in regional and rural areas, which has led to less competition and higher shipping rates for small businesses who have no other options. Limited shipping options make it difficult for small businesses to compete online as customers expect faster and affordable shipping, and eat into their profit margins, making it harder for them to stay ahead in a highly competitive retail industry.



~ Laura Hill, Managing Director of Sendle

Despite competition, small businesses remain optimistic about peak season sales

30%

Almost one in three of SMBs are forecasting up to 25% revenue growth this peak season in comparison to the same period last year.



51%

One in two SMBs plan to offer free shipping to attract customers this peak sales period from November to December



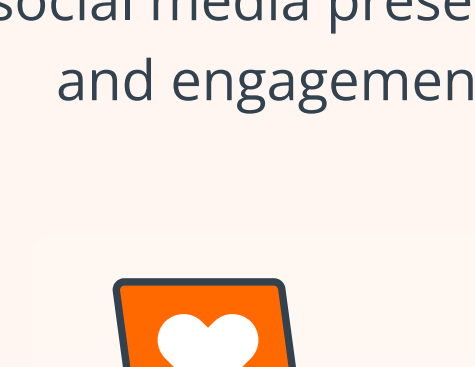
Offering sales discounts and promo offers (**45%**) and discounted shipping (**25%**) are other tactics SMBs are using.

Strategies to drive sales and growth

Small businesses are resourceful and resilient, and are looking at how they can market their brands, reach their target audience, and drive sales, even with limited budgets. Looking ahead to 2025...

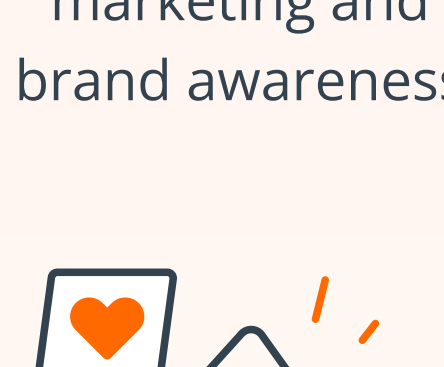
72%

plan to grow their social media presence and engagement



52%

will invest in marketing and brand awareness



35%

of SMBs plan to expand to new markets to grow their businesses



While just over two in five (**42%**) of small businesses only operate in Australia, **42%** expect up to one-quarter of their total sales growth to come from markets outside of Australia in the next 12 months.