Monthly business survey in retail trade and in trade and repair of motor vehicles

Survey description

The Insee short-term Economic Analysis division conducts a monthly business survey among retail traders. The scope of the survey includes non-specialised food retail trade, non-food trade and trade and repair of motor vehicles and motor cycles. The trade of chemicals and that of motor vehicles have been surveyed since 2003.

The survey sample comprises about 3,000 enterprises. It is exhaustive for the enterprises with 100 employees or more.

This survey belongs to the joint harmonised European Union programme of business and consumer surveys.

Asked questions

Most of the questions are qualitative with a triple choice, and concern the different activities of the firm.

- **Sales**

How has (have) your business activity (sales) developed over the past 3 months?
…increase (+)   …no change   …decrease (–)

How do you expect your business activity (sales) to change over the next 3 months?
…increase (+)   …no change   …decrease (–)

- **Stocks**

Do you consider the volume of stocks you currently hold to be...?
…above normal (+)   …normal for the season   …below normal (–)

- **Orders**

How do you expect your orders placed on suppliers to change over the next 3 months?
…increase (+)   …no change   …decrease (–)

- **Prices (two-monthly question, odd months)**

Trend in your selling prices to change over the past 3 months?
…increase (+)   …no change   …decrease (–)

- **Prices**

How do you expect your selling prices to change over the next 3 months?
…increase (+)   …no change   …decrease (–)

- **Total workforce**

Over the past 3 months, your firm's total employment has been…
…increasing (+)   …no change   …decreasing (–)

How do you expect your firm's total employment to change over the next 3 months?
…increase (+)   …no change   …decrease (–)

- **Cash flow position (two-monthly question, odd months)**

For the season, your cash flow position is currently…
      …comfortable (+)   …normal   …difficult (–)

- **Change in settlement times payments (bi-annual question, January and July surveys) :**

Over the past 6 months, your customers'settlement times have been…
      …getting shorter (+)   …unchanged   …getting longer (–)

Over the past 6 months, settlement times for your suppliers' bills have been…
      …getting shorter (+)   …unchanged   …getting longer (–)

- **Opinion on future trend in overall French retailing**

What do you see now the most likely trend in the volume of sales in overall French retailing over the next 3 months?
      …increase (+)   …no change   …decrease (–)

Results

The questions with triple choice are processed. The results are reported as balances of opinion, i.e. the differences between the percentage of "increase" or "above normal" responses, and the percentage of "decrease" or "below normal" responses. This presentation improves readibility of the results without notable information loss.

The sample is stratified by activity sectors (37 sectors of French classification of activities) combined with size brackets. Since April 2010, the results have been published in NAF Rev. 2 classification.

First, individual data of each primary stratum are aggregated by using a weighting system based on individual responses to structural questions. The structural datum used depends on the processed question: it can be the enterprise's workforce size, enterprise's total sales or sales by declared product.

Second, the results thus obtained at primary stratum level, are aggregated, using a weighting system reflecting the relative importance of each primary stratum in the total survey scope, coming from an exogenous source (Annual Sectoral Survey). So we get a structure similar to that of retail trade and trade and repair of motor vehicles in France. According to the processed question, two weighting systems are used, sales or workforce size by stratum.

The question about general outlook (opinion on future trend in overall French retailing) is not weighted, it is a simple average.

All series have been seasonality-tested. As a result, the published series are seasonally adjusted. An initially non-seasonal series is shown as a seasonally-adjusted series with null coefficients and it is equal to the raw series.

The series should be interpreted with caution: changes in scores should always be treated as more significant than absolute score levels. If, however, analysts wish to qualify the level figures, they should always refer to the mean long-term value of a series in order to take account of business managers' usual response behavior.

The latest available survey data are provisional. When the following survey is published, they are revised to incorporate late responses.

Detailed results by sector and historical data are available on the website www.insee.fr

Business climate composite indicator

The business climate composite indicators summarise the business leaders' opinion about economic outlook, on the one side in the whole "retail trade and trade and repair of motor vehicles", on the other side, distinctly in "retail trade" and in "trade and repair of motor vehicles": the higher this indicator value is, the more favorable the retailers' opinion is. It is based on the factor analysis method. This technique enables us to sum up the different changes in several variables which have very correlated movements. The indicator describes, in a single variable, the common building block of the selected balances of opinion: general outlook, ordering intentions, past sales, past and expected workforce, expected prices and stocks. This indicator is normalized in order to have an average equals to 100 and a standard deviation equals to 10.

Changes in survey questionnaire

To ensure complete harmonization of European business surveys, the monthly questionnaire of the retail trade and trade and repair of motor vehicles survey has been slightly modified with effect from January 2004:

- the reference period of most of the questions have been changed, refering to the 3 last months or the 3 next months.

- some questions were partly rephrased and are now formulated in variations terms instead of level terms.

Detailed documentation

- The monthly business survey in retail trade and trade and repair of motor vehicles: presentation and methodology

  http://www.insee.fr/en/methodes/default.asp?page=sources/sou-enq-conj-commerce-detail.htm

- Special Analysis: "New sub-sector business climate indicators to improve economic outlook analysis", *Conjoncture in France*, INSEE, June 2016

  http://www.insee.fr/en/themes/theme.asp?theme=17&sous_theme=3&page=note.htm