

Business Resilience and Recovery following the Canterbury Earthquakes

Revenue Changes

Results Bulletin 2018-8

Findings from a survey of 206 organisations in the Greater Christchurch Urban area in mid-2016.

Question

How did organisations revenue (turnover) change over the 5 years?

Findings

While some businesses have gained, and others have lost, reported changes to revenue (turnover) reveal a constant improvement from the decreases experienced in the immediately post-quake experience. Decrease in turnover was reported by 62% of respondents immediately following the earthquakes, with 41% still reporting decreases one year later. Five years following the earthquakes, 21% of respondents still report decreased revenue. Around a quarter to a third of all organisations reported minimal revenue change over the years of observation while the proportion of businesses that report some kinds of gains in revenue increase from 16% immediately post-quake up to 50% by year five.

Results

Turnover changed substantially for many Christchurch businesses immediately after the earthquakes. As can be seen in Figure 1, immediately after the events the largest proportion of organisations (36%) indicated their revenue had *decreased more than 50%* when compared to pre-quake levels. A further 12% reported a *moderate decrease* and 14% indicated experiencing a *slight decrease*. Combined, well over half (62%) reported experiencing a loss in revenue in the period immediately after the event. In contrast, 22% reported their revenue had remained *about the same*, while the remaining 16% indicated experiencing some kind of *increase* in turnover immediately after the quakes.

Over time, the proportion of businesses reporting the highest level of decreased revenue (i.e. > 50% reduction) diminished. Within months, this cohort had reduced from 36% to 22% and by one year on the proportion approximated 10%, a value which has remained relatively stable through to year five. A similar trajectory can be observed with business that experienced more modest levels of revenue decrease. Those reporting having *slightly decreased* or *moderately decreased* their revenue/turnover reduced from 26% immediately after to 11% five years on.

Not all organisations experienced revenue losses. Figure 1 also demonstrates an overall improvement to turnover over the five years of observation. Some businesses did particularly well almost immediately after the quakes; a total of 16% reported experiencing some level of increase to

revenue immediately after the quakes; a value which grew to 50% by year five. Over the seven time periods of interest a substantial proportion of businesses reported very little change to their revenue stream. This value fluctuated between 22% immediately after, 34% at year 3 and 30% at year five.

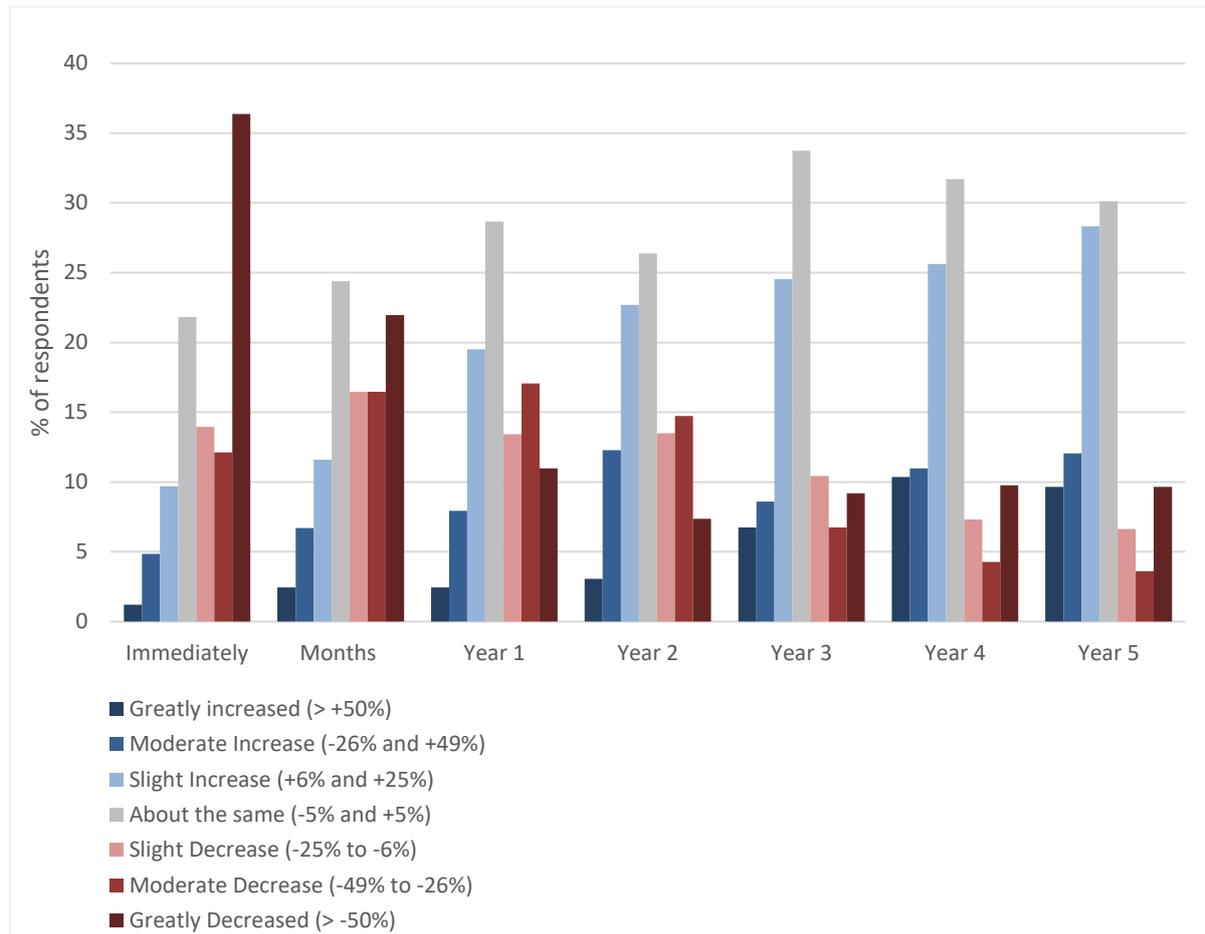


Figure 1 - Changes in turnover over time

Approach

Respondents were asked the following question:

Please estimate the percentage change in revenue (turnover) that your organisation experienced for each period. Use your pre-earthquake turnover as the baseline.

Time since the earthquakes	Greatly Decreased More than -50%	Moderate Decrease Between -26% to -49%	Slight Decrease Between -6% to -25%	About the same Between -5% and +5%	Slight Increase Between +6% & +25%	Moderate Increase Between +26% and +49%	Greatly Increased More than +50%
Immediately after	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Several months' after	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1 year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Limitations

The response options used were sufficiently general to enable retrospective assessment of the turnover experienced by businesses and organisations. Nonetheless, the answers given will be subject to recall bias.

Reference as:

Hatton, T., Sampson, K., Brown, C., Seville, E., (2018) Business Resilience and Recovery following the Canterbury Earthquakes. Survey 5 Results Bulletin 2018-8, Resilient Organisations, www.resorgs.org.nz