EU Workshop BCS

EU-wide business survey in the financial service sector
Presentation Content

1. Introduction
2. Survey Design & Methodology
3. Survey Implementation
4. Results: Monthly Questions
5. Conclusion

Open Discussion
1. Introduction
Extension of business surveys to the financial service sector

- Importance of financial services sector for the development of the overall economy
- EU-wide monthly survey among managers
- 10 European countries covered

Main Objectives

- Provide useful information enabling to evaluate the development of the value-added and expectations of operators
- Pilot phase: period of evaluation, between April 2006 and March 2007
2. Survey Design & Methodology
Key Methodological Components

**METHODOLOGY** A robust and homogeneous methodology across countries in order to:

- Guarantee representative results for the euro area and the EU as a whole
- Repeat the survey in the same way each month
- Obtain sufficient samples of completed interviews → detailed analysis
- Ensure comparability of results over time

**POPULATION**

- Senior managers in sectors 65, 66, 67 (NACE)
- Countries: Germany, Spain, France, Luxembourg, Italy, the Netherlands, United Kingdom, Poland, Hungary and Czech Republic
Key Methodological Components

SAMPLING

- Recruitment of a panel of respondents: 2,400 companies
- In total, more than 24,000 have been contacted
- Telephone recruitment
- Source: business directory, updated regularly → good approximation of the Universe
- Objective: 600 completed interviews each month during the whole year (60 per country and per wave)
Questionnaire Content

- **Standard questionnaire**
  - Repeated every month
  - Topics: overall business situation, demand for services and employment

- **Quarterly questions**
  - Sector-specific questions (Sector 65 and 66)
  - Repeated on a quarterly basis but different for each month of a quarter
  - Topics: operating income/expenses, profitability, capital expenditure, fees charged for the services and competitive position

- **Scale questions**: increase / remain unchanged / decrease

- **Questionnaire translated into national languages**
3. Survey implementation
Interview technique & technology

CATI-Web technology

STEP 1
Panel: telephone recruitment

STEP 2
E-mail invitation + link to online questionnaire

STEP 3
Reminder

STEP 4
Questionnaire completion
Please select your language:

- English
- Français
- Nederlands
- Deutsch
- Italiano
- Español
- Čeština
- Magyar
- Polski

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Next
Q1. How has your business situation developed in the past 3 months compared to the 3 preceding months?

It has ...

- improved
- remained unchanged
- deteriorated

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Next
Sample size and response rate

Evolution of the response rate

- April: 19.52%
- May: 24.35%
- June: 29.83%
- July: 24.58%
- August: 21.96%
- September: 23.12%

Total response rate
Sample size and response rate

- A response rate of 24% on average is encouraging and in line with expectations.

- Reasons for non response:
  - From the moment of the recruitment and the actual invitation, people may have changed their minds.
  - Some people may not have time to access the questionnaire during the fieldwork period.
  - Concerns about confidentiality and publication of the results.
  - In some cases, invitation e-mails are blocked by the company’s firewall.
  - Means used to improve the response rate.
  - Language problem at the recruitment phase.

- The total sample size is below the 600 expected but this allows for the necessary analysis.
Sample size and response rate

Sample size

- April: 371
- May: 563
- June: 593
- July: 506
- August: 452
- September: 445
Measures to boost response rate

- Letter signed by DG ECFIN explaining the scope of the survey
- The fieldwork period was extend
- Regular contacts by phone or e-mail, in order to:
  - Provide respondents with further information about the survey
  - Reassure respondents about the confidentiality of their answers
  - Assist them throughout the survey process through the dedicated e-mail help-box
- Some people were sent in advance the questionnaire in Word format, in order to:
  - Reassure them about the content of questions
  - Get agreement of their hierarchy
- Respondent can choose the language of the questionnaire
- Prospect of having access to the survey results
4. Results: monthly questions
## Overall business situation

**Q1 - How has your business situation developed in the past 3 months compared to the 3 preceding months?**

It has ...

<table>
<thead>
<tr>
<th>Month</th>
<th>Improved</th>
<th>Remained Unchanged</th>
<th>Deteriorated</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>45</td>
<td>43</td>
<td>12</td>
</tr>
<tr>
<td>May</td>
<td>42</td>
<td>34</td>
<td>8</td>
</tr>
<tr>
<td>June</td>
<td>38</td>
<td>30</td>
<td>8</td>
</tr>
<tr>
<td>July</td>
<td>40</td>
<td>29</td>
<td>11</td>
</tr>
<tr>
<td>August</td>
<td>41</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td>September</td>
<td>36</td>
<td>29</td>
<td>7</td>
</tr>
</tbody>
</table>

% April / May / June / July / August / September
Overall business situation

- Overall, the business situation of the EU financial sector has been relatively stable from April to September.
- The aggregated balances describe an almost flat line.
- “Remained unchanged” is the answer possibility that collected the majority of answers from month to month.
Demand for the company’s services

TOTAL
Q2 - How has demand for your company’s services changed over the past 3 months compared to the 3 preceding months? It has ...
% April / May / June / July / August / September

April 44%
May 45%
June 34%
July 34%
August 40%
September 32%

- Increased
- Remained unchanged
- Decreased
Demand for the company’s services

- Overall, the demand for the company’s services remained unchanged, especially from June to September.
- In April and May: a large share of respondents felt it had increased in the 3 preceding months.
- Aggregated balances: a little more variability with respect to the previous question.
Q3 - How do you expect the demand for your company’s services to change over the next 3 months compared to the 3 preceding months? It will ...

Percentage: April / May / June / July / August / September

- Increase
- Remain unchanged
- Decrease

<table>
<thead>
<tr>
<th>Month</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>54</td>
<td>51</td>
<td>52</td>
<td>51</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>Increase</td>
<td>48</td>
<td>44</td>
<td>34</td>
<td>35</td>
<td>43</td>
<td>50</td>
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<tr>
<td>Remain unchanged</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Decrease</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Demand for the company’s services

- Positive expectations in April and May: more than 50% expected an increase of the demand for their company’s services
- From June to September: a more stable situation was expected
- “increase” and “remain unchanged” are equally represented in August and September.
Employment in the financial service sector

**TOTAL**
Q4 - How has your firm’s total employment changed over the past 3 months compared to the 3 preceding months?
It has ...
% April / May / June / July / August / September

<table>
<thead>
<tr>
<th>Month</th>
<th>Increased</th>
<th>Remained unchanged</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>59</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>May</td>
<td>61</td>
<td>19</td>
<td>10</td>
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<tr>
<td>June</td>
<td>67</td>
<td>24</td>
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<tr>
<td>July</td>
<td>64</td>
<td>27</td>
<td>18</td>
</tr>
<tr>
<td>August</td>
<td>63</td>
<td>25</td>
<td>13</td>
</tr>
<tr>
<td>September</td>
<td>74</td>
<td>19</td>
<td>11</td>
</tr>
</tbody>
</table>
Employment in the financial service sector

- Employment in the financial service sector does not seem to evolve much during the first 6 months of the survey
- More than 60% of “remained unchanged”
- Besides, operators did not seem to expect changes in this field.
- The aggregated balances describe again an almost flat line
### Employment in the financial service sector

**Q5 - How do you expect your firm’s total employment to change over the next 3 months compared to the 3 preceding months? It will ...**

<table>
<thead>
<tr>
<th>Month</th>
<th>Increase</th>
<th>Remain unchanged</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>34</td>
<td>59</td>
<td>27</td>
</tr>
<tr>
<td>May</td>
<td>34</td>
<td>59</td>
<td>27</td>
</tr>
<tr>
<td>June</td>
<td>29</td>
<td>65</td>
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<tr>
<td>July</td>
<td>30</td>
<td>62</td>
<td>22</td>
</tr>
<tr>
<td>August</td>
<td>28</td>
<td>66</td>
<td>22</td>
</tr>
<tr>
<td>September</td>
<td>26</td>
<td>66</td>
<td>18</td>
</tr>
</tbody>
</table>

*Note: The chart shows the percentage of respondents expecting an increase, remain unchanged, or decrease in employment for each month.*
5. Conclusions
Conclusions

- Coherence/stability of the survey results:
  - Signs of quality of the sampling design
  - The questionnaire do not seem to pose any problem of misinterpretation/misunderstanding
- Encouraging response rate in line with expectations
- For the next waves: continue the close monitoring of the fieldwork and anticipate any problem that might cause a decrease in response rate (e.g. lower motivation of respondents due to the participation to several survey waves)
Thank you for your kind attention