

Understanding and Meeting Businesses' Needs for Official Statistics: an NSI perspective

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Abstract

This paper provides perspectives from two national statistical institutes (NSIs) on understanding and meeting businesses' needs for official statistics. It focuses on a component of a two-pronged research effort to increase businesses' use of official statistics while at the same time increasing the motivation businesses respondents to provide timely and high quality data for official statistics. Conducted in the form of case studies, the paper presents data from customer services, staff interviews and focus groups, invoice data, etc, that highlight the research questions. We found that in both studied countries businesses tend to need and use similar NSI data: different kinds of indexes, labour force and wages statistics, business demography data for specific geographic areas, information on trade, and so on. However, we found also that the studied NSIs lack a clear focus on businesses as an explicit type of customer, and that – consequently – their internal processes are not optimised to identify and adapt to businesses needs. We conclude with some suggestions on how to strengthen businesses' position as users of NSIs' statistics.

Keywords: surveys of businesses, businesses as respondents, businesses' motivation.

1 Introduction

Bavdaž and Giesen (2009) introduced a framework that integrates businesses' needs for official statistics with businesses' provision of data of high quality for official statistics purposes and with businesses' motivation. The framework provides a premise for arguing that for an improved use of official statistics by businesses, it is likely necessary that NSIs and other producer of official statistics change their practices of providing statistics to businesses and collecting data from them.

The aim of this paper is to investigate the current state of affairs in some NSIs with respect to how businesses' needs regarding official statistics are understood and met in the NSIs.

This, as a first step towards a possible change of practices into such that better meet businesses' needs. Because NSIs – as any other organisations – are complex entities, approaching such a research question allows for a wide range of methods by which to study this research topic. However, possibility to apply different methods is a function of what data exist and do not exist, or what can be found or established within a reasonable period.

Making the research topic more specific, the paper addresses the following three related research questions:

- I. What channels of dissemination of official statistics are made available to businesses by NSIs?
- II. What do NSI experts know about the use of official statistics by businesses?
- III. Are businesses discerned by NSIs as a specific category of their users/customers, and – if so – what data do NSIs have on the businesses' needs for official statistics and its use by businesses?

The paper summarises two cases studies guided by the three research questions, carried out in parallel at Statistics Netherlands (henceforth CBS, using its Dutch acronym) and at Statistics Sweden (henceforth SCB, using its Swedish acronym). In doing so, we will highlight common aspects of understanding and catering for businesses' needs at the two NSIs, as well as indicate some differences and delve on potential consequences of these differences. While the number of case studies is too small to represent a picture in general for NSIs, it is neither the goal of a case study to do so, but rather to highlight possible common themes and improvement potential.

The paper proceeds as follows. We start by a short presentation of the two NSIs, including bases for their activity (Section 2), followed by methodological considerations for the study (Section 3). After that, we address the first of the research questions (Section 4), as answering it reveals at the same time the NSI's "philosophy" of meeting and catering for businesses' needs for official statistics. We then address the second and a part (the latter) of the third research question (Section 5), upon which we summarise the findings by answering and reflecting upon the former part of the third research question: are businesses discerned by NSIs as a specific category of their users/customers (Section 6).

2 Mandate and activities

Starting from the premise that political, legal and societal mandate of an NSI in its society has a considerable effect on how the NSI meets different groups of customers' needs, we first give a brief summary of CBS's and SCB's task in their societal contexts.

CBS is responsible "for collecting and processing data in order to publish statistics to be used in practice, by policymakers and for scientific research". CBS is responsible for official national statistics and also has the task of producing European (community)

statistics. In 2004, CBS became an autonomous agency with legal personality. There is no longer a hierarchical relationship between the Minister of Economic Affairs and the organisation. However, the minister is politically responsible for legislation and budget, for the creation of conditions for an independent and public production of high quality and reliable statistics. The costs of tasks and activities undertaken to put this legislation into practice are accountable to the government's budget. Only a very small part of the CBS budget comes from selling products and services.

CBS aims to reduce the administrative burden for businesses and the public as much as possible. To this end it uses existing administrative registers of both government and government-funded organisations. The information from these sources is supplied to CBS free of charge. Only if they do not contain sufficient information, CBS is allowed to conduct supplementary surveys among businesses and private persons. Businesses are usually obliged by law to supply information to CBS and can be forced to cooperate under certain circumstances; CBS may use sanctions such as administrative fines. For its part CBS is obliged to keep all individual data confidential. Exceptionally, data sharing is allowed, under certain conditions, with Eurostat, NSIs in EU member states, Dutch Central Bank and academic researches. The statistics are provided to the public free of charge.

In Sweden, the statistical system is decentralised since a reform carried out in the early 1990s. Responsibility for many subject matter area statistics was at that time transferred from SCB, until then the sole government authority producing Swedish official statistics, to more than twenty governmental authorities with the task now to produce official statistics in their domains. However, SCB was given a coordinating role, thereby maintaining a prominent position within the official statistics system of Sweden.

The statistical act and ordinance make provision for SCB to produce statistics on two bases: appropriation and commission. The former implies production of official statistics, "...produced according to the statistical act and ordinance and published as required by official regulations... [aimed] for public information, planning and research purposes in specified areas... [They] shall be objective and made available, free of charge, to the public" (Swedish government 2011). The latter basis implies production of other kinds of statistics for public sponsors (but even businesses) as well as carrying services in the statistical production process (e.g. data collection) for, mainly, other statistics producers. Commission aims to enable SCB to "provide to the user the added value of the statistical material and the statistical competence that resides within SCB" (ibid.).

In summary, official statistics in Sweden (in the narrower sense of statistics designated by the government to be "official statistics" for public use) is provided free of charge, whereas the kind and level of statistics that surpasses official statistics may be purchased or commissioned from SCB (or other authorities responsible for statistical production). SCB's revenues from these two bases of activity are approximately equal in size. In the Netherlands, on the other hand, practically all activity of CBS is financed through appropriation from Dutch government.

3 Methodology

In addressing the paper's goals, our main sources of data, and their way of analysis, were:

1. *Intranet website* for search for documents on the NSI's relationship with businesses, as well as a descriptive analysis of existing NSI documents (including web documents and web structure), carried out by the project team.
2. *Focus groups* with field officers working in the field assisting business data collection, staff members of the unit of data collection and profiling of large businesses, and staff members of customer service; *individual interviews* with staff from subject matter departments, communication department and business data collection department; consultations with staff of the communication department and a staff member who coordinates external relationships with the business world.

For the structured interviews, an interview guide was used (see Bavdaž et al. 2011 for details).

3. The *database of answered requests* from customer service units that exist at both NSIs. Inquiries can be made by phone, email and web forms. The information provided by the customer services is free of charge.

At CBS, all answered requests incoming through the following channels are registered: telephone (57 %), email, web form (email and web form account together for 42 %), letter, fax, personal visit. For each request the type of the information request (as categorised by customer service personnel) and the type of customer are registered.

At SCB, only telephone calls are registered. This database is in operation since January 2010. It records subject-matter area of the question, type of entity asking the question, a condensed description of the request (coded into one of 26 categories plus some "other" categories), and a condensed description of the action of customer service.

At CBS, for June 2010, we selected within each information request category several requests from businesses. This resulted in 160 unique requests that were coded by two researchers for their content topic. The coding system was developed in several rounds by researchers from University of Ljubljana and Statistics Netherlands. This involved a round of double coding of about 15 cases and reconciling differences.

4. The economic administrative system, containing *invoices to businesses*, is a relevant source of business requests for SCB statistics. In proceeding with the analysis of this material, we have excluded businesses that themselves are producers of statistics for others, banks and insurance companies, and mass media.

4 Channels of dissemination

Presentation in this chapter and the next is, due to certain differences between the two NSIs, given separately for CBS and SCB. The emerging picture is however rather similar.

4.1 CBS

The regular products and services of CBS available and relevant for the business world are:

- The *CBS website* (www.cbs.nl) is the main portal to get an overview of available statistics. Key figures on Prices, Growth, Labour and Confidence are presented on the home page. More figures can be accessed easily through a limited number of themes (for example ‘construction and housing’). The home page also offers the topics of the latest press releases and a Web magazine articles (short articles on newsworthy figures). The website offers the possibility to subscribe to updates by email, RSS feeds and Twitter. CBS still publishes *printed publications* but these are also electronically available (free of charge).
- The home page links to “*CBS in your neighbourhood*”, that provides local statistics on, for example, housing and income.
- The CBS website links to *StatLine*, CBS’s statistical database. It enables users to compile their own tables and graphs. The information can be accessed, printed and downloaded free of charge.
- *Press releases* are sent out frequently, according to a fixed (and public) calendar. Press conferences are organised for very important publications.
- *Customer service* is available free of charge and can be requested over the phone, by e-mail or web forms.
- CBS’ Centre for policy related statistics carries out custom-made studies on all subjects in the CBS work programme. Customers need to pay for this service. The target group for this service are policy makers and researchers but some businesses also use it. CBS is currently exploring the possibility to develop a similar service for Business Statistics.

The official target groups of CBS web site used to be policy makers, scientists and press. In the new dissemination policy - that is currently being developed - the following target groups are distinguished: a) students/scientists, b) press, c) policy makers, d) entrepreneurs, and e) citizens.

The following output is more specifically aimed at businesses:

- A dedicated website www.cbsvooruwbedrijf.nl (“CBS for your business”). This website is both aimed at businesses as users of statistics and as providers of data to the CBS. It contains links to statistics relevant to businesses and questionnaire-specific information. Advance letters used in business surveys mention this website.
- Each quarter a so-called *Stakeholder Magazine* is published electronically and on paper. This is an attractively designed magazine that also contains interviews with data users and data providers, many of which are from the business world.
- Every quarter a *personalised mailing with benchmark information* is sent out to respondents (of selected industries) of the short-term statistics questionnaires (monthly or quarterly). This benchmark contains a chart with time-series information on reported data by the establishment and is enriched by information of

the branch of industry. Currently about 10,000 businesses receive this, the intention is to upscale this to all short-term statistics respondents in the future.

4.2 SCB

In discussing channels of dissemination, it may be useful to distinguish between the depth and level of analysis of the statistics and the medium used to disseminate it. The media concern well known channels like the web, email, print, etc. However, a wide variety of content can be communicated through the same medial channel: a press release put on the web site, a report or a publication in pdf put there, and even the whole statistical database made accessible through the web. It seems therefore more rewarding, following the review above, to consider distribution with respect to the level of presentation and analysis of its content (Table 1).

Table 1: Publication types viewed as different levels of data aggregation and indication of whether cost is associated with their use.

	DESCRIPTION	VARIANTS	COST
1.	Press releases		no
2.	Subject matter reports (SMs)		no
3.	Ready-made tables and graphs		no
4.	Statistical database (SSD)		no
5.	Register extracts	– finding customers	yes
		– maintaining registers	yes
		– info on small geo areas	yes
6.	Customised regional statistics	– market profiles	yes
		– local economic analysis	yes
7.	Customised indicators	– industry ratios	yes
		– regional ratios	yes
		– competitor analysis	yes
		– personnel indexes	yes
8.	“Order your own survey”	– (broad array of services)	yes

The distributed content types go from very broad summaries that compress the information obtained in a survey into perhaps a few hundred words and a limited dose of numbers, over an increasing amount of tabulated numbers and figures and accompanying analysis, and specialised detailed tabulation output for specific needs, to providing raw data to users for own analysis and interpretation.

This implies an increase in the competence of the user to interpret or in other ways make avail of the data/statistics. There is also the concern that the increased detail implies consequences for confidentiality protection as even certain types of indicators of businesses’ economic performance are not in the public domain.

It is a strategic decision of SCB to use the web as the main channel of providing statistics to users, motivated by the aspects of timeliness and cost. Four categories are conceived as main users/customers: journalists, researchers (academic, administrative), buyers (e.g. staff of trade organisations acquiring data relevant for their area), and teachers on all levels.

5 Businesses' needs and use of NSI statistics: in-house data and opinions

5.1 CBS

Reflecting *need for statistics*, in 2009 47% (13131) of all information requests registered by the customer service came from the business world. The largest group of clients are the research and consultancy firms (included in professional services, which constitute 85% of all requests), who collect data on behalf of customers. The database also registers the subject of the information requested. There is a large variety of categories. Among the most frequent ones asked for by businesses in 2009 were price indexes, totalling 36% of all information requests (the index for rentals is the most frequent, with 16% of the requests), collective wage agreement data, data on companies, on demography, on international trade, and on labour force.

In the detailed content coding of the 160 information requests by businesses we hoped to get more information about who within the business is requesting the information and for which purposes the information is needed. The data did not provide much information about the businesses or the persons requesting the information or the department they worked in. This information was missing for most cases.

Reflecting *use of statistics*, among the 160 information requests that we coded, most commonly mentioned were price determination or adjustment, evaluation of a potential market, planning (annual planning, business plan for new activity, product, expansion etc), and consultancy on client behalf. The internal experts we interviewed said that businesses seek both macro economic data for general developments (of for example prices) and detailed micro economic data for benchmarking purposes. The main purposes they mentioned for business' use of CBS statistics were:

- Obligation to provide certain information for external reporting (when applying for a loan to the bank for example).
- Strategic policy making (for example exploring new markets, benchmarking)
- Operations management (determining wages and prices)

The internal experts mentioned that it is too difficult for many potential data users from the business world to find the information relevant to them on the CBS website, especially in Statline. Our findings from the coded information request seem to support this: almost half of the answers provided by the customer service in the coded requests included a link to information available at the CBS website that completely or partially provided the

requested information. Obviously it had not been easy enough for the customers to find this information themselves.

5.2 SCB

Reflecting *need for statistics*, there were 2652 registered incoming telephone calls from businesses to customer service in the period January to May 2010. Most frequent of those referred to were:

- Labour market, with queries concerning a specific index (labour cost index), salary statistics, employment codes, etc,
- Living, building, and housing, with queries concerning mostly a specific index (E84),
- Prices and consumption, with queries concerning CPI and related price indexes,
- Entrepreneurship, with queries concerning varying aspects of doing business in the different economic segments,
- Trade, with queries concerning mostly export and import of different kinds of products to/from usually specific countries,
- The business register, with queries concerning addresses to specific types of companies, other extracts from the register, changes and corrections in the register regarding own company, query about own company's data (especially CFAR-number),
- Library/publications, with errands most often concerning ordering or discontinuing subscription to publications or changes in contact details,
- Demography, with queries concerning specific population counts in specific areas, or for specific groups, or population forecasts.

Reflecting *use of statistics*, there were 777 invoices issued to businesses in this period. Their total amount makes however quite a minor proportion (1.3%) of SCB's annual revenues from commissioned products and services.

Contributing the most in terms of revenue and sharing the top position with respect to the number of invoices is Printed publications and standardised presentations (which delivers exclusively indexes/key indicators). Next in generated revenue and sharing the top position in the number of invoices is Statistics based on registers (accommodation statistics, some indexes/key indicators, various regional subject matter statistics, etc). Tailor-made statistics comes third, corresponding to about a quarter in terms of both revenue and number of cases (containing again indexes, accommodation profiles, and regional statistics).

The interviews with the internal experts showed that businesses use NSI statistics for many different purposes and with varying experience of how to apply and understand statistics. According to the interviews, the most common requests are:

- The use of index-series for contracts and agreements (some of the more common indexes are not official statistics and as such not included on the SCB website).

- Economic statistics for certain regions or business domains (for benchmarking or marketing purposes)
- To get help with finding or interpreting NSI statistics.

5.3 Discussion

Businesses' needs for statistics, as perceived by the NSIs through their customer service (as well as invoiced commission in Sweden), are similar in the Netherlands and Sweden. They include different kinds of indexes, information on labour force and wages, business demography data for specific geographic areas, trade, and so on. This is also in general confirmed by other sources, like internal experts.

It must however be noted that customer service and invoices data above regard users who actively approach the NSIs with a question. We know little about business users who go the website or the database without contacting the NSI. Although there is some information stored on visits to the websites, this does not include background of these users.

While in the Netherlands research and consultancy firms are the largest group turning to CBS's customer service, these firms have a minor representation among the contacts for which there is information at SCB: they constitute only 1-2% in terms of both the number of contacts and the invoiced amount for conducted services.

6 Summary and some proposals

The goal of this paper was to examine how two NSIs meet and understand businesses' needs regarding official statistics. Taken together, the overall results from the two case studies are consistent and similar. Judging from requests businesses make to the two NSIs, both CBS and SCB already offer considerable amount of official statistics to businesses. This includes information for contractual or benchmarking purposes, market evaluation and elaboration, as well as many other uses of statistics.

However, in both NSIs we also find that knowledge concerning businesses as a target group is insufficient. Businesses are not an explicit target group for communication (at SCB), data are not collected to evaluate how official statistics available on-line meet businesses' needs (at both NSIs), the data collected on queries do not allow analysis of the intended use, and so on. In other words, the knowledge that does exist within the NSIs is scattered across different units and departments. Thus, the NSIs need more information concerning to what extent businesses use NSI statistics, for what purposes, and preferences regarding how the statistics should be presented.

How can NSIs better meet the needs of businesses concerning statistics? One promising way is to collect in a systematic way internal data concerning how businesses currently use

NSI statistics. That is, more detailed information on, for example, requests to the customer service, web site visits, or retrievals from the on-line databases (Statline and SSD). There are indications from customer service data that web sites may be improved to provide better support for businesses to find data or statistics they need. Moreover, our results suggest that some businesses might receive NSI statistics second hand, via their industry's organizations. As such, one way to learn about businesses needs and preferences could be to study how these organizations present official statistics to their members and how they refer to its sources.

A further suggestion is to adopt a policy of focusing more explicitly on businesses as a target group. This work would initially include: a) a corporate communication strategy that acknowledges the double role of businesses as both data providers and data users; b) central coordination within the NSI of the communication with the target group (including collection and analysis of internal data mentioned above); c) market research with the aim of broadening the use of NSI statistics among the businesses; d) evaluation of customer satisfaction and experiences with products and services for the target group.

Finding partners for promoting what NSIs can offer to businesses is another way to increase use of NSI statistics: for instances, establishing partnerships with organisations that businesses already use as sources of information, such as chambers of commerce and other business associations.

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