Firms’ Perception of Business Tendency Surveys

Results from a meta survey in the services sector

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Outline

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  - Survey details
- The questionnaire
- Selected results
  - Who and how?
  - Business situation
  - Capacity utilization
  - Shortage of qualified labour
  - Perception of business tendency surveys
- Summary
Aim and development

- Meta survey to get insight into the
  - structure of respondents
  - Response behaviour
  - perception of business tendency survey by respondents
  - perception and response behaviour to selected business tendency questions

- Target sector: Services with a subdivision into hotels/restaurants and other services

- Questionnaire was pretested in various personal interviews with regular respondents of tendency surveys
Survey details

- Responses: 1726
- Response rate: 64%
Questionnaire
Selected results
Who and how?
Who?

Person to complete the survey (DLU)

- Owner/manager/board member
- Departmental head
- Administrator
- Other
Who?

Person to complete the survey (GGU)

- Owner/manager/board member
- Departmental head
- Administrator
- Other
Who?

Department responsible for KOF− Surveys (DLU)
Who?

Department responsible for KOF– Surveys (GGU)

- Management
- Accounts
- Statistics
- Sales
- Staff Position
- Other
- Controlling
- Marketing
- Procurement
How?

KOF Business Tendency Surveys are usually.... (DLU)

- Answered immediately after receiving
- Answered just before the deadline for submission
- Answered when time permits
- Answered when a reminder is received
- No Answer
How?

KOF Business Tendency Surveys are usually.... (GGU)

- Answered immediately after receiving
- Answered when time permits
- Answered just before the deadline for submission
- Answered when a reminder is received
- No Answer
How?

Number of people involved (DLU)

- one
- two
- three
- more than three
- no Answer
How?

Number of people involved (GGU)

- one
- two
- three
- more than three
- no Answer

0 100 200 300 400

Selected results
How?

Average Time spent on Survey DLU (in minutes)

- <5
- <10
- <15
- <20
- <30
- <45
- <60
- >60
- no Answer
How?

Average Time spent on Survey GGU (in minutes)

- <5
- <10
- <15
- <20
- <30
- <45
- <60
- >60
- no Answer

- no Answer
- >60
- <60
- <45
- <30
- <20
- <15
- <10
- <5
Business situation
Business situation

Assessment of Business Situation DLU

- Turnover
- Corporate earnings/margin
- Cost situation
- Liquidity
- Quantity of sales/volume
- Enquiries/offers
- Incoming orders
- General sentiment in the sector/overall economy
- Customer frequency
- Other
- Inventory

Legend:
- Important
- Rather important
- Neutral
- Rather insignificant
- Insignificant
- No answer
Selected results

Business situation

Assessment of Business Situation GGU
Seasonal adjustment

Elimination of seasonal fluctuations (DLU)

- Comparison with previous year
- Comparison with average trends in the same months of previous years
- Empirical values
- Elimination of seasonal fluctuations not possible or feasible
- Other
Seasonal adjustment

Elimination of seasonal fluctuations not possible or feasible
Comparison with average trends in the same months of previous years
Comparison with previous year
Empirical values
Other
Business Expectations

Assessment of Business Expectations DLU

Factors/indicators of own business
General sentiment in the client sector
General sentiment in the sector / overall economy
Political/general legal framework
Economic forecasts for our sector / for the overall economy
Trends in household earnings /labour market situation
Macroeconomic domestic production / investment
Macroeconomic imports / exports

0 300 600 900

important rather important neutral rather insignificant insignificant no answer
Business Expectations

Assessment of Business Expectations GGU

Factors/indicators of own business
General sentiment in the client sector
General sentiment in the sector / overall economy
Economic forecasts for our sector / for the overall economy
Trends in household earnings / labour market situation
Political/general legal framework
Macroeconomic domestic production / investment
Macroeconomic imports / exports

0 100 200 300 400

Important rather important neutral rather insignificant insignificant no answer
Capacity utilization
Factors for assessing capacity utilization
Factors for assessing capacity utilization
Relevance continuous

Question is irrelevant for our company
Continuous Capacity Utilization DLU

942 (84%)
174 (16%)

Irrelevant Relevant
Relevance continuous

Question is irrelevant for our company
Continuous Capacity Utilization GGU

- Irrelevant: 61 (14%)
- Relevant: 386 (86%)
Relevance categorical (personnel and technical)

Question is irrelevant for our company

Categorial Capacity Utilization DLU

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant</td>
<td>89%</td>
</tr>
<tr>
<td>Irrelevant</td>
<td>11%</td>
</tr>
</tbody>
</table>

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Relevance categorical (personnel and technical)

Question is irrelevant for our company
Categorial Capacity Utilization personal factors GGU
Relevance categorical (personnel)

Question is irrelevant for our company
Categorial Capacity Utilization personal factors DLU

- 977 (88%)
- 138 (12%)

Irrelevant Relevant
Relevance categorical (personnel)

Question is irrelevant for our company
Categorial Capacity Utilization personal factors GGU

![Pie chart showing relevance categories]

- 369 (83%): Irrelevant
- 78 (17%): Relevant

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Relevance categorical (technical)

Question is irrelevant for our company
Categorial Capacity Utilization technical factors DLU
Relevance categorical (technical)

Question is irrelevant for our company
Categorial Capacity Utilization technical factors GGU
Capacity utilization, categorical, personnel
Capacity utilization, categorical, technical

Histogram Categorial CU DLU
(only non−personnel−related, technical capacity)
Capacity utilization, categorical, personnel
Capacity utilization, categorical, technical

Histogram Categorial CU GGU
(only non-personnel-related, technical capacity)
Capacity utilization, categorical, average

Histogram Categorical CU DLU (average)
Capacity utilization, continuous

Histogram Continuous CU DLU
(with companies that cannot cope an increase in demand)
Capacity utilization, difference

Diffrence in Capacity Utilization
Categorial and Continous questioning DLU

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Capacity utilization, categorical, average
Capacity utilization, continuous

Histogram Continuous CU GGU
(with companies that cannot cope an increase in demand)
Capacity utilization, difference

Diffrence in Capacity Utilization
Categorial and Continous questioning GGU
Shortage of qualified labour
A problem?

Staff Shortage DLU

- Yes: 638 (57%)
- No: 455 (41%)
- No Answer: 23 (2%)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>no Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>638</td>
<td>455</td>
<td>23</td>
</tr>
</tbody>
</table>
A problem?

Staff Shortage GGU

- Yes: 322 (72%)
- No: 114 (26%)
- No Answer: 11 (2%)

Selected results
Kind of problem?

If there were problems recruiting suitably qualified staff, this was attributable to... (DLU)

- ...the lack of availability of staff with relevant qualifications
- ...the excessive costs of employing staff with relevant qualifications
Kind of problem?

If there were problems recruiting suitably qualified staff, this was attributable to...

- The lack of availability of staff with relevant qualifications
- The excessive costs of employing staff with relevant qualifications

... (GGU)
Perception of business tendency surveys
Interesting?

Significance of Business Tendency Surveys DLU

- Important: 431 (39%)
- Rather important: 215 (19%)
- Neutral: 267 (24%)
- Rather insignificant: 70 (6%)
- Insignificant: 21 (2%)
- No answer: 112 (10%)

Colors represent the following:
- Important
- Rather important
- Neutral
- Rather insignificant
- Insignificant
- No answer
Interesting?

Significance of Business Tendency Surveys GGU

- Important: 135 (30%)
- Rather important: 161 (36%)
- Neutral: 55 (12%)
- Rather insignificant: 34 (8%)
- Insignificant: 9 (2%)
- No answer: 53 (12%)

Colors:
- Important: Blue
- Rather important: Light Blue
- Neutral: Dark Blue
- Rather insignificant: Green
- Insignificant: Red
- No answer: Brown
Summary
Summary

- Often survey respondents are managers and they need mostly not more than 15 minutes for the questionnaire

- Turnover and profits are important factors for the assessment of the business situation

- Factor within the own business are most important for the assessment of the business expectations

- Capacity utilization in the services sector is strongly connected to personnel factors