JOIN ERY/ 2020

AUSTRALIAN JOINERY INDUSTRY OVERVIEW

An essential insight into how industry professionals around Australia make decisions when it comes to equipment purchasing, software preferences, market barriers and the overall future of the industry.

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PURPOSE OF REPORT

The **National Joinery Industry Survey** was created to provide a high level of transparency, in an industry that makes up a large part of the Australian landscape and is a trade that lends itself to many different sectors of the building and construction industry.

We, at goCabinets believed it was time to help the industry and thus helping the individuals in the industry by providing an industry first Australian National Report.

The data that has been collected from the survey has been used to provide insightful information into the joinery industry. It is essential that our industry is informed about how other professionals within the industry undertake their business, and therefore give each other the opportunity to pass on their learnings to enable a industry-wide shift towards moving ahead of the curve!

This report serves as a conduit passing the learning on from one professional to the other.

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INDUSTRY DEMOGRAPHIC

BUSINESS SIZE

Lower staffed businesses make up a vast majority of the industry with **82.2% of businesses containing between 1 to 10 employees**. As there are fewer barriers towards starting a small operation, many individuals go into business for themselves and may compete by producing small jobs or assembling and installing larger jobs produced by larger operations.

As businesses grow larger, the investment in advanced machinery can also allow for increased output while not requiring a proportionate increase in staffing.

MARKET SEGMENTS

	Renovation	New Home	Shopfitting	Retrofitting	Multi-residential
Involved in Segment	95.38%	83.17%	59.83%	67.29%	56.58%
Top Ranked Segment	62.0%	20.9%	7.1%	2.6%	7.5%

The key market segments analysed were: Renovation, New Home, Shopfitting, Retrofitting, and Multi-Residential.

Renovation is the most heavily represented segment with **95.38% of respondents stating their involvement in the segment** and **62% stating renovation as their number 1 segment**.

New Home is the next most popular market segment, with **83.17%** of respondents having some part of their work being involved with this segment, with it being the **main source of work** for **20.9%** of industry members**.**

Among the remaining market segments of Shopfitting, Retrofitting and Multi-residential it is noted that **Retrofitting** lead with **67.29%** involvement from the industry yet is the number 1 segment for only **2.6%** of the industry compared to **Shopfitting** (**7.1%**) and **Multi-residential** (**7.5%**). This is likely due to the difference in priorities from small to large businesses. As businesses grow in scale, they are more likely to have the resources to be able to focus more on Multi-Residential and Shopfitting opportunities.

GENDER

The Joinery Industry is still quite male dominated in Australia with **only 8.8% of respondents identifying as female**. While many industries, including the joinery industry, are working to improve their inclusiveness, the results indicate a need for a focus on promoting the industry further to a younger generation of women, **with those under the age of 30 making up only 14% of the women in the industry**.

AGE AND INVOLVEMENT IN THE INDUSTRY

The disproportion of participation among different ages extends across the whole industry, identify an ageing industry with **55.3% of respondents over the age of 40**. Despite a low participation rate among the younger demographic, there are positive signs of inclusiveness shown through entry of mature adults into the industry later in life.

While typically the majority will have started their career in their youth, surprisingly **8.6%** of respondents **over the age of 50 have spent less than 5 years within the industry**.

62% of members **between the ages of 25 and 29 are the owners of their own business** with this number steadily increasing upwards towards **88.4%** of individuals **over the age of 50**. The results of this survey further display a reduced barrier to creating a small business within the industry as of those who had spent **less than 5 years in the industry**, **64.4%** claimed to be the owner of their business.

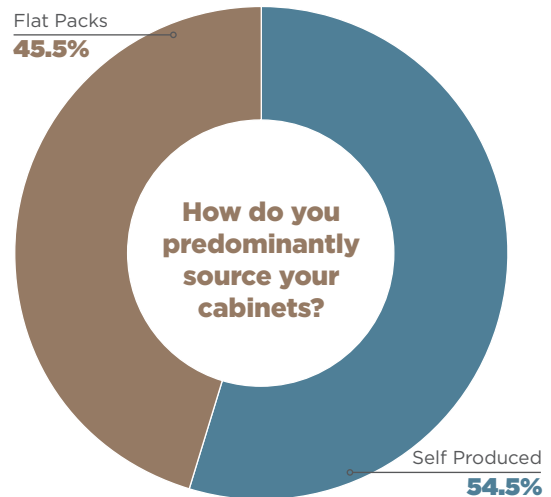| Age	% of business owners
< 25	27.3%
25 - 29	62.0%
30 - 39	74.3%
40 - 49	77.5%
50+	88.4%

SOURCE OF CABINETRY

Many smaller businesses may utilise cut-to-size manufacturers and flat pack services to assist with completing larger jobs. Although self-production is still the preferred method of sourcing cabinetry among the industry it was noted that **45.5%** of respondents stated **flat packs as their predominant source** of cabinetry. With smaller businesses often leaning on the production capacity of larger businesses, it's not surprising that over half of respondents from the business size category 1-10 employees (**51.3%**) selected flat packs as their predominant source.

As businesses grow larger in employee size their preference for self-production heavily grows as **self-production was the predominant choice for 84.8% of businesses with 11-29 employees**.

Among different states, Tasmania and Queensland were noted to have the most preference towards **flat packs** with **61.5% (TAS)** and **53.8% (QLD)** signalling flat packs as their predominant choice. Opposite to this, New South Wales and Western Australia had the largest majority of members looking towards **self-production** as their dominant source of their cabinetry with **63.2% (NSW)** and **58.9% (WA)**.

Flat Packs
45.5%

How do you predominantly source your cabinets?
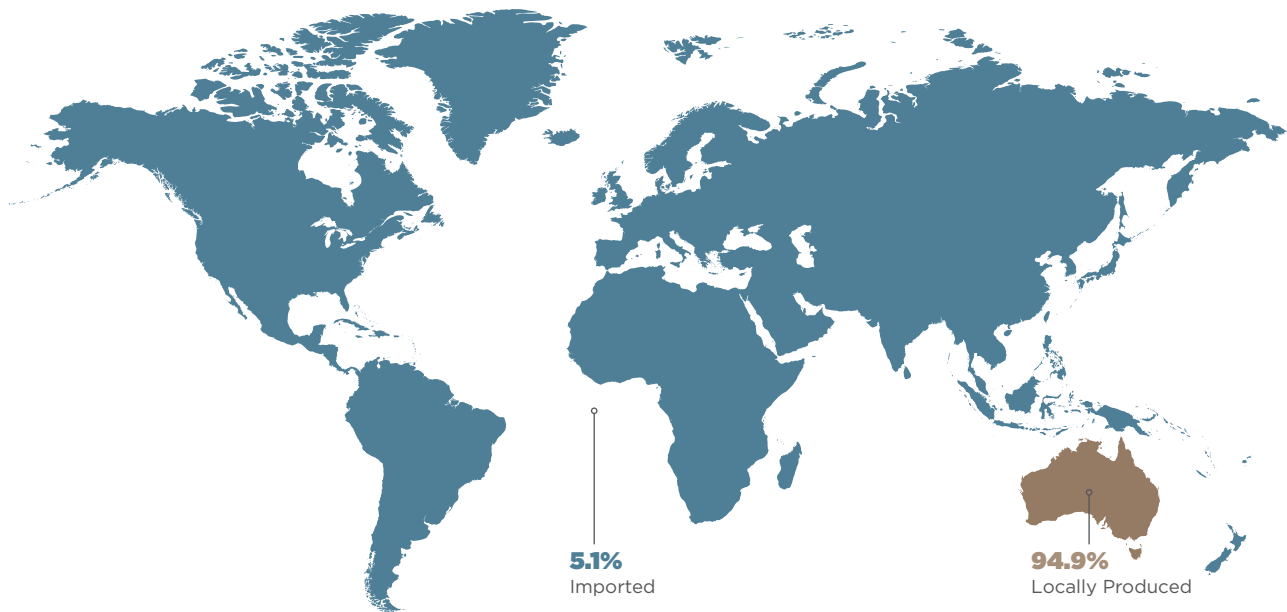
Self Produced
54.5%

	Self-produced	Flatpacks
NSW	63.2%	36.8%
QLD	46.2%	53.8%
SA	52.9%	47.1%
TAS	38.5%	61.5%
VIC	54.2%	45.8%
WA	58.9%	41.1%

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SOURCING OF FLAT PACKS

Do the majority of the Australian Joinery Industry source their flat packs **Domestically**, or from **Overseas**?

The findings from the report provides a favourable result towards the preference for keeping manufacturing in Australia. **94.9%** of the data sourced electing to **purchase locally**, versus only **5.1%** electing to **purchase overseas**.
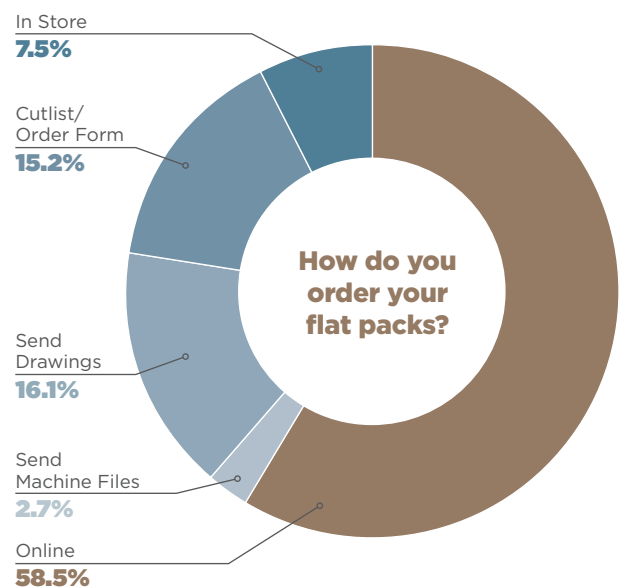
5.1%
Imported

94.9%
Locally Produced

ORDERING FLAT PACKS

In an industry that might be perceived to be not willing or too old to make change, a drastic shift towards the digital space can be seen with over **59.5% of users utilising online ordering** to process their orders.

It's evident that the industry is moving away from the 'bricks and mortar' store front or face-to-face interactions, with only **7.5%** using this type of ordering system, suggesting the industry is embracing the digital experience. It's clear that the industry is looking towards faster and more accessible ways of ordering.

The remainder of the respondents still heavily rely on sending drawings and order forms, but it could be expected that this methodology will shrink as more business adopt a digital platform approach to reduce time and effort.

In Store
7.5%

Cutlist/
Order Form
15.2%

Send
Drawings
16.1%

Send
Machine Files
2.7%

Online
58.5%

How do you order your flat packs?

DOES AGE INFLUENCE PURCHASING METHODS?

Online ordering sets a strong trend line across all age groups, with the heaviest users being between **30-39 years of age**.

Interestingly, results showed that **under the age of 25 had the highest percentage chance of sending machine files and drawings during the ordering process**. This may be attributed to the career lifecycle of those starting in the industry, with their work being conducted under the constraints of the ordering methodology that exists within the business that they are working for. As they branch out towards their own businesses, the individuals will have greater freedom to adopt newer technologies and simpler methods for themselves, which can be seen through a heavier reliance in online ordering once respondents reach an age bracket where they are more likely to operate their own business.
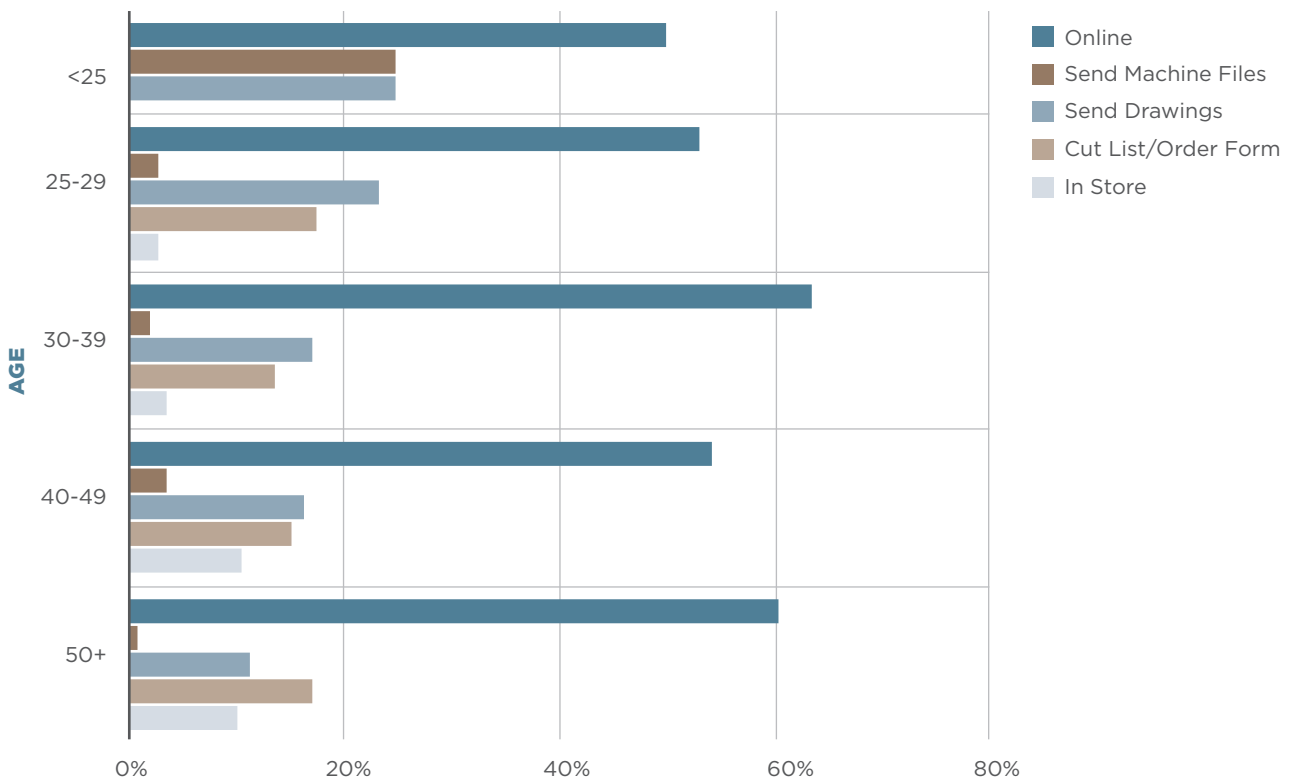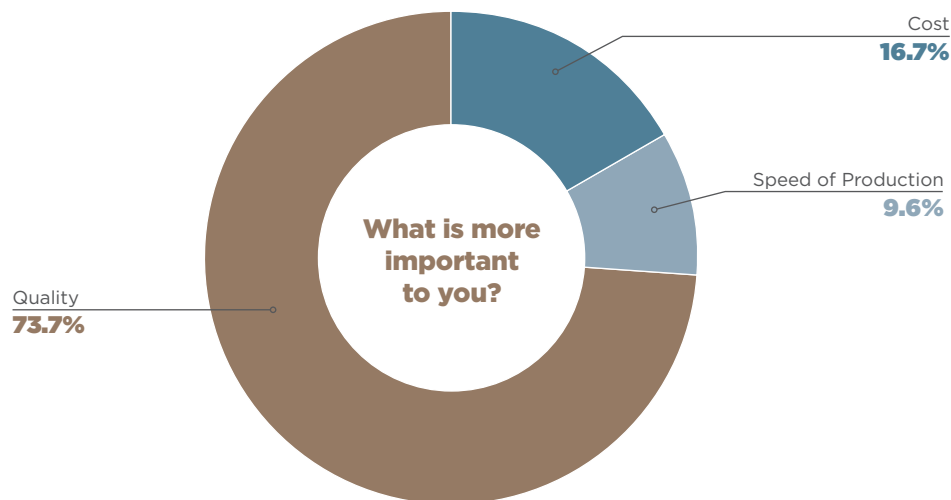
QUALITY VS SPEED VS TIMELINESS

A staggering **73.7%** **of recipients selected quality as the most important factor when ordering flat packs**. Traditionally, flat packs had been stereotyped as cheap, lower quality options for getting a job completed quickly. The results indicate that this stigma is quickly being overturned.

A small percentage predominantly care mostly about the cost of the product, as a cost saving measure and the remainder of the recipients look favourable at speed of production.

This greater preference towards quality and utilizing domestic manufacturing sees a strengthening of the viability and perception of flat packs in the industry. As more local manufacturers begin to heavily promote their cut to size services, expect to see an even greater acceptance of flat packs as a quality substitute to self-produced cabinetry in the industry.
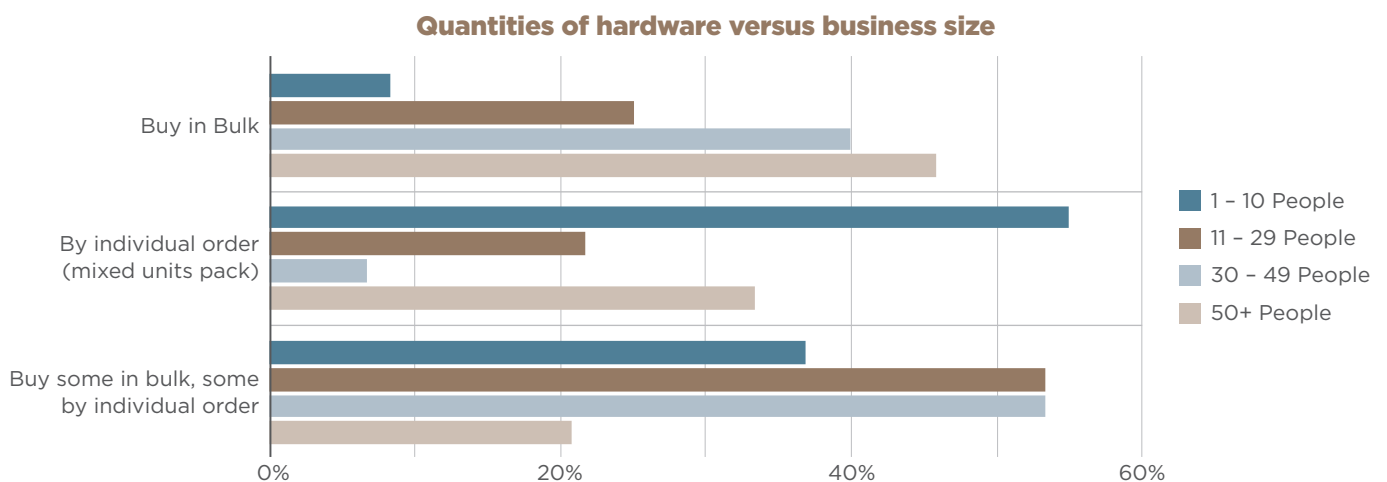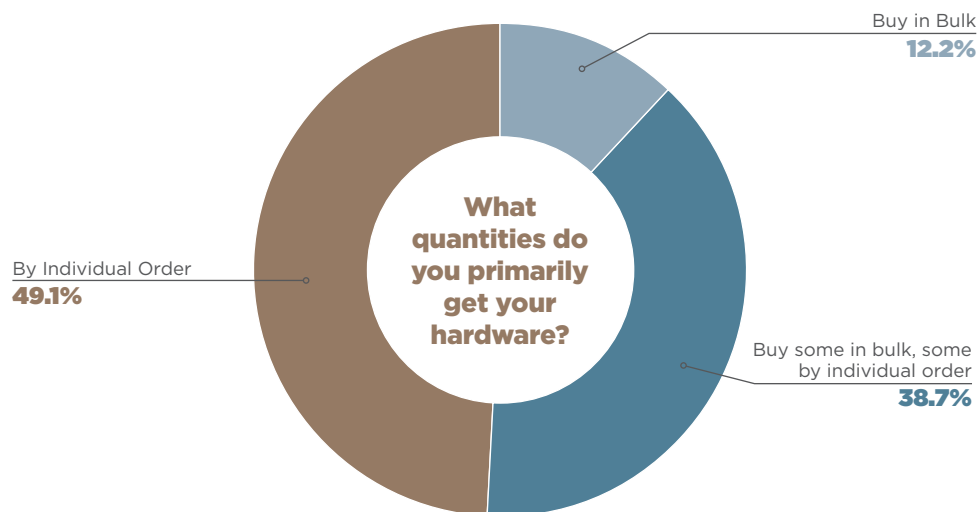
Cost
16.7%

Speed of Production
9.6%

What is more important to you?

Quality
73.7%

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PURCHASE QUANTITIES

The largest portion of the industry, approximately **49.1%**, **order individual mixed units**. This could be attributed to the needs of satisfying different segment types which each have different requirements and budgets.
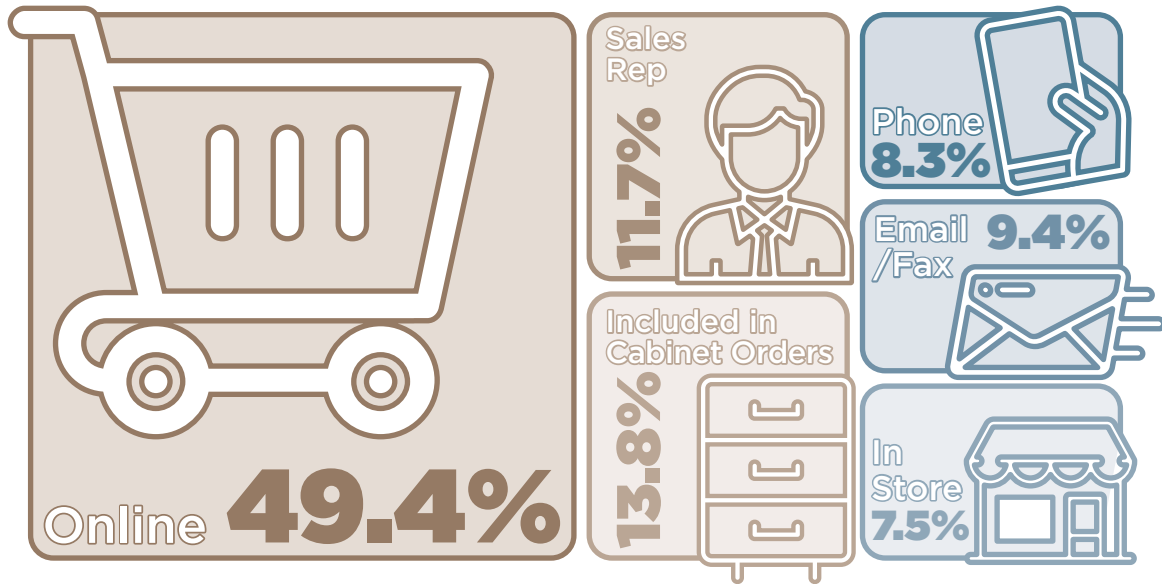
The predominant driver of purchase quantities of hardware was **larger businesses were more willing to order in bulk with approximately 40-45%** in the 30-50 business staff size. Which could perhaps be attributed to a combination of higher turnover and better cash flow, and more secured work, giving rise to facilitating keeping hardware items in stock.

Smaller size businesses were not prepared to take on the larger risk by bulk buying and opted to be more conservative with cash reserves and cash flow with over half of the respondents (**55%**) selecting to purchase via **Individual Orders**.

Buy in Bulk
12.2%

What quantities do you primarily get your hardware?

By Individual Order
49.1%

Buy some in bulk, some by individual order
38.7%

Quantities of hardware versus business size

Buy in Bulk

By individual order (mixed units pack)

Buy some in bulk, some by individual order

- 1 – 10 People
- 11 – 29 People
- 30 – 49 People
- 50+ People

0%   20%   40%   60%

PREFERRED ORDER METHOD

The online trend continues with **49.4%**, of recipients using **online ordering as their preferred method of ordering hardware**. With only **7.5% of orders placed in store**, the idea that businesses are preferring to utilise a platform which is more readily accessible holds true.
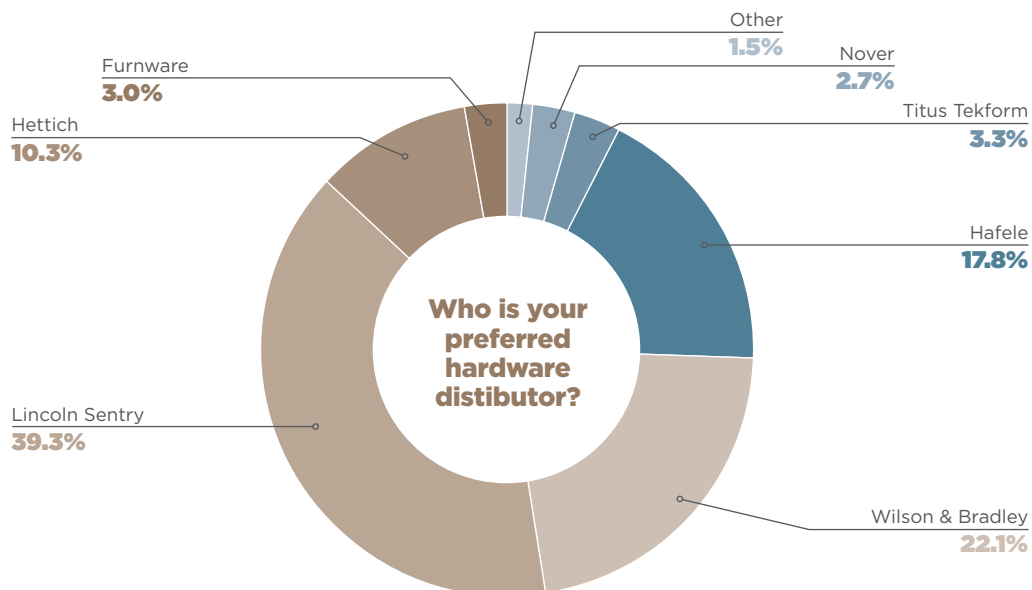
Online **49.4%**

Sales Rep **11.7%**

Included in Cabinet Orders **13.8%**

Phone **8.3%**

Email /Fax **9.4%**

In Store **7.5%**
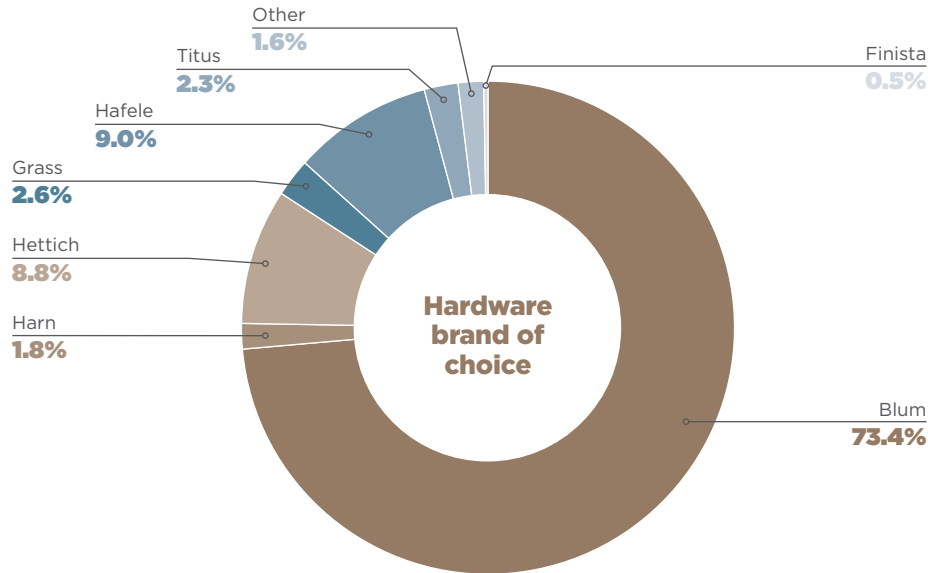
HARDWARE BRANDS OF CHOICE

Hardware Suppliers

This section dives into customer brand preference for hardware and which distributor is most preferred.

The majority of respondents listed **Lincoln Sentry** as their most preferred supplier, followed by **Wilson & Bradley** with **Hafele** rounding out the top 3.

Who is your preferred hardware distibutor?

- Other 1.5%
- Nover 2.7%
- Titus Tekform 3.3%
- Hafele 17.8%
- Furnware 3.0%
- Hettich 10.3%
- Lincoln Sentry 39.3%
- Wilson & Bradley 22.1%

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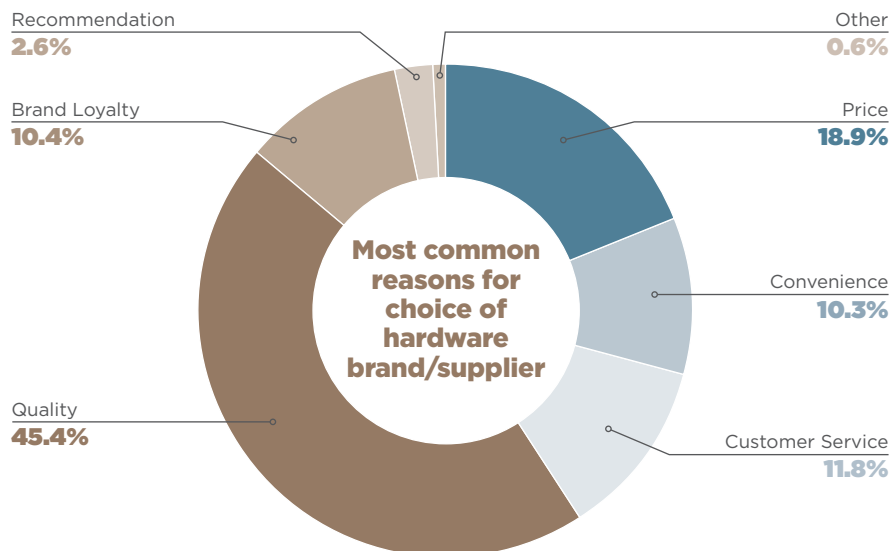
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Out of the pool of those surveyed, the majority favoured **Blum** as their **hardware brand of choice** coming in at a strong first with **73.40%**.

Other
1.6%

Titus
2.3%

Finista
0.5%

Hafele
9.0%

Grass
2.6%

Hettich
8.8%

Harn
1.8%

Hardware brand of choice

Blum
73.4%

Hardware Manufacturers

What makes up the decision-making process when it comes to brand selection?

45.4% selected quality as their main driver behind selecting a brand, being a larger factor than just **price at 18.9%**. This would indicate users would be willing to compromise on price in order for quality. This indicates that Hardware brands shouldn't rely on pricing as a mechanism for retaining or gaining customers, but rather focus on product quality and brand reputation.

Recommendation
2.6%

Other
0.6%

Brand Loyalty
10.4%

Price
18.9%

Most common reasons for choice of hardware brand/supplier

Convenience
10.3%

Quality
45.4%

Customer Service
11.8%

MACHINERY

Although not all members in the industry will have direct involvement in it, the production process is one of the most critical stages. As highlighted earlier, many members choose to source their cabinetry from a third party and focus their attention towards aspects of design, assembly or installation. For those who are involved in production, their choice of machinery plays an enormous role in both their capabilities and production levels. This stage of the report delves into different investment levels and types within the industry, as well as the major machinery brands which are preferred among members.
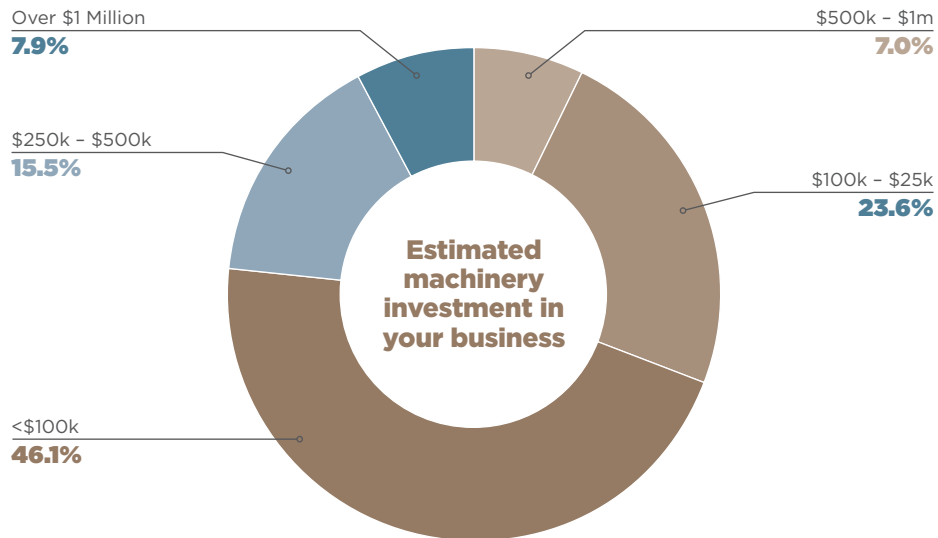
MACHINERY USAGE ACROSS THE INDUSTRY

	Full Industry Inclusive	Cabinet Makers Only
None	37.9%	16.7%
CNC Machine	34.9%	50.5%
Edge Bander	47.2%	69.6%
Panel Saw	57.7%	78.4%
Beam Saw	6.9%	8.0%
Point to point (pod and rail)	3.5%	5.4%
Inventory storage system	3.8%	4.9%

For those not involved in production, machinery is a lower priority compared to respondents who produce their own cabinetry and rely on machinery for production and business output.

Surprisingly, **over 1/3** of respondents indicated that they use **none of the typical machinery listed**. When narrowing focus towards those who identify as cabinet makers (more likely to be involved in production) the rate of those who do not use machinery drops to **16.7%**.
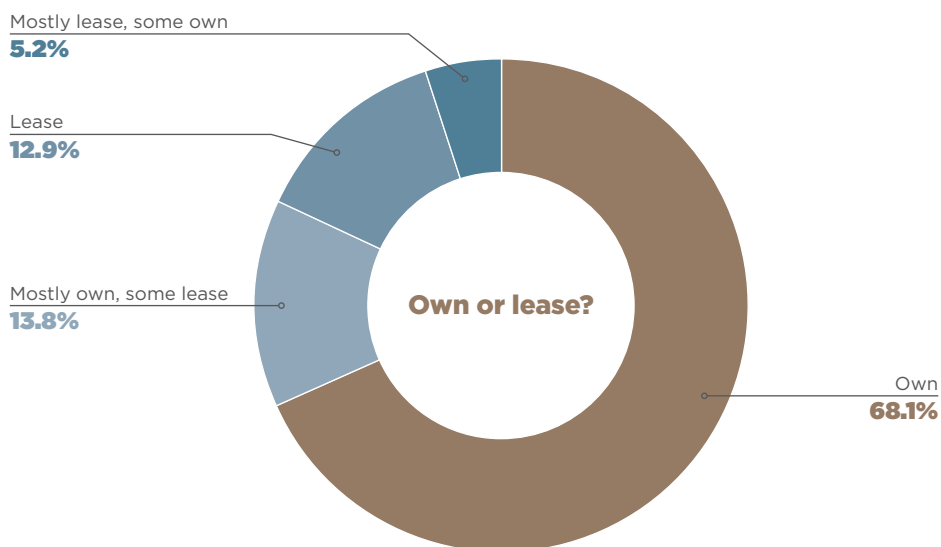
When comparing different types of machinery, unsurprisingly a **Panel Saw has the greatest presence with 57.9%** of businesses in the industry as a whole utilising one (**78.4% when focusing on cabinet makers**). This is followed by **edge banders with 47.2%** (**69.6%**) and **CNC Machines with 34.9%** (**50.5%**). This high presence of Panel Saws can be attributed to not just their crucial functionality, but to also their relative affordability compared to other machinery. Within an industry which is dominated by small businesses, a panel saw presents itself as a popular and realistic choice. In businesses of 1 – 10 employees, Panel Saws hold **42.7%** of all machinery presence. **Businesses with 11–29 employees** have a more equal presence of **CNC Machines** (**30%**), **Edge Banders** (**28.8%**) and **Panel Saws** (**28.8%**).

MACHINERY INVESTMENT

Estimated machinery investment in your business

- Over $1 Million **7.9%**
- $500k – $1m **7.0%**
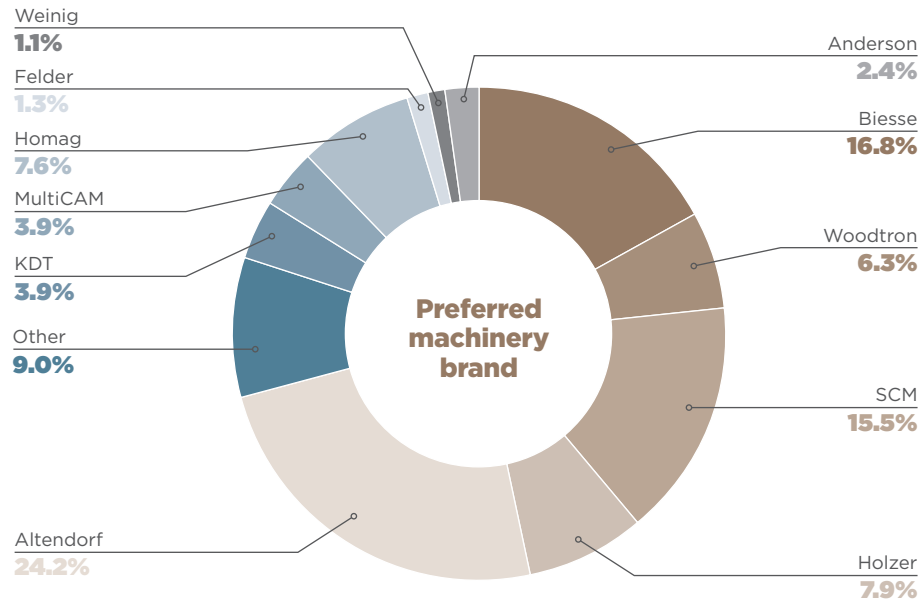- $250k – $500k **15.5%**
- $100k – $25k **23.6%**
- <$100k **46.1%**

Small business dominance is also reflected in investment levels in machines, with **46.1%** of machinery enabled businesses **estimating less than $100,000 worth of investment** in machinery. **58.7%** of businesses with 1 – 10 employees indicated less than $100,000 machinery investment compared to larger businesses of **more than 30 employees where 60.7%** had an estimated investment of over one million dollars.
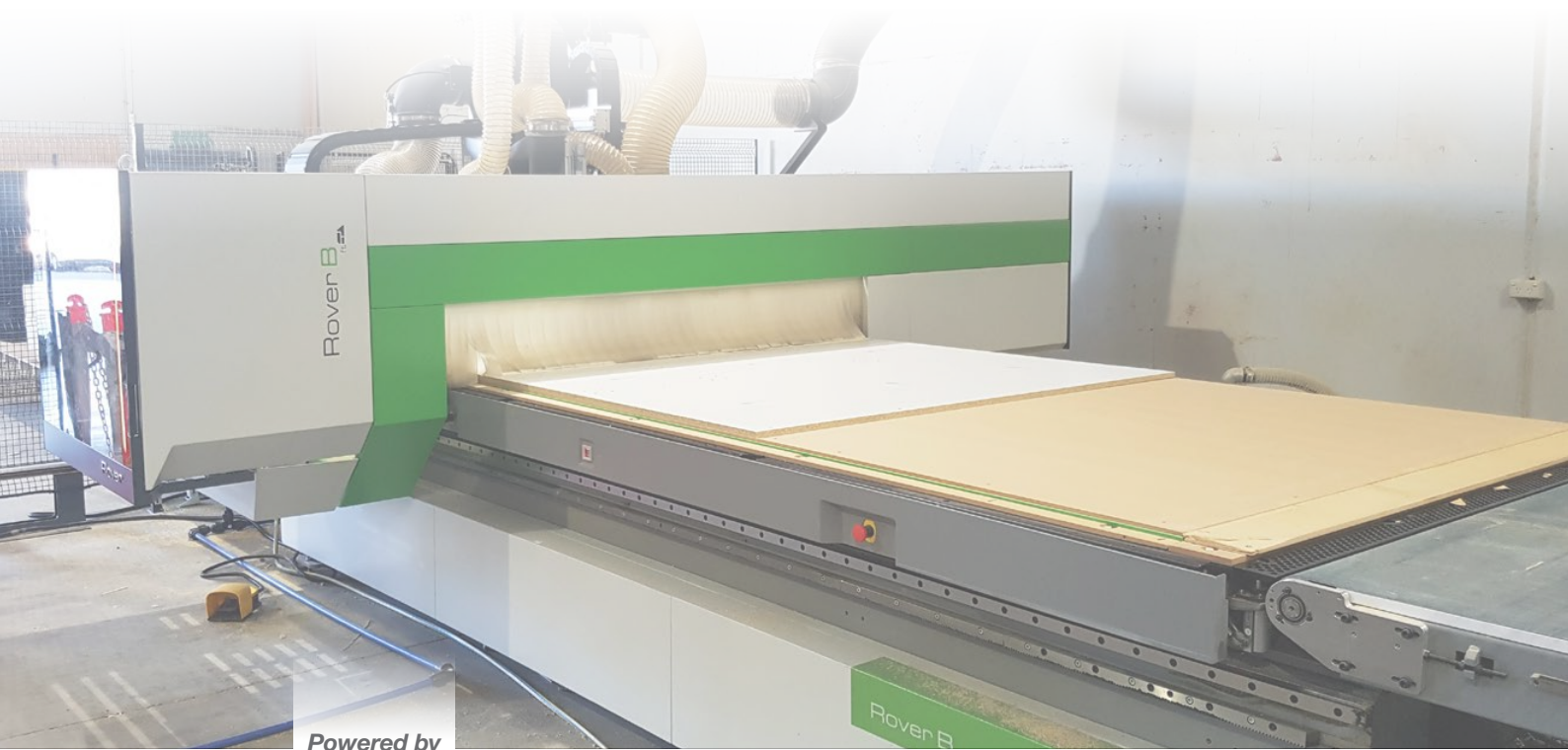
An overall preference towards lower investment options contributes to higher levels of outright machinery ownership with **68.1%** of machinery enabled respondents **stating they own their machinery** compared to **12.9%** who lease their machines.

Own or lease?

- Mostly lease, some own **5.2%**
- Lease **12.9%**
- Mostly own, some lease **13.8%**
- Own **68.1%**

MACHINERY BRANDS OF CHOICE

Weinig **1.1%**
Felder **1.3%**
Homag **7.6%**
MultiCAM **3.9%**
KDT **3.9%**
Other **9.0%**
Altendorf **24.2%**

Anderson **2.4%**
Biesse **16.8%**
Woodtron **6.3%**
SCM **15.5%**
Holzer **7.9%**

Preferred machinery brand

Altendorf proved to be the most popular among businesses who owned machinery, with **24.2%** indicating the brand to be their preference. Following Altendorf was **Biesse at 16.8%** who were narrowly more popular than next best, **SCM with 15.5%**. Altendorf's specialty in panel saws and edge banders may have contributed to it's high levels of preference among a panel saw heavy industry.

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SOFTWARE

SOFTWARE USAGE

Software Type	% of Respondents Using Software Type
None	36.5%
Cabinet Design Software (No CNC Integration)	17.9%
Cabinet Design Software (with CNC Integration)	28.1%
CAD Software	26.5%

While software has become more valuable across all businesses, including the joinery industry, there still remains a large portion (**35.5%**) **which do not utilise cabinetry design, production, or CAD software**. For those in the industry not actively using machinery of their own, it was shown that **48.8% still utilised a form of software**, with the most predominant software format being **CAD software** (**27.2%**).*

REASONS FOR SOFTWARE USE

The majority of those adopting new software in the joinery industry are doing so as a 'want' rather than a 'need'. **56.2%** of respondents identified their reason for installing software as '**to be progressive**', compared to the more reactionary or necessity driven reasons such as **customer demand (12%)**, **competitive pressures (6%)** or **machinery requirements (17%)**.

Customer Demand
12.0%

Required with Machinery
17.0%

Other
8.8%

Competitive Pressures
6.0%

Reasons for installing software

To be Progressive
56.2%
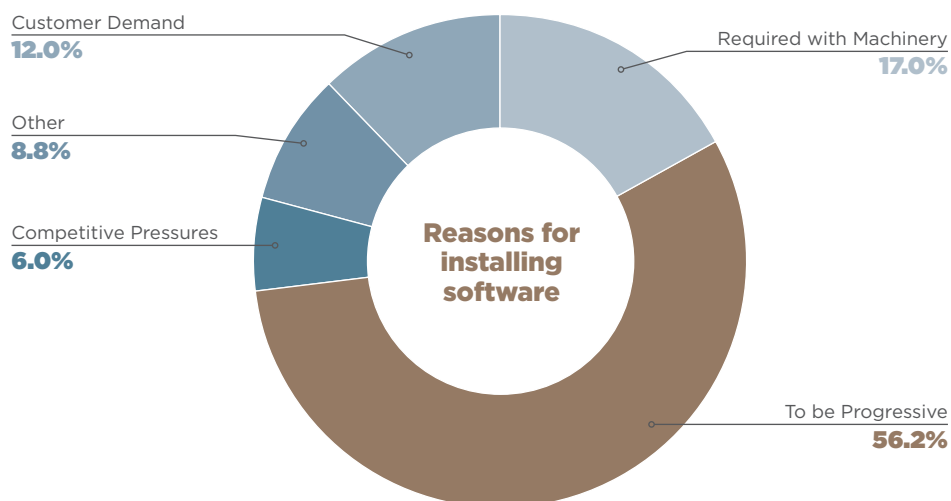
* While the percentage of the industry not using software may resemble the percentage which also do not use machinery (**37.9%**), this is not a direct correlation.

SOFTWARE BRANDS OF CHOICE

Design

Brand	% of Respondents Using Brand
KD Max	20.0%
3D Kitchens	8.8%
Microvellum	13.1%
CabinetVision	40.1%
Cabmaster	16.4%
Other	13.7%

CabinetVision was the most occurring choice from this survey with **40.1%** presence among the businesses surveyed. The **KD Max 3D Design** program (**20%**) was next highest.

Production

Brand	% of Respondents Using Brand
WoodCAM	13.5%
CabinetVision	41.1%
Microvellum	19.8%
Cabmaster	19.3%
Other	12.6%
enroute	4.8%

CabinetVision once again had the highest presence for production software with **41.1%**. **Microvellum** had the next highest result with **19.8%**.

CAD

Brand	% of Respondents Using Brand
AutoCAD	68.7%
Other	31.3%

AutoCAD showed to be the dominant brand in the CAD area with **68.7%** of CAD users opting for the popular program. A variety of other CAD options led by the likes of **BricsCAD** make up **31.3%** of responses.

MAIN DRIVERS BEHIND SOFTWARE PROVIDER

Driver	% of Respondents Selecting as a Top 3 Driver
Affordability	39.1%
Ease of use	62.2%
Software support	27.9%
Diverse functionality	22.5%
Functionality (performance)	54.3%
Recommendation	24.2%
Market Leader	18.2%
Service upon initial enquiry	9.4%
Other	0.9%

When looking into the reasons behind choice of software brands, the most important consideration was 'ease of use', with **62.2%** of respondents selecting it as one of their top 3 reasons. This was followed by 'functionality (performance)' with **54.3%**, and then 'affordability' with **39.1%**.

The majority of respondents identified a single brand for each of their software requirements. However, there was a portion who used a collection of different brands. **10.6% of respondents identified using multiple design software brands** in their business, while **9.7% utilised multiple brands of production software**. This ability to use multiple brands of software within the same processes allows these businesses to capitalize on each brand's respective benefits and possibly offer a greater solution.
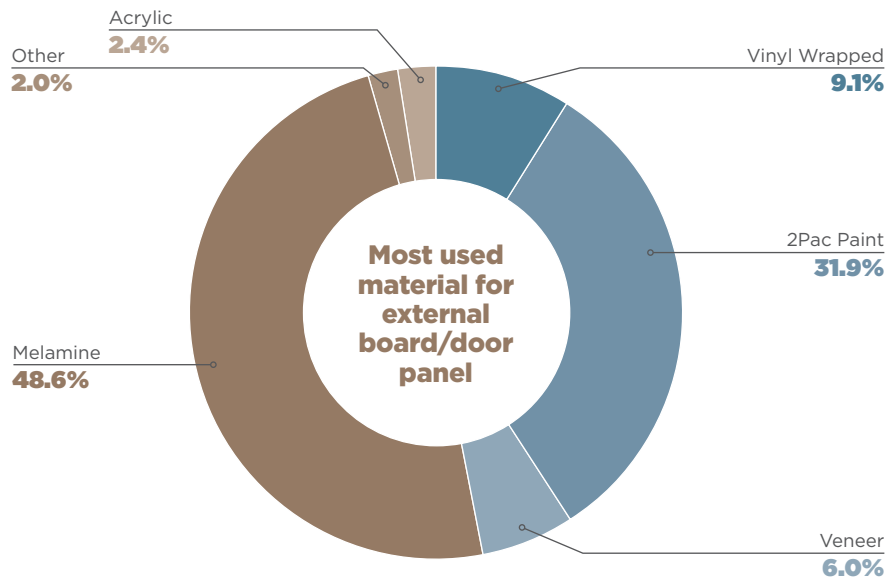
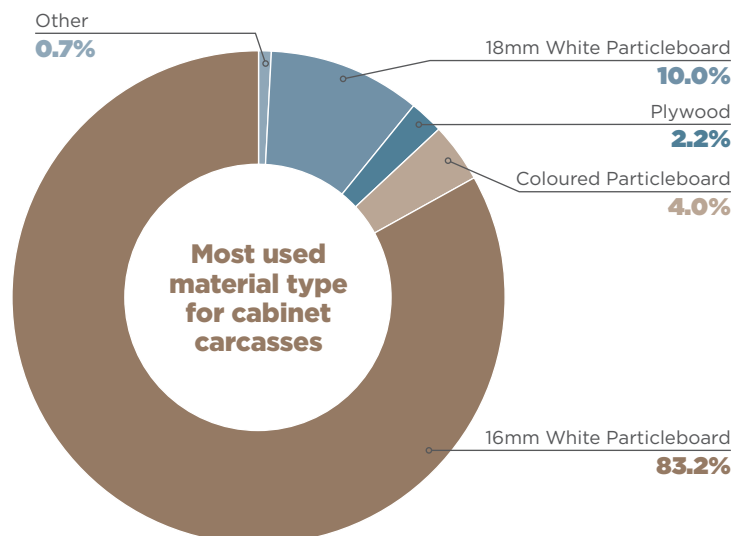*Powered by*

MOST USED MATERIALS

External Materials

48.6% of respondents indicated that **Melamine was their most used material for door and exterior panel production**, followed by **2Pac paint at 31.9%**. Interestingly, Melamine ranked as the most prevalent material used in all states except for NSW, where 2Pac Paint was the most popular choice.

Most used material for external board/door panel

- Acrylic **2.4%**
- Other **2.0%**
- Vinyl Wrapped **9.1%**
- 2Pac Paint **31.9%**
- Melamine **48.6%**
- Veneer **6.0%**

Carcass Materials

In regards to carcass material preference, the overwhelming majority pointed towards **16mm White particleboard with 83.2%**.
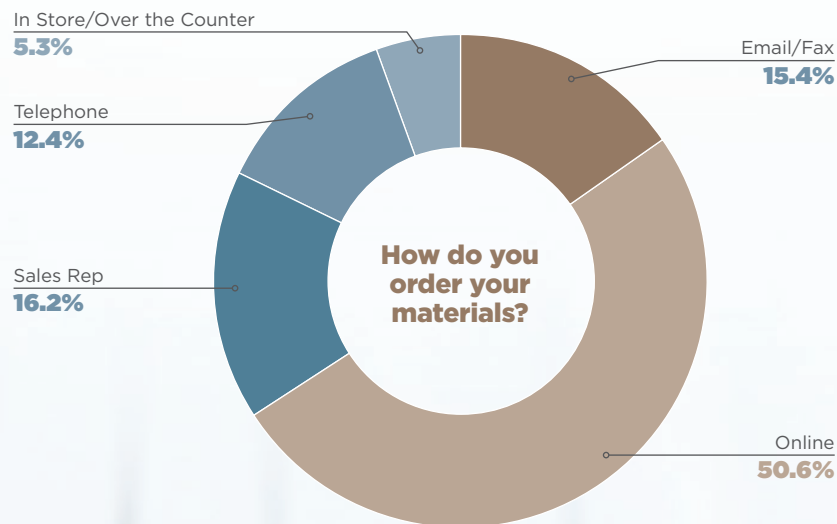
Most used material type for cabinet carcasses

- Other **0.7%**
- 18mm White Particleboard **10.0%**
- Plywood **2.2%**
- Coloured Particleboard **4.0%**
- 16mm White Particleboard **83.2%**

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WHAT PLATFORM IS USED TO ORDER MATERIALS?

Online ordering is once again the big winner in this sector, out-performing more traditional methods of ordering with **50.6%** of selections.

This provides a clear indication that more of the industry is shifting to an online interface when placing orders.
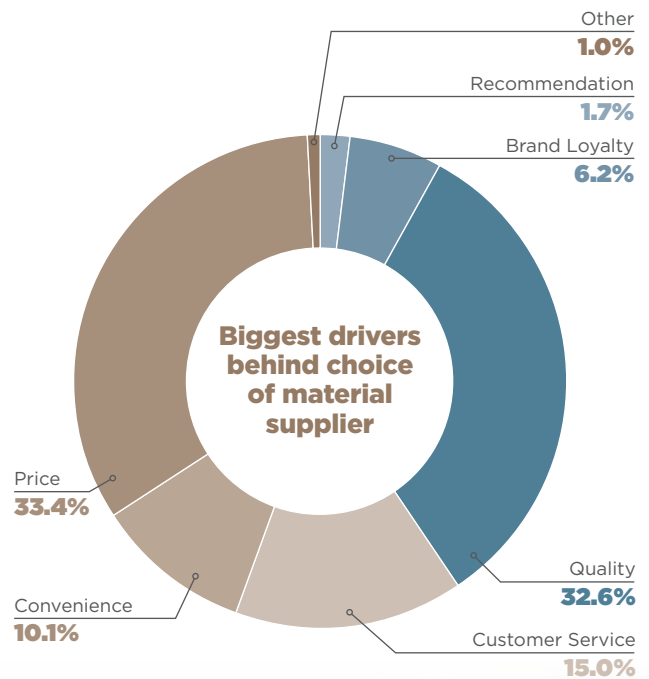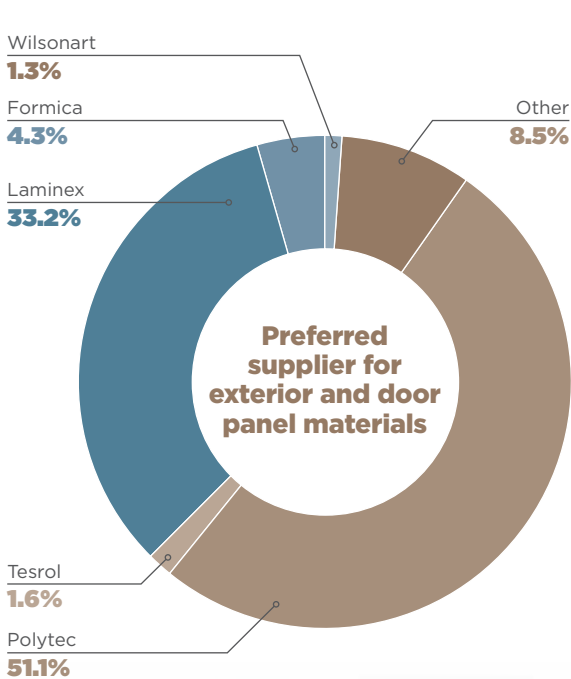
Emails/Fax (**15.4%**) and **Sales Reps** (**16.2%**) were very close in market share. The online ordering trend was strong across all age groups. With those under 25 having the largest preference towards online ordering (**58.5%**).

In Store/Over the Counter
5.3%

Telephone
12.4%

Sales Rep
16.2%

Email/Fax
15.4%

How do you order your materials?

Online
50.6%

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MATERIAL BRANDS OF CHOICE

Brands are always trying to compete for market share by providing points of difference in quality, price and after sales service. The standout brand of choice was **Polytec with 51.1%** selecting it as their go to provider, followed by **Laminex at 33.2%**. Accounting for nearly **85%** of brand preference in this section, **Polytec and Laminex quite clearly lead the industry** with a duopoly over material supply.

The market's perception on brand selection is based on two main factors: **quality** and **price**, followed by customer service and convenience. This was the first instance within the report findings, where **price** (**33.4%**) was deemed the more important factor in comparison to **quality** (**32.6%**).
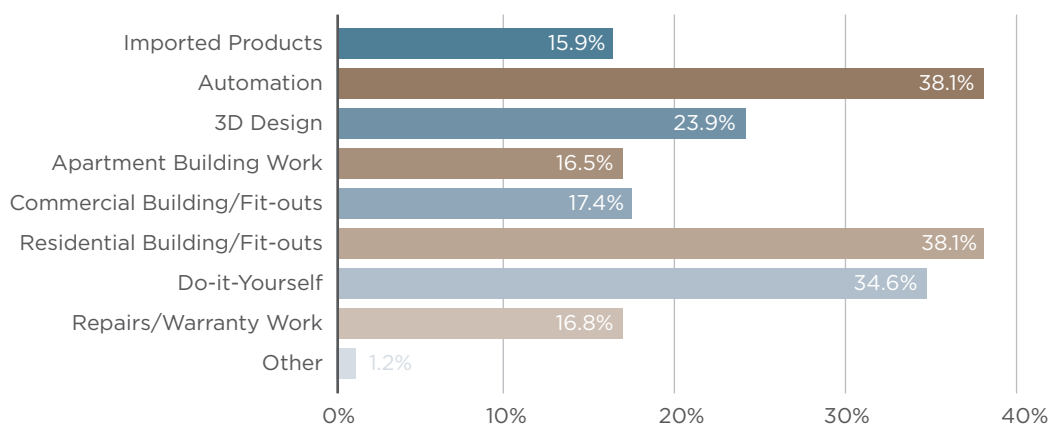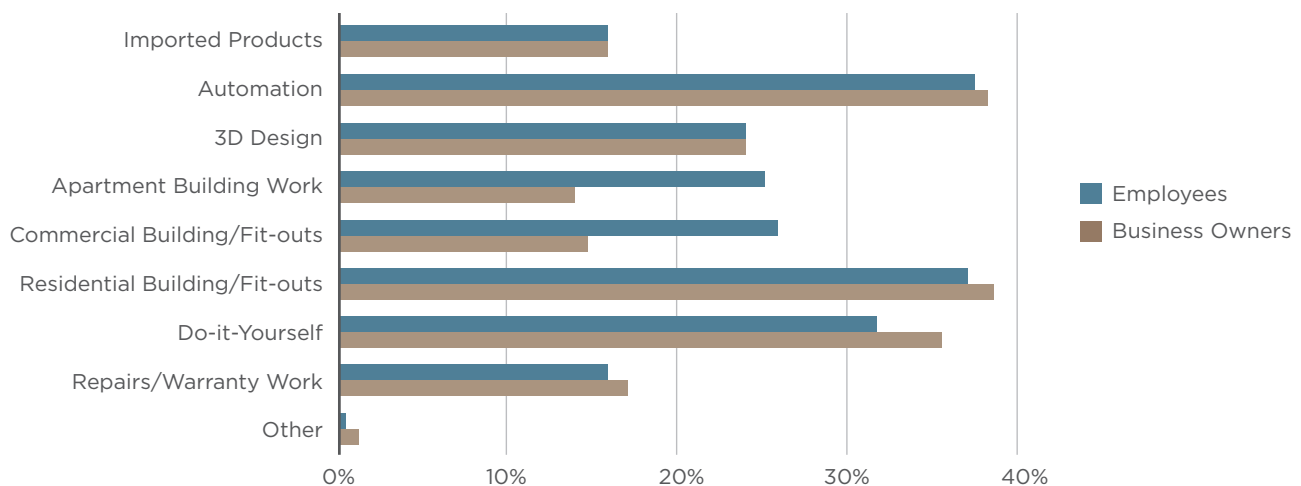
Preferred supplier for exterior and door panel materials

Wilsonart **1.3%**
Formica **4.3%**
Laminex **33.2%**
Other **8.5%**
Tesrol **1.6%**
Polytec **51.1%**

Biggest drivers behind choice of material supplier

Other **1.0%**
Recommendation **1.7%**
Brand Loyalty **6.2%**
Price **33.4%**
Quality **32.6%**
Convenience **10.1%**
Customer Service **15.0%**

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PREDICTED LARGEST GROWTH AREAS IN THE NEXT 5-10 YEARS

Automation and **Residential building/fit-outs** were **both tied at 38.10%** and seen as the equally largest growth areas predicted for the future, with **Do-It-Yourself coming in at 34.60%**. These results and predictions were echoed by both business owners and employees, who generally shared the same view that these segments are likely the main areas for growth moving forward. Those who classed themselves as employees rather than business owners, saw more scope for growth in Apartment Building Work and Commercial Building/Fitouts than what was perceived by business owners.

Chart 1 (growth areas):
- Imported Products: 15.9%
- Automation: 38.1%
- 3D Design: 23.9%
- Apartment Building Work: 16.5%
- Commercial Building/Fit-outs: 17.4%
- Residential Building/Fit-outs: 38.1%
- Do-it-Yourself: 34.6%
- Repairs/Warranty Work: 16.8%
- Other: 1.2%

Business Owners vs Employees

Legend: Employees, Business Owners
Categories: Imported Products, Automation, 3D Design, Apartment Building Work, Commercial Building/Fit-outs, Residential Building/Fit-outs, Do-it-Yourself, Repairs/Warranty Work, Other

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WHY THESE MAIN INDUSTRIES?

Automation

It is no surprise that automation is one of the predicted growth sectors, with the importance of cost reductions in the production process starting to come to the fore across many industries. Machinery companies, as well as software providers, are developing new ways of bringing more automation to the production process for the Joinery Industry. As automation becomes more prevalent, the industry should expect to see an increase in efficiency, speed, safety, consistency, complexity, and capacity as well as other on-flowing positive effects.

An increase in Automation will likely also see a reduction in the need for highly skilled workers, meaning that businesses can scale up their workforce without having to rely on being able to find workers who carry relevant trade qualifications and experience. This reliance on skilled workers is raised later in the report as a future concern for respondents, with a clear skills shortage becoming evident within the industry.

Residential Building/Fit-outs

Renovations and building fit-outs was also considered by respondents to be a comparatively strong sector. Future growth in this sector looks towards growing markets for business as opposed to new technology development. One possible reason that this sector is considered by respondents as being a strong area for growth could be the historically low interest rate which Australia is experiencing at the moment. With a low cost to borrowing money, the affordability for consumers to lend in order to complete renovations could see this sector grow.

Interestingly, the historic pattern of new home building in Australia will work in favour of demand for home renovations. More new detached houses were built in Australia in the late 1980s than at any other time – either before or since. A disproportionately large portion of home renovations demand tends to be concentrated in detached houses of this vintage, paving the way for a possible influx of renovations over the next few years.
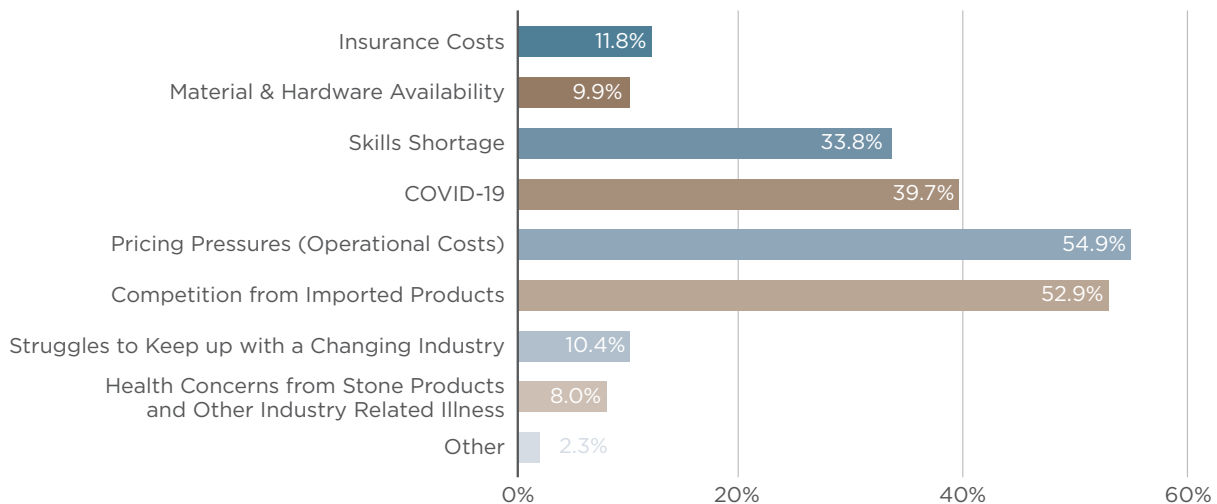
Do-It-Yourself

Do-It-Yourself makes up the third-highest on the expected future growth list. DIY growth is attributed to the exposure the consumer market is having with Do-It-Yourself or home renovations shows like 'The Block'.

These shows are fuelling and empowering the consumer market to experiment with home renovations with the added benefits of reducing labour components/cost from trade professionals. Many businesses are adopting and creating new business models to cater to this increasing sector of consumers wanting to Do-It-Yourself.

CONCERNS AND CHALLENGES

As with all industries, concerns and challenges are always present, but proper planning is key to navigating the ever-changing landscape. The top challenges currently facing the joinery industry are Price Pressures, Imported Products, COVID-19 and a Skills Shortage.

Category	Percentage
Insurance Costs	11.8%
Material & Hardware Availability	9.9%
Skills Shortage	33.8%
COVID-19	39.7%
Pricing Pressures (Operational Costs)	54.9%
Competition from Imported Products	52.9%
Struggles to Keep up with a Changing Industry	10.4%
Health Concerns from Stone Products and Other Industry Related Illness	8.0%
Other	2.3%

PRICING PRESSURES (OPERATING COSTS)

54.9% believed that a large concern moving forward for the industry is **pricing pressures brought on by Operating Costs**.

Cost increases and potentially rising employee wages are even more difficult to manage in a time of fluctuating customer demand. This sentiment is strong throughout the age demographic analysis, which also highlights the same correlation between employees and owners.

IMPORTED PRODUCTS

52.9% of respondents selected **competition from imported products** as a concern and challenge in the industry. Imported products, will force domestic markets to be innovators, between either increasing pace of innovation or being displaced by foreign innovators. The primary concern revolves around product pricing, as imported products are produced for far less than an Australian product, typically due to a significantly smaller labour cost component which is attributed to lower wages and conditions of overseas workers. By being able to offer a product at a comparatively lower price point, price sensitive end users or resellers might lean towards an imported product rather than one which is produced locally. This observation might not prove to be applicable to the Hardware segment, where quality far outweighed price for the main reason for choosing a hardware brand, but could be particularly relevant in the material space, where the primary consideration of material brand selection for respondents was driven by pricing.

COVID-19

It was no surprise that **COVID-19** was one of the major concerns and challenges with **37.9%** agreeing it was a concern moving forward. A slow economy, and a high unemployment rate, uncertainty where future work and income will come from, and the effect of new government regulations and initiatives all have bearing on the industry moving forward. It is likely that COVID-19 will continue to present as a challenge to the industry for quite some time until there is more certainty over vaccines, containing outbreaks and treatments.

SKILLS SHORTAGE

33.8% of respondents reported **Skills Shortage** to be a concern and challenge now and in the future.

The issues that are effecting skill shortages within the industry include an ageing workforce, differences in demand and/or supply of skilled workers as a result of employment arrangements, inadequate apprenticeship rates and difficulties in attracting and retaining employees. These are the factors that will impact the industry and the industry will need to act, if possible, in making training more attractive for younger people and assisting business owners to provide adequate areas of growth and training to employees within their business to help retain them as workers.

A CLOSER LOOK AT COVID-19

IMPACTS OF COVID-19 TO BUSINESSES

Impact	% of Respondents Impacted
None	19.3%
Reduction of Work Coming In	67.8%
Loss of Previously Acquired Work	27.8%
Downsizing of Staff	11.7%
Temporary Closure of Business	9.8%
Other	2.6%

39.7% of recipients identified **COVID-19 as one of their leading concerns for the future**, **80.7%** of participants had **already experienced negative effects** from COVID-19. The most common impact being the **reduction of work coming in, as 67.8%** of respondents identified experiencing this. On the more serious scale of business impacts, **11.7% reported having to downsize staff**, while **9.8% had to temporarily close business**.

With a high volume of respondents identifying the ways they had been affected by COVID-19, it was interesting to note that **29.1%** of those who were affected claimed they had **implemented no new business measures to combat this period**. Of all respondents, the most common efforts made during the COVID-19 period has been to **reduce staff hours** (**24.9%**), followed by **moving towards new market segments** (**20.1%**).

ACTIONS MADE TO CONTINUE TRADING DURING COVID-19

Action	% of Respondents that Implemented this Action
Reduced Staff Hours	24.9%
Increased Marketing and Advertising	18.7%
Reduced Marketing and Advertising	5.2%
Reduced Work-force Numbers	14.1%
Negotiated a Reduction in Overhead Expenses	14.7%
Moved Towards New Market Segments	20.1%
None	36.8%
Other	4.6%

The importance of marketing during this COVID-19 period also revealed some interesting actions, **18.7%** of those affected by COVID-19 chose to **increase their marketing and advertising efforts** and **5.2%** of those affected chose to **decrease their marketing and advertising**. While some chose to go on a front foot and compete harder for their share of the market, a minority saw their best option to cut spending where they could.

JOIN ERY/ 2020

AUSTRALIAN JOINERY INDUSTRY OVERVIEW

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