

- The individual respondent could therefore ask him or herself: Did my firm participate in these higher sales? If not, why? The results provide benchmarks. It enables participants to compare their firm's performance with that of the rest of the sector without having to directly ask competitors such information.
- Short-term planning is hampered as official statistics are released with a lag in time. The business survey results reveal what happened between the release of the last official figure and the present. In addition, the results indicate what respondents expect (or forecast) for the next quarter. This is unique information.
- Furthermore, the survey results of successive quarters provide a means of tracking cyclical movements, pinpointing trend changes and establishing forecasts. Knowledge about the current state of the business cycle is crucial for planning. For example, during a cyclical downturn it is difficult to match the previous year's sales growth, assuming all other things remain the same. It is also crucial to detect a cyclical upturn in advance to place orders to benefit from the expected increase in sales.
- The survey results not only reveal beforehand the direction of sales, selling prices, employment etc. (for which official figures are published), but also provide unique information, such as business confidence, rating of business conditions or sales expectations, for which no official figures exist. It is now widely recognised that these subjective individual expectations play a key role in economic developments.

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BUSINESS SURVEYS

*The indispensable tool for
marketing and business executives*

Who is the Bureau for Economic Research (BER)?

- The BER is attached to **Stellenbosch University**. It is a wholly independent body, without any political or private agenda.
- It receives no public funding; relying instead on continuous and ad hoc, customised research projects.
- The BER takes pride in its reputation for independent, authoritative and thorough research. Its university connection ensures that its research methods conform to scientific norms and standards.
- People participate in BER surveys because the institute guarantees confidentiality, does not have any self-interest in individual responses and has a track record as an unbiased source.

What are business surveys?

- They are simple and quick surveys of business conditions in the retail, manufacturing, construction, financial and service sectors.
- The questionnaire contains a small number of questions. These questions are qualitative in nature, e.g. "Is the volume of sales up, the same or down compared to the same quarter a year ago?" No figures are therefore requested.
- The same group of people is surveyed from one quarter to the next.
- The answers of each firm are weighted according to turnover or number of workers.
- The survey results are published in quarterly reports, namely Retail Survey, Manufacturing Survey and Building & Construction.

What is the international standing of business surveys?

- The business survey method was developed in Europe after the Second World War. South Africa became the seventh country that used this method when the BER conducted its first survey in March 1954.
- Today this method is used all over the world. Some of the best-known surveys are those of the member countries of the European Union and Japan.
- Business surveys have a high international standing – policy makers, business people and financial markets closely watch these results.
- The BER is a member of CIRET (Centre for International Research on Economic Tendency Surveys) to ensure that its business surveys are state of the art.
- The OECD gave the BER's business survey data a vote of confidence by including them in its prestigious Main Economic Indicators publication.

Completion of the questionnaire – who, when and how?

- **Who?** The best person to complete the questionnaire is someone well informed about the firm's overall performance, such as the chief executive, financial director, marketing director, senior sales manager, proprietor or shop keeper. Participation is voluntary.
- **When?** Participants receive the questionnaire by post and e-mail (if provided) in February, May, August and October and have to return it one week later. The date of return is always specified on the questionnaire.
- **How?** Participants only have to tick off if a particular activity (e.g. business activity or employment) is up, the same or down. Any manager who is aware of the firm's current performance will therefore be able to complete the questionnaire within a few minutes.

- Respondents have to return the completed questionnaire in the provided pre-paid envelope, by fax or by e-mail.
- Participants have to complete a "participant details" form every few years to ensure that they are correctly classified.
- All information is treated as confidential. Individual results are never revealed.
- All respondents receive an exclusive, free copy of the summary of the survey results as a token of appreciation for taking part in the survey. This has proved to be an indispensable planning tool.

How can respondents benefit from taking part in business surveys?

- The summary of survey results provides the most up to date information on how fellow executives experienced the quarter that just ended and their expectations for the next quarter regarding business volumes, orders, stocks, prices, the general business climate etc.

Example: Say the percentage of respondents rating sales volumes higher / the same / lower than the same quarter a year ago is as follows:

Higher	Same	Lower
70	10	20

From this we can conclude that the majority of participants experienced higher sales. A net majority (i.e. the percentage of respondents rating sales higher less the percentage rating it lower) of 50% is registered in the above example. A net majority of –10% for example would have indicated a decline in sales volumes.