Report on the Full Triennial Review of the Retail Sales Inquiry

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Executive summary

1. The Retail Sales Inquiry (RSI) is a statutory inquiry that samples approximately 5,000 businesses each month. The sample is derived from businesses classified to Division 52 of the UK Standard Industrial Classification of Economic Activities 2003 (SIC 2003). The sample strata are defined by employment size with a complete enumeration of large businesses and a random sample of small to medium businesses. The RSI collects turnover data each month based on rolling 4, 4, 5 week standard reporting periods.

Two further inquiries are conducted each month as part of the RSI:

a. The Retail Credit Inquiry collects data on turnover, self-financed credit sales and amounts outstanding.

b. The Monthly Commodity Inquiry collects data on turnover, a five way commodity split, internet sales and automotive fuel.

2. The Retail Sales Index is a key economic indicator produced from the RSI. It provides an indication of economic activity in the short term, and assists in informed decision making by government. It is the only official short-term measure of retail sales data within Great Britain and comprises approximately 30 per cent of Household Final Consumption Expenditure, 12 per cent of the Index of Services and 5 per cent of the output measure of Gross Domestic Product.

Retail employment data, collected each quarter, is used to create estimates of workforce jobs. The retail industry represents approximately 11 per cent of all employee jobs in Great Britain.

3. The main external users of the retail sales data include the Bank of England, Her Majesty’s Treasury and the Department for Business, Enterprise and Regulation Reform. Eurostat uses the UK retail sales data as a comparison with other Economic Union business indicators and the Scottish Executive uses the data to compile an estimate of Gross Domestic Product for Scotland.

4. The main findings and recommendations of the review are:

a. The Retail Sales Index continues as a monthly series to meet the needs of its customers, both internal and external. It is the only source of short term retail estimates available for direct input to the national accounts and retail employee jobs estimates. The retail estimates are used by the Bank of England, HM Treasury and the Department for Business, Enterprise and Regulation Reform as a key source into their economic briefing.

b. A need to review the current format of the retail publications and documentation with a view to streamlining articles and reviewing estimates published in table format. The review should ensure coherence across the retail statistical publications, with the addition of new series where relevant. This could include:
   i. estimates as cash values;
   ii. lower level seasonally adjusted estimates;
   iii. value and volume seasonally adjusted commodity series;
   iv. trend estimates.


d. To continue to publish all data free of charge on the National Statistics website.

e. Due to the expansion of internet retailing, create and publish an internet sales series, in order to meet the needs of users.
f. To move away from a base-year weighted series and instead produce a chain linked retail sales index.

g. To review and make recommendations on the method of collecting survey data for a calendar month, opposed to the current standard reporting period which is a non-standard approach across the European Union.

h. To investigate the feasibility of continuing the Retail Credit Inquiry in its current format.
## Key facts: Retail Sales Inquiry

### Date survey commenced
- a. Retail Sales Inquiry (RSI): 1954
- b. Retail Credit Inquiry (RCI): 1955

### Requirement
- Statutory

### Frequency
- Monthly

### Main information collected
- a. RSI: Retail sales turnover
- b. RCI: Retail sales turnover, self-financed credit sales and amounts outstanding (debt)
- c. MCI: Retail sales turnover, 5-way commodity breakdown, internet sales and sale of automotive fuel
- d. Employment collected quarterly from all surveys.

### Respondents
- a. RSI: Sample size of 5,000 businesses in the retail sector, Division 52 of the Standard Industrial Classification (SIC) 2003
- b. RCI: 23 self-financed credit retailers (fixed sample)
- c. MCI: 35 large mixed retailers (fixed sample)

### Sample
- a. Size: 5,000 per month
- b. Frame: Inter Departmental Business Register (IDBR)
- c. Coverage: 3 per cent of businesses, 74 per cent by turnover, 74 per cent by employment
- d. Method: Stratified random sampling for businesses with 0 to 99 employees. Total enumeration for businesses with greater than 100 employees

### Target response
- 60 per cent of questionnaires received by results finalisation, achieved by 10 working days after the end of the standard reporting period. 85 to 90 per cent of sample turnover achieved by results finalisation.

### Users of results
- b. Secondary users: ONS Index of Services, Eurostat, The Scottish Executive
- c. Other users: Dept for Work and Pensions, British Retail Consortium, Business analysts, academics and the retail industry

### Publications
- a. Retail Sales First Release
- b. Retail Sales Business Monitor (SDM28)

  Information from the Retail Sales Inquiry is used within:
- c. Labour Market Statistics First Release
- d. Labour Market Statistics Regional First Release
- e. Labour Market Trends

### Production cost to Government
- £584,148
1. Introduction

Reasons for the review 1.1 Standing instructions on the control of statistical surveys require that regular surveys to businesses and local authorities are reviewed regularly. For monthly or quarterly surveys this occurs every three years. The aim of these procedures is to ensure that control is exercised in the most cost-effective way and that authorised surveys are conducted in such a way as to obtain the information needed while imposing the minimum burden on respondents.

1.2 The present instructions for controlling Government statistical surveys, including the procedures for reviewing surveys, were issued by the Prime Minister’s office in 1999. These instructions reiterated the continuing need to review all regular surveys of business. Surveys with total compliance costs in excess of £250K are subject to a comprehensive review involving an external observer. Reviews of smaller surveys are subjected to a mini review. The level of detail contained in the mini review is expected to reflect the complexity and importance of the survey and the level of compliance costs.

As per Office for National Statistics (ONS) policy, a copy of this review has been seen and commented on by the Survey Control Unit (SCU) within ONS.

Progress since the last review 1.3 Progress on changes identified during the 2003 Triennial Review are documented in Annex A.

2. Background

Introduction 2.1 The Retail Sales Index is a key indicator of the progress of the economy. It is also used to help estimate consumer spending on retail goods and the output of the retail sector, both of which are inputs into the compilation of the National Accounts. The results are also used by the Bank of England and HM Treasury to inform decision making by government and in formulating financial policies. The employee data are used to compile the Workforce Jobs estimates. The main variables collected are turnover and number of employees.

History 2.2 Retail Sales Inquiry (RSI)

In September 1930, the Bank of England, at the request of the Retail Distributors’ Association began compiling experimental monthly retail statistics. Over time the scope of the inquiry was extended as it gained support from the trade representatives until in 1947 it was taken over by the Board of Trade.

In 1954 the inquiry changed from a commodity based analyses of sales to ‘a kind of business’ and continues in this form to the present day. In 1974 the survey transferred to the Business Statistics Office (now the Office for National Statistics).

Concern about the quality of Government statistics led, in 1988, to a Cabinet Office scrutiny known as the Pickford Review. Following the review, the Chancellor of the Exchequer announced two packages of measures to improve economic statistics. In November 1991, under Phase II of the review, all monthly retail trade inquiries were made statutory under the Statistics of Trade Act 1947 and the retail sales sample size increased from 3,500 to 5,000.

In 1996 employment questions previously collected from the Short Term Employment Survey transferred to the retail inquiries and collected every third month.
In 2003 a method and systems review of the retail sales was undertaken, the largest investment of methodological development for the RSI in twenty years. This ensured that retail sales methods are appropriate and incorporate standard methods as used for other ONS business surveys.

2.2.1 Retail Credit Inquiry (RCI)

The Retail Credit Inquiry commenced in 1955 as a monthly survey. In 1989, following a review, the survey was changed to a quarterly basis.

In 1996, following the 1994 triennial review, in order to 'meet new government needs', it reverted to a monthly survey. This was to improve data quality and consistency with other series on lending to consumers credit agreement.

The number of contributors providing self-financed credit has reduced considerably over the years with the transfer of business to specialist finance houses and the use of credit cards. From a sample of 1,600 in 1955, the survey now has 25 contributors.

2.2.2 Monthly Commodity Inquiry (MCI)

The Monthly Commodity Inquiry commenced in January 1993 following pressure from the retail industry, in particular the British Retail Consortium, for more up-to-date commodity based information.

In January 2007, as part of a drive to source data relating to internet retailing, a question was added to the survey form, with a view to publishing estimates on internet sales.

Coverage

There are 42 retail industries in the survey for turnover and quarterly employment, as defined by Division 52 of the Standard Industrial Classification (SIC) 2003. This information is collated as 27 series, either as individual industries or aggregates. Turnover is collected in pounds for all industries and employment is collected as the number of employees on a specified date each quarter. A list of the industries covered is given in Annex B.

Sample Design

In 2007 approximately 60,000 questionnaires were sent out to businesses, collecting data on turnover and employment. The sampling frame used was the Inter Departmental Business Register (IDBR). There are five strata in total, based on employee information, held within the business register.

The strata used are: 0-9, 10-19 and 20-99, where a random sample is selected for each of these strata. Businesses with 100 or more employees are fully enumerated. An additional stratum, which is also fully enumerated, covers businesses with low employment but exceptionally large turnover; these are defined as having 10-99 employees with an annual turnover of £40 million or more.

The sampled industries are selected for the survey for approximately 27 months; except for businesses with 0-9 employees who are only included for 15 months, after which they are guaranteed a three year exclusion from the survey under the terms of the ‘Osmotherly’ rule (see 2.4.3).

2.4.1 The sample covers approximately three per cent of businesses in the retail industry (see Annex C). The sample covers 74 per cent of retail industry turnover and 74 per cent of retail industry employment.

2.4.2 The sampling fractions are around 1.5 per cent of businesses in the 0-9 employment strata, 7 per cent in the 10-19 strata, 21 per cent in the 20-99 strata and 100 per cent of businesses with employment of 100+.
Businesses with 10-99 employees with turnover greater than £40m have a sampling fraction of 100 per cent.

2.4.3 In keeping with the ‘Osmotherly’ guidelines, businesses with less than 10 employees are given a guarantee that they will be selected for only one ONS survey at a time, with a maximum inclusion of 15 months (monthly surveys), followed by a guaranteed three years exclusion from all other ONS surveys while their employment remains below 10 (provided that they returned 60 per cent of questionnaires during their inclusion period).

Questionnaire Design 2.5 The Retail Sales Inquiry is a standard questionnaire asking for retail sales turnover.

The Retail Credit Inquiry asks for retail sales turnover, credit trading financed and amounts outstanding under credit agreements.

The Monthly Commodity Inquiry is a longer questionnaire, requesting information on retail sales turnover and a five-way commodity breakdown of sales. In addition, all contributors are asked to supply the value of internet sales, whilst one industry is asked to supply the sale of automotive fuel.

Each quarter, questions on employment are added to each survey questionnaire, requesting a breakdown by gender and working pattern (full- or part-time).

A list of the questionnaire types is given in Annex C.

Turnover Information 2.6 Turnover data is requested including VAT but excluding National Health Service receipts, national lottery sales; motor vehicles; parts and accessories; petrol sales, and any other non-retail activity. Turnover should include the receipts of all sales in a given period; receipts from credit sales made in other periods are excluded.

2.6.1 The survey covers businesses which are engaged in retail trading and which operate in Great Britain only. It does not include Northern Ireland, the Isle of Man or the Channel Islands.

2.6.2 The business is the individual company, partnership or sole proprietorship to which the questionnaire is sent. Turnover for subsidiaries of the business addressed, as well as sales by any other business trading on the premises should be excluded.

Operational procedures 2.7 The retail sales inquiry sample is selected from the IDBR approximately two weeks before the end of the standard reporting period.

The retail credit inquiry and the monthly commodity inquiry are also selected two weeks before the end of the period; however these are compiled from a fixed sample of contributors each month.

The questionnaires are dispatched by second class post, three days before the end of the period to which they apply. Contributors are given one week to reply, after which a reminder is sent by second class post to businesses in the 0-9 strata only. All businesses with three months data outstanding are also sent a reminder.

Non-responding businesses which have been selected for the first time as well as other key businesses are contacted by telephone between 12 and 16 days after the original despatch. Businesses identified as critical (those with large or erratic turnover and/or employment) receive several follow up phone calls.

Businesses that persistently do not respond are re-contacted and if they
continue to not respond are passed to the enforcement section. In 2007 a total of 286 retail businesses were sent to the enforcement section.

2.7.1 Data are taken on by Optical Character Recognition (OCR) which is used to create an image of the survey questionnaire. Image Character Recognition (ICR) scans the image onto the processing system. This makes for fast and easy retrieval of survey questionnaires and increases the accuracy of the input data. An automatic facsimile facility scans incoming faxes and stores the image, allowing the image to be viewed and data entered into a common software system.

2.7.2 A Results and Publication (RAP) team produce and publish a set of results derived from edited contributor data. Data validation of incoming questionnaires is carried out by the Editing and Validation Branch (E&V), who work on the annual survey of the same industry. All data are subject to validation checks and any data that falls outside a pre-specified range undergo further scrutiny. In some cases businesses are contacted by telephone to check their returned data before the values are marked as acceptable.

2.7.3 The RAP team and E&V staff use a central database to facilitate the transfer of queries and clear problems arising from individual business returns. Complex issues, including business structure changes, are resolved through one to one discussion.

2.7.4 A central database is used to record details of any contact with respondents allowing the information to be accessible to all teams involved. This helps to improve the quality of results and reduce the number of times a respondent is contacted.

Timetable and response rate

2.8 The RSI data collection closes down on the tenth working day following the end of the survey standard reporting period. The response rate target is based on 60 per cent of returned survey questionnaires, with a minimum aim of 55 per cent in each industry strata. This target typically equates to approximately 85 to 90 per cent of returned turnover. Annex D sets out the target responses achieved in 2007.

2.8.1 Publication of the Retail Sales Index takes place 14 working days after the end of the survey period. Estimates derived from the MCI are produced to the same timetable and form part of the ONS’s monthly retail sales business monitor (SDM28).

2.8.2 The Retail Credit estimates are compiled 16 working days after the end of the survey period and are passed to the Financial Inquiries Branch prior to publication by the Bank of England in their Monetary and Financial Statistics (Bankstats).

3. Uses

3.1 Data from the Retail Sales Inquiry provide one of the earliest key economic indicators of short-term movements and is a direct input into the Index of Services (IoS) and GDP(O). The data on jobs derived from the short-term inquiries form part of the services sector estimates within the Workforce Jobs series which is published quarterly.

Primary Uses

3.2 The Retail Sales Index is designed to meet Government needs for improving measures of economic statistics. It is a key indicator of short-term changes in economic activity and is a component of the output measure of GDP.

3.2.1 Retail sales form approximately 5 per cent of GDP and approximately 12 per cent of the IoS. The retail sales data is also used to create estimates of Household Final Consumption Expenditure (HHFCE). Retail sales
contribute approximately 30 per cent of total consumer spending.

3.2.2 The Bank of England is a key user of the Retail Sales Index as an indicator of short-term changes in the economy. It uses the monthly data, alongside other key economic indicators to provide evidence on the state of the British economy. These findings are then presented to the Monetary Policy Committee.

Secondary uses

3.3 Figures for employees obtained through the RSI are combined with estimates from the Distribution and Service sector in order to create estimates of Workforce Jobs. These estimates are published each quarter as part of the Labour Market Statistics First Release.

3.3.1 Monthly retail sales data are legally required under Eurostats short term indicators regulation. The data aids the objective of the turnover index to show the evolution of the market for goods and services. The regulation stipulates that data cover the UK; is exclusive of VAT and is transmitted on a monthly basis, at the time of publication. The Annual Business Inquiry provides estimates for the UK and VAT thresholds, to enable the Great Britain based estimates to be converted.

Publications

3.4 Retail sales are published monthly in a First Release, in conjunction with the ONS Protocol on Release Practices. This is accompanied by a news release, information nugget, detailed briefing notes and an online business monitor (SDM28). Annex E contains links to the latest publications.

User views

3.5 Key users of the retail sales data include internal and external customers. All were sent a questionnaire, seeking their views on the frequency, relevance, accuracy, ease of access, presentation of data and whether the current dataset met their requirements. A list of users contacted during the consultation process is included in Annex G.

3.6 The main users within ONS of the retail sales data are the IoS, GDP(O), HHFCE and Welsh Short Term Indicators (WSTI).

3.6.1 Index of Services (IoS) branch uses the volume seasonally adjusted data for the main published heading in their compilation of the monthly index of services. This is then fed into the quarterly GDP(O) estimates. The team determined the retail sales data as very relevant; had no difficulty accessing the data and considered it accurate.

3.6.2 Household final Consumption Expenditure (HHFCE) branch uses a detailed SIC breakdown of the retail sales to create estimates of household expenditure for use within the National Accounts. The team determined the retail sales data as very relevant, very easy to access and accurate. The team were very satisfied with the current format and the timing of the data met their needs.

Additional data at a more detailed commodity breakdown would be useful. The team appreciated that the request would however require changes to the source data requested by Annual Business Inquiry (ABI).

3.6.3 Welsh Short Term Indicators (WSTI) use the raw retail sales survey data for contributors with a presence in Wales to supplement data from the top 30 retailers in Wales, supplied through the Quarterly Inquiry into the Distribution and Services Sector in Wales. The proportion of total employment in Welsh local units is used to derive a unit-level turnover estimate for Wales. From the derived unit-level data, a total turnover estimate for Wales is created, and is used as a component of the quarterly Welsh Index of Distribution.

The WSTI team deemed the retail sales data as very relevant and accurate. Further comments noted the potential to develop corresponding
indices for the English regions using the RSI as a key source of information for quality assurance.

3.7 The main external users of the retail sales data are the Bank of England, HM Treasury, Eurostat, the Department for Business, Enterprise and Regulation Reform (BERR) and the media.

3.7.1 The Bank of England (BoE) use the monthly retail sales data as an early indicator of economic growth, which inputs into their assessment of the current state of the economy. These assessments are then used by the Monetary Policy Committee (MPC), in conjunction with other lead indicators, to decide on the required level of interest rates.

The UK Team at the BoE considered the retail sales as generally very good. A few suggestions for improvements were put forward. These included:

a. making the value seasonally adjusted estimates available as part of the First Release, rather than being available in the business monitor only;

b. creation and publication of a value and volume seasonally adjusted commodity based series.

3.7.2 HM Treasury (HMT) use the information to inform Ministers and officials of the performance of the retail goods market, which can provide early indications of consumer confidence and changes in consumption more generally.

HMT deemed the retail sales as very relevant and the frequency of information meets their needs. The following retail data is used to form their briefings: retail sales first release, news release and briefing, value and volume data seasonally and non-seasonally adjusted, for main published headings and by type of store as both level estimates and growth rates.

HMT were satisfied with the format of the information via the internet, print and email, however noted it was difficult to access the data via the internet. In contrast email and printed versions were easy to access.

HMT deemed the retail sales as accurate, however added that it was noticed that retail sales volumes are not on a chain-linked basis, and some commentators have suggested that current growth may be overstated due to the old weights being used. HMT have an additional requirement, that is, a separate breakdown of internet sales. The ONS plan to introduce both of these aspects by the end of 2008.

3.7.3 Within Eurostat, the survey statistics are used in business cycle analysis to forecast quantitative variables; to construct synthetic leading and coincident indicators; as well as for cyclical diagnostics and turning point detection.

The UK is the fastest producer of a retail sales series within the EU and currently meet all requirements of the regulations.

3.7.4 The Department for Business, Enterprise and Regulation Reform (BERR) use the retail sales data to provide pre-release briefing, and general macroeconomic briefing. It is used as a partial indicator of consumer spend, as well as an indicator of industry performance.

BERR deemed the retail sales as very relevant and the frequency of information meets their needs. They use the following retail publications to support their analysis: retail sales first release, value data non-seasonally adjusted, volume data seasonally adjusted, type of store, level estimates
and growth rates.

BERR were very satisfied with the current format of the internet publications and found them very easy to access. At present they have no requirement for additional information. BERR noted they had no problem with the accuracy of the data, although noted that this was difficult to assess, as any comparison is reliant on other surveys and data revisions.

3.7.5 The Media, including Dow Jones, Reuters, the Press Association, Bloomberg, Thompson, World Business Press and Market news were asked to comment on the publications handed out during the press briefing.

Overall the media were satisfied with the documentation and found the briefing beneficial. Most concentrated on the monthly volume seasonally adjusted series as this was deemed the most relevant and newsworthy, although it was recognised that this was more volatile than the underlying growth.

One comment received regarded the time taken to read through the briefing note, when ideally they were looking for pointers to the key story. It was noted that a snapshot of the records would assist in writing the headlines and would reduce the questions asked of the releasing statistician.

4. International comparisons

Within the European Union 4.1

All European Union countries are required to transmit retail data based on Division 52 of the NACE REV 1 classifications for the following variables (in brackets) and criteria:

a. (120) turnover, monthly volume and value indices, non-seasonally adjusted.
b. (210) number of persons employed.
c. (330) deflator of sales. The information on the volume of sales (No 123) may be produced instead of the deflator of sales (No 330). This option is adopted for the UK.
d. All variables must be transmitted in an unadjusted form.
e. The turnover variable (No 120) and the volume of sales (No 123) are also to be transmitted in a working-day adjusted form.
f. In addition Member States may transmit the variables seasonally adjusted and may also transmit the variables in the form of trend-cycles. Only if data are not transmitted in these forms, then Eurostat may produce seasonally adjusted and trend-cycle series for these variables. The UK transmits non-seasonally adjusted variables.
g. All variables are to be transmitted either as an index or as absolute figures.
h. The reference periods are (120) monthly; (330/123) monthly; (210) quarterly.

4.1.1 Estimates are required based on the following detailed level regrouping NACE REV 1 Classes and Groups:

a. Class 52.11
b. Class 52.12
c. Group 52.2
d. Group 52.3
e. Sum of Classes 52.41, 52.42 and 52.43
f. Sum of Classes 52.44, 52.45 and 52.46
g. Sum of Classes 52.47 and 52.48
h. Class 52.61

Aggregate levels regrouping NACE REV 1 Classes and Groups:
a. Sum of Class 52.11 and Group 52.2
b. Sum of Class 52.12 and Groups 52.3 to 52.6
c. Sum of Groups 52.1 to 52.6.

The first reference period for which all variables are transmitted is January 1998 for monthly data and the first quarter 1998 for quarterly data.

In order for the UK to be compliant, UK, VAT exclusive series is constructed and supplied to Eurostat, using source information from the Annual Business Inquiry (ABI).

4.1.2 This table provides a comparison of the timeliness of retail sales across the European Union. It gives the number of days from date of data close to publication.

<table>
<thead>
<tr>
<th>Country</th>
<th>BE</th>
<th>DE</th>
<th>GR</th>
<th>ES</th>
<th>FR</th>
<th>IE</th>
<th>IT</th>
<th>LU</th>
<th>NL</th>
<th>AT</th>
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<th>FI</th>
<th>DK</th>
<th>SE</th>
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<tbody>
<tr>
<td>Retail sales</td>
<td>57</td>
<td>43</td>
<td>75</td>
<td>47</td>
<td>n.a.</td>
<td>57</td>
<td>57</td>
<td>105</td>
<td>41</td>
<td>67</td>
<td>82</td>
<td>57</td>
<td>55</td>
<td>47</td>
<td>14</td>
</tr>
</tbody>
</table>

Based on data relating to August 2000.

The table demonstrates that the UK produces the most timely measure of retail sales within the European Union.

4.1.5 Since 2006 Eurostat has collected information relating to the methodology for creating the retail volume of sales index. This is used to compile an annual report, the Principal European Economic Indicators (PEEI), identified by key users as being important for the conduct of monetary and economic policy. This report allows countries to compare the applied methodology across the responding member states.

Detailed information can be found on this link:

Other countries 4.2 New Zealand has a monthly retail trade survey based on all geographic units operating in New Zealand (NZ), classified to divisions G, H and Q of the Australian and New Zealand Standard Industrial Classification (ANZSIC), opposed to the SIC 03 codes adopted by the UK.

Results are published approximately six weeks after the calendar month to which they refer. Data is published as an overall total and as six regional estimates, in terms of turnover (in index form), trend, stock levels, deflators and their relative contributions to the totals. Seasonally adjusted estimates are produced using X-12-ARIMA.

Detailed information can be found on this link:

4.3 Australia has a monthly retail business survey of all employing businesses with at least one retail unit. Similar to New Zealand, the retail survey sample is a combination of businesses classified to divisions G, H and Q of the Australian and New Zealand Standard Industrial Classification (ANZSIC), opposed to the SIC 03 codes adopted by the UK.

Results are published approximately five weeks after the end of the calendar month to which they refer.

Data is published as an overall total, by state and eight territories, in terms of turnover (in $millions), trend, and chained volume measures. Seasonally adjusted estimates are produced using ARIMA modelling.

Detailed information can be found on this link:
4.4 Canada has a mandatory monthly retail trade survey that collects information on sales, inventories and the number of retail locations by province and territory from a sample of retailers. Data collection starts seven days after the end of the reference month and continues for the duration of that month.

Results are produced approximately eight weeks following the reference month and are published as a total for Canada, 19 trade group totals, and 13 provincial/territorial units. These are available as seasonally and non-seasonally adjusted series. Data is seasonally adjusted using X-11-ARIMA.

Detailed information can be found on this link:
http://www.statcan.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=2406&lang=en&db=IMDB&dbg=f&adm=8&dis=2

5. Respondents views

5.1 A voluntary survey of contributors was carried out in order to gather information on their view of the individual retail surveys. For each survey, two questionnaires were dispatched. Copies of these are attached at Annex F.

The sample was stratified by employment size-band and groups of industries. 1050 questionnaires were sent out in total (1000 for RSI, 25 for MCI and 25 for RCI)

The RSI triennial review sample represented a fifth of the regular RSI sample, whereas the MCI and RCI were almost entirely surveyed. Of the 1000 RSI respondents sampled, 800 received version 1 of the triennial review questionnaire and 200 received version 2 (20 per cent of the sub sample). The MCI and RCI were split similarly.

The questionnaires were sent out as part of the full despatch of survey questionnaires in June 2007, to capture information including employment data; and July 2007 to capture information on turnover only.

The survey examined the compliance times for completing the turnover section of the RSI, MCI and RCI questionnaire, and the additional employment questions that are added on a quarterly basis.

The analysis of the survey divided responding businesses by employment size sourced from the IDBR and by 4-digit Standard Industrial Classification (SIC) Division 52.

The survey was voluntary and of the total number of questionnaires despatched, a total of 486 (60.8%) were returned for the RSI, 16 (64.0%) for the MCI and 12 (48.0%) for the RCI.

The most common concern was the time given to return the retail sales survey questionnaire and the cost, in particular, to small businesses. In 2007 ONS received 83 complaints from RSI respondents. The majority related to the form filling burden and process of selection. Most were received, and dealt with, by telephone. A breakdown of respondents comments are documented at Annex F.

6. Costs

Government costs 6.1 Staff working on the retail sales estimates are employed in three branches.
This includes a Respondents Relations Team (RRT), an Editing and Validation team (E&V) and a Results and Publication team (RAP). Additionally an IM support team manages and maintains the common software system. For the financial year 2007/2008 the full economic cost of staff involved with the retail surveys was:

- Data collection and Validation £237,272
- Results, Analysis and Publication £281,215
- Information Management £21,661
- Cost of questionnaire design, printing and postage £44,000
- Total cost £584,148

 Respondents’ costs

6.2 The Office for National Statistics is currently in the process of adopting a new method for calculating the administrative costs to business, in line with other European countries. Following the introduction of this methodology, respondents’ costs will be calculated and published as an addendum to this review.

7. Options for change

7.1 Users have requested estimates of internet retail sales. The ONS is planning to publish an estimate of internet sales by the end of 2008.

7.2 The media have requested a snapshot of the monthly records during the press briefing, (e.g. the All retailing 3-month growth was the largest increase/decrease since….). As a result a coherent table of records was produced and published for the first time during the February 2008 release. It has been well received and has improved the clarity of the briefing note.

7.3 Users have asked the ONS to produce a chain-linked retail sales index. A rebased and chain-linked retail sales index is planned to be introduced by the end of 2008.

7.4 ONS will continue to implement ways of reducing the burden on businesses. A pilot exercise will be undertaken during 2008 to review the way in which businesses are able to submit data returns. As part of this exercise, ONS will carry out a review of the Retail Sales Inquiry questionnaire.

7.5 Users regularly telephone each month to find out the latest implied deflator. In response to this, implied deflators growth rates were calculated and have been published as part of the retail sales business monitor since November 2007.

7.6 A review of all published material with a view to removing outdated articles and replenishing with refreshed and comprehensive documentation.

7.7 A review of tables currently published as part of the monthly release with a view to introducing relevant time series which have been seasonally adjusted at an appropriate level.
## Progress on recommendations of the previous triennial review

1. **To carry out a review of the Retail Sales Inquiry questionnaire**
   
   During 2004 a Respondents Communications Project was formed with a remit to review, develop and evaluate the ONS businesses survey front pages, flyers and reminder letters and to provide a revised standardised version across all business surveys. During 2006 the revised templates were implemented and are currently in use. During 2008, a further review, specific to the RSI, will be carried out, in order to improve the design and coherence of the survey form.

2. **To review current publication outputs**
   
   A review of the RSI publications was carried out during 2004. Following consultation with users, the review recommended the removal of 3 tables and accompanying text from the First Release.

   A further review of the retail sales business monitor (SDM28) was completed. Detailed analysis was undertaken to establish which series were of publishable quality. It was determined that 3 specialised food series, no longer be published separately and a further 2 become a combined series.

   The tables in the business monitor are regularly reviewed, responding to users needs when possible, e.g. the introduction of the implied deflator series.

3. **Investigate the feasibility and implement changes to move from a matched pairs estimation to one based on Ratio estimation, in line with other ONS surveys.**
   
   A full methodological review took place during 2003 and ratio estimation was adopted for the retail sales. Ratio estimation results were published for the first time in October 2003.

4. **To review whether selective editing can be introduced to the Retail Sales Inquiry**
   
   Selective editing is currently not used within the Retail Sales Inquiry.

5. **Review the retail credit inquiry and recommend changes to the commodity breakdown of the annual business inquiry questionnaire.**
   
   A bid to further extend the commodity analysis has been put forward each year since 2003, without success. Due to the current sample size, reduced to 17 businesses only, it is recommended that a feasibility study be carried out to determine if this inquiry should continue.
<table>
<thead>
<tr>
<th>Publication category</th>
<th>Percentage of All retailing</th>
<th>SIC*</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predominantly food stores</td>
<td>43.0</td>
<td>52.11</td>
<td>Non-specialised stores with food, beverages or tobacco predominating (e.g. supermarkets)</td>
</tr>
<tr>
<td>Non-specialised food stores</td>
<td>37.1</td>
<td>52.12</td>
<td>Non-specialised stores where sales of food, beverages and tobacco is not predominant (e.g. department stores)</td>
</tr>
<tr>
<td>Specialist food stores</td>
<td>3.1</td>
<td>52.21</td>
<td>Fruit and vegetables</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.22</td>
<td>Meat and meat products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.23</td>
<td>Fish, crustaceans and molluscs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.24</td>
<td>Bread, cakes, flour confectionery and sugar confectionery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.27</td>
<td>Other food, beverages and tobacco in specialised stores</td>
</tr>
<tr>
<td>Retail sale of alcoholic drinks, other beverages and tobacco</td>
<td>2.8</td>
<td>52.25</td>
<td>Alcoholic and other beverages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.26</td>
<td>Tobacco products</td>
</tr>
<tr>
<td>Predominantly non-food stores</td>
<td>51.3</td>
<td>52.41</td>
<td>Textiles</td>
</tr>
<tr>
<td>Non-specialised stores</td>
<td>9.1</td>
<td>52.42</td>
<td>Clothing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.43</td>
<td>Footwear and leather goods</td>
</tr>
<tr>
<td>Textile, clothing and footwear stores</td>
<td>13.4</td>
<td>52.44</td>
<td>Furniture, lighting equipment and household articles not elsewhere classified</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.45</td>
<td>Electrical household appliances and radio and television goods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.46</td>
<td>Hardware, paints and glass</td>
</tr>
<tr>
<td>Household goods stores</td>
<td>13.4</td>
<td>52.47</td>
<td>Books, newspapers and stationery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.48/1</td>
<td>Floor coverings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.48/2</td>
<td>Photographic, optical and precision equipment, office supplies and equipment (including computers and mobile telephones)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.31</td>
<td>Dispensing chemists</td>
</tr>
<tr>
<td>Pharmaceutical, Medical, Cosmetic &amp; toilet Goods</td>
<td>52.32</td>
<td>Medical and orthopaedic goods</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.33</td>
<td>Cosmetic and toilet articles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.48/4</td>
<td>Jewellery, clocks and watches</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.48/5</td>
<td>Sports goods, games and toys, stamps and coins</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.48/9</td>
<td>Other specialised stores not elsewhere classified</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.50</td>
<td>Second-hand goods in stores</td>
</tr>
<tr>
<td>Other non-food stores</td>
<td>15.4</td>
<td>52.61</td>
<td>Mail order houses (including internet retailers)</td>
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<td></td>
<td></td>
<td>52.62</td>
<td>Stalls and markets</td>
</tr>
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<td></td>
<td></td>
<td>52.63</td>
<td>Other non-store retail sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.70</td>
<td>Repair of personal and household goods</td>
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</tbody>
</table>

*UK Standard Industrial Classification 2003
The retail sales survey questionnaires and sample structure

Double click on the attachment to view a sample in pdf format

<table>
<thead>
<tr>
<th>Class</th>
<th>Number of businesses</th>
<th>Employment coverage</th>
<th>Turnover coverage</th>
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<td>Universe count</td>
<td>Selection count</td>
<td>Universe employment</td>
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<td>52230</td>
<td>1269</td>
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<td>3328</td>
<td>86</td>
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<td>88</td>
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<td>3631</td>
<td>65</td>
<td>114813</td>
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<td>4922</td>
<td>104</td>
<td>213183</td>
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<td>52310</td>
<td>4389</td>
<td>104</td>
<td>675253</td>
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<td>52320</td>
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<td>52330</td>
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<td>59</td>
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<td>52470</td>
<td>5888</td>
<td>154</td>
<td>755143</td>
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<td>189523</td>
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<td>52482</td>
<td>7738</td>
<td>218</td>
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<td>52620</td>
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<td>4994</td>
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<td>9474</td>
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<td>6651</td>
<td>90</td>
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<td></td>
<td><strong>Total</strong></td>
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<td><strong>2755847</strong></td>
</tr>
<tr>
<td></td>
<td><strong>% Sample</strong></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
# Retail sales achieved response rates for 2007

<table>
<thead>
<tr>
<th>Period</th>
<th>By forms</th>
<th>By employment</th>
<th>By turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>62.0</td>
<td>77.0</td>
<td>90.0</td>
</tr>
<tr>
<td>February</td>
<td>72.0</td>
<td>84.8</td>
<td>95.0</td>
</tr>
<tr>
<td>March</td>
<td>59.5</td>
<td>87.6</td>
<td>88.7</td>
</tr>
<tr>
<td>April</td>
<td>61.4</td>
<td>89.8</td>
<td>91.1</td>
</tr>
<tr>
<td>May</td>
<td>64.4</td>
<td>88.9</td>
<td>90.2</td>
</tr>
<tr>
<td>June</td>
<td>61.7</td>
<td>87.6</td>
<td>86.9</td>
</tr>
<tr>
<td>July</td>
<td>62.5</td>
<td>88.8</td>
<td>89.4</td>
</tr>
<tr>
<td>August</td>
<td>68.6</td>
<td>90.7</td>
<td>90.9</td>
</tr>
<tr>
<td>September</td>
<td>59.2</td>
<td>88.0</td>
<td>87.9</td>
</tr>
<tr>
<td>October</td>
<td>63.1</td>
<td>86.5</td>
<td>87.1</td>
</tr>
<tr>
<td>November</td>
<td>67.5</td>
<td>87.2</td>
<td>88.1</td>
</tr>
<tr>
<td>December</td>
<td>60.3</td>
<td>74.5</td>
<td>81.3</td>
</tr>
</tbody>
</table>

## 2007 average

- By forms: 63.5
- By employment: 86.0
- By turnover: 88.9

N.B the response target is set at 60% returned survey forms at first publication.
Links to relevant publications

Click on the links below to view a copy in pdf format

**Retail Sales**
- [First release]
- [News release / Nugget]
- [ Briefing note]
- [Business Monitor (SDM28)]

**Labour Market Statistics**
- [First release]
- [Regional First release]
- [Economic and Labour Market Review]

**Index of services**
- [First release]

**Household Final Consumption Expenditure**
- [Consumer Trends]

**GDP**
- [First release]

**Other ONS publications**
- [Annual Abstract of Statistics]
- [Monthly Digest]

**Non-ONS publications**
- [Bank of England (Bankstats)]
- [Eurostat - Retail Trade confidence indicator]
Respondent questionnaire and analysis

Over the survey periods June and July 2007, 20 per cent of the retail sales sample were sent a triennial review questionnaire. 800 were sent Version 1 and 200 (20%) Version 2. The following documentation provides analysis relating to the response rates and the relevant responses to the questions asked.

### Table 1: Triennial Review Version 1 Respondent Questionnaire response rates by Inquiry

<table>
<thead>
<tr>
<th>Inquiry</th>
<th>Selected</th>
<th>Responded</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales Inquiry</td>
<td>800</td>
<td>385</td>
<td>48.1%</td>
</tr>
<tr>
<td>Monthly Commodity Inquiry</td>
<td>25</td>
<td>6</td>
<td>24.0%</td>
</tr>
<tr>
<td>Retail Credit Inquiry</td>
<td>15</td>
<td>6</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

### Table 2: Triennial Review Version 2 Respondent Questionnaire response rates by Inquiry

<table>
<thead>
<tr>
<th>Inquiry</th>
<th>Selected</th>
<th>Responded</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales Inquiry</td>
<td>200</td>
<td>101</td>
<td>50.5%</td>
</tr>
<tr>
<td>Monthly Commodity Inquiry</td>
<td>25</td>
<td>10</td>
<td>40.0%</td>
</tr>
<tr>
<td>Retail Credit Inquiry</td>
<td>10</td>
<td>8</td>
<td>80.0%</td>
</tr>
</tbody>
</table>

### Version 2 Questionnaire Analysis

The longer questionnaire sought respondents' views on a range of subjects in conjunction with the monthly surveys.

**Question 10**  
Was your business able to provide all the data by the specified return date?  
79.4% of respondents had no difficulties meeting the deadline.

**Question 11**  
Why was your business unable to provide the data by the specified return date?  
54.5% of respondents noted that the data requested is only available after the specified return date, while 31.8% were too busy to meet the deadline.

**Question 12**  
When would your business be able to provide the data?  
Of the 54.5% of respondents who could not meet the specified date:  
38.5% said two weeks after the specified return date;  
30.8% said one month after the specified return date;  
19.2% said one week after the specified return date;
11.5% noted an alternative date.

Question 13  How helpful were the guidance notes?
73% of respondents noted that the guidance notes were helpful

Question 14  Were there any data asked for in the Inquiry questionnaire that your business does not usually collect for its own purposes?
76% of respondents said No
18% said Yes to some extent
6% said Yes to a large extent

Question 15  Did your business have any other difficulties providing the data asked for in the Inquiry questionnaire?
87% of respondents said No
Of those that said Yes, they encountered the following problems:
Employment and turnover data was not calculated by the same department and led to delays;
Books were not up-to-date;
On holiday, unable to meet deadline;
Temporary closure of business.
Key Users (both internal and external) were sent a questionnaire seeking their views on the Retail Sales Inquiry

Double click on the attachment to view a sample in pdf format

User Questionnaire - Version 1, sent to all Key Users  
User Questionnaire - Version 2, sent to press release attendees and media contacts

Selected list of Users sent a questionnaire
The Bank of England
HM Treasury
Department for Business, Enterprise and Regulation Reform
Gross Domestic product (Output) Branch
Household Final Consumption Expenditure Branch
Welsh Short Term Indicators Branch
Index of Services Branch
Scottish Executive
Eurostat
British Retail Consortium
APACs

Selected media organisations
Thomson News
Reuters
Dow Jones
The Guardian

Summary of feedback
Overall the feedback received from users rated the RSI as very relevant, accurate, timely and most users were satisfied with the format of data. There were mixed views on how easy it was to access the data, depending on the method in which it was obtained. The internet was noted as the least easy to access, while email was noted as the easiest option.

Requests from users received during the feedback process included:

- Internet sales data
- Chain-linked series
- Value seasonally adjusted data to become part of the First Release
- Weekly retail sales data
- Regional data
- A further commodity breakdown
- An earlier release date
Reference documents

Procedures for the
Control of Statistical Surveys
The Prime Ministers Office, 1999

Osmotherly Report
Statistical Surveys: Easing the Burden on Business
Office for National Statistics, 1996

National Statistics Code of Practice:
Protocol on Customer Service and User Consultation
The Stationery Office, 2004
ISBN 0-11-703389-8

Protocol on Managing Respondent Load
The Stationery Office, 2004
ISBN 0-11-703387-1

Protocol on Release Practices
The Stationery Office, 2002
ISBN 0-11-703078-3

UK SIC 2003
UK Standard Industrial Classification of Economic Activities 2003
The Stationery Office, 2002
ISBN 0-11-621641-7

Eurostat Euro-Indicators
Principal European Economic Indicators