

Timing of the Consumer Confidence and Household Inflation Expectations surveys

The consumer confidence index (CCI) and household inflation expectations results reflect the responses of a representative sample of adults in metro and other urban areas in South Africa.

These responses could be collected by different means, namely postal surveys, personal (face-to-face) face-to-face interviews, internet surveys, SMS surveys and telephone calls. Other countries use postal surveys, landline telephone calls or a combination of the two. In South Africa, the BER used postal surveys from 1975 until 1981 and personal interviews since 1982. Data collection through personal interviews is considered to be the best option for a country such as South Africa where part of the population does not have efficient postal services, access to landline telephones or is illiterate.

Until 2016, Nielsen, the reputable international market research firm, conducted the fieldwork on behalf of the BER. The interview method is much more expensive than postal surveys. To make it more affordable, Nielsen spreads the costs by combining the questions of their various clients (including the BER) into a single survey.

In 2016, the discontinuation of AMPS (the All Media Purposes Survey) the year before, the emergence and wider use of in-house data collection (e.g. through store loyalty cards) and the deterioration of the South African economy, reduced the demand for interview surveys to such an extent that Nielsen could no longer guarantee a monthly survey frequency. As a result, the BER started to also use two other reputable market research firms, Ipsos Markinor and TNS Kantar. Twice a year, these firms also offer syndicated interview surveys in South Africa. The results of the BER surveys remained comparable over time, as the different service providers apply the same method (in terms of sampling and interviewing technique). A disadvantage of this solution is that the BER could no longer ensure that the time between the consecutive surveys remain more or less the same and that the fieldwork falls exactly within the calendar quarter for which the survey data is required. The timing of the survey depends on how long it takes for a sufficient number of clients to request survey questions in order for the survey to become financially viable, as well as differences in the duration of the service providers' work processes.

Unfortunately, the demand for interview surveys deteriorated to such an extent of late that on occasion none of the service providers conducted one (e.g. in 2016Q3 and 2017Q3). To deal with such situations and find a sustainable solution for the future, the BER tested mobile telephone surveys as an alternative data collection method. Mobile phone ownership has become universal in South Africa. In the third and fourth quarters of 2016, we piloted a SMS survey. This was at great cost, but the results turned out to be unreliable and incomparable to the usual survey due to the unrepresentativeness of the respondents. This survey was skewed to younger, more affluent respondents in the metro areas. It also had a huge mode effect, i.e. the same respondent reply differently to a question received via SMS than s/he would when posed by an interviewer. Specifically, much more respondents than usual selected "improve", because it appeared first / at the top of their phone screens and many refrained from looking / scrolling down to "deteriorate" to save time.

The remaining options are an internet and mobile call surveys. In South Africa, an internet survey is not a preferable option, as it suffers from the same shortcomings than a SMS survey, namely the

respondents do not fairly represent all urban adults. Mobile call surveys have been used effectively in some advanced countries. In South Africa, the Institute of Race Relations employed this method fairly successfully in polling before the May 2019 election. However, in the past their prohibitive costs (almost two to three times as expensive as syndicated interview surveys) prevented the BER from testing this data collection method. However, we continue to investigate this option. If this option fails, the BER will – as was the case in 2017Q3 - be forced to impute a value for the survey quarter when none of the providers conduct a syndicated interview survey.

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