



Office for
National Statistics
Swyddfa
Ystadegau Gwladol

Short-term statistics transformation: the business perspective

Office for National Statistics

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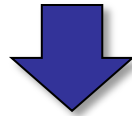
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Overview of ONS Transformation

What is transformation for ONS?

- Moving our surveys online
- Modernising systems and processes
- Increasing use of non-survey sources, reducing survey portfolio



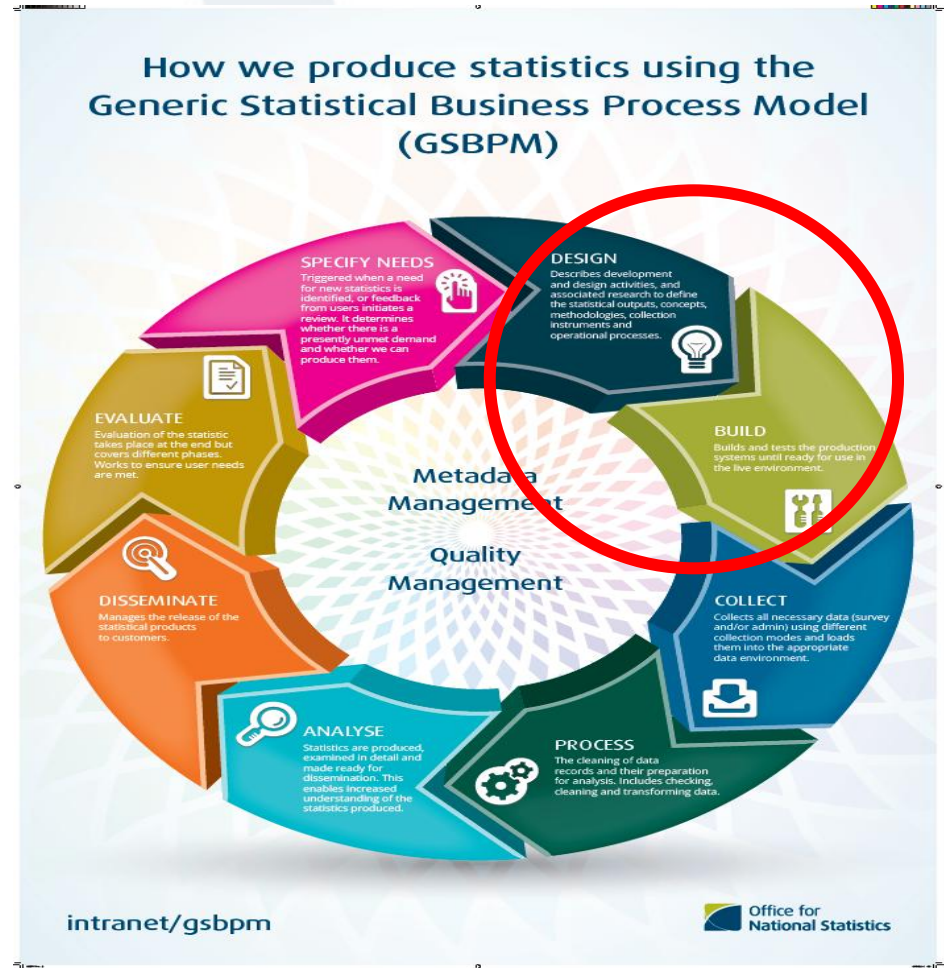
Why transform?

Reduce the cost of business data collection, and **integrate non-survey** sources with survey data to:

- **Reduce respondent burden**
- **Increase quality** (coverage, cohesion, timeliness and accuracy)
- **Better reflect user needs**
- **Flexibility to meet future opportunities**

'Distributive Trade' (DTrade) short-term output

- Retail, wholesale and motor trade sectors
- End-to-end review
- Change and innovation
- 'Agile'



Data collection research

Can businesses provide the data ONS / users need?



Method:

- 3 waves of feasibility research
- Sample and aims adapted over time
- 2 waves of cognitive interview/usability to test eQ
- 109 (so far) qualitative, in-depth interviews
- Thematic analysis to produce findings

'Total turnover' vs 'retail turnover'

Do businesses have secondary activities?

- Commonly, 'yes'
- In particular, crossover between:
 - retail (business-to-customer (B2C))
 - and
 - wholesale (business-to-business (B2B))

What does this mean for the data we're collecting?

Can retailers provide turnover excluding VAT?



	Can Include	Can Exclude
Motor Trade & Wholesale	✗	✓
Retail	✓	✓

But:

“From the moment every transaction goes through our system, we strip out VAT... so to include VAT.. [is]..a very big task. The only time we ever have to include VAT is for ONS...and it is a really time consuming process” (pharmacy)

And: Not all businesses know if figures include or exclude VAT

'Total turnover' vs 'retail turnover'

**For retailers, testing a change from....
one question: to two questions:**

For the period 12 February 2003 to 13 March 2003, what was the value of ESSENTIAL ENTERPRISE LTD.'s **total retail turnover?**

For the period 1 May 2016 to 31 May 2016, how much was ESSENTIAL ENTERPRISE LTD.'s **total turnover excluding VAT?**

How much were your **retail sales including VAT?**

Do businesses notice the switch in VAT instructions?
Do they provide different elements of turnover?

Coverage and economic ownership

From: Data should relate to all sites in England, Scotland and Wales.

W1:

- Provide figures based on UK economic ownership. This is the same method used when producing statutory accounts.
- The UK consists of England, Scotland, Wales and Northern Ireland, but excludes the Channel Islands and the Isle of Man.

W2: Report total turnover in accordance with the economic ownership principle, as in the named business's company accounts.

“The closer your questions get to statutory accounts the better.”

Internet sales

Retail: can provide figures. Tendency to refer to 'online' and 'retail' sales separately

"We have retail sales and online."

"It depends on what you define by retail. We sell online, so whether or not that's included in retail."

Wholesale: do internet sales, but don't play a major part

"the intention is for it to become the key source of parts ordering... down the line."

Motor Trade: can't use the internet to sell *"their type of product (ie. cars)."* Do use EDI.

Internet sales

'The goods and services are ordered over [the internet], but the payment and the ultimate delivery of the good or service may be conducted on or off-line.' (OECD, 2002)

Issues: orders made but payment not? In-store internet orders – by self or staff?

'Click and collect', 'reserve and pay in-store'? EDI?

Of the **£XXX** retail sales, how much were your **online sales including VAT?**

Include

- VAT
- sales of goods paid for online by the customer, irrespective of the delivery method

Exclude

- 'reserve and pay in store' orders

Retail:

Wholesale/

Motor Trade:

Q. Does your business make online sales to customers?

Calendar month reporting cycle

Retail: a mixed bag....

4-4-5, 5-4-4, 4-5-4, calendar month, or can provide for any period

Motor trade / Wholesale:
predominantly calendar month



Successes and challenges

What's going well

- Collaboration
- Ability to change direction
- Tangible product soon: end-to-end test with new methods (VAT data), eQ, systems, processes

A bit of a struggle....

- Move to 'new' vs 'discontinuities' (balancing risk)
- Changing direction
- Agile and qualitative research
- Recruiting businesses

Questions:

- How might an 'internet sale' best be defined for businesses?
- What geographical and/or economic ownership instructions could be used and why?
- How could we get continued business input in an agile, fast-paced delivery programme?
- Anything else?

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