Swiss Consumer Sentiment Index - methodology

SECO, Short-Term Economic Analyses Unit

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1 Survey

The survey on consumer sentiment has been held four times a year since October 1972, namely every January, April, July and October. The fieldwork phase lasts three weeks. The target population consists of the inhabitants of Switzerland from an age of 16 years. Every quarter, the Swiss Federal Statistical Office (FSO) provides a corresponding random sample of some 3,300 individuals, stratified by language region. The individuals selected receive a corresponding notification letter. The survey is generally conducted by telephone (Computer Assisted Telephone Interview, CATI) in German, French or Italian.

However, those who do not have a telephone number in the FSO’s register are more difficult to contact. To reach the highest possible response rate in this subset of the sample, they are offered the option of participating online (Computer Assisted Web Interview, CAWI) and receive a reminder letter if they do not respond to the notification letter.

2 Calculating the indices

The survey comprises eleven questions on various aspects of economic development. A separate (sub-)index is calculated and published for each question, corresponding to the simple arithmetic mean of all answers multiplied by a factor of 100. The individual possible answers are given a numerical code as follows:

- Much better/higher: +2
- Better/higher: +1
- No change, don’t know: 0
- Worse/lower: -1
- Much worse/lower: -2

The potential values for each index thus range from +200 (were all respondents to answer “Much better/higher”) to -200 (were all respondents to answer “Much worse/lower”). Details on the coding are provided below. The consumer sentiment index is calculated as the mean of the following sub-indices:

- 1.2 Expected economic development
- 4.1 Past financial situation
- 4.2 Expected financial situation
- 5.2 Moment to make major purchases

In terms of its concept, therefore, the Swiss Consumer Sentiment Index is broadly compatible with the indices calculated by EU member states.¹

¹Before 2019 both in Switzerland and in the EU a different index was used that was based on sub-indices 1.2, 3.2 (prefixed with a minus sign), 4.2 and 5.3. See An evaluation of the European Commission’s concept of the consumer confidence index for Switzerland (WIFO, 2019) at https://www.seco.admin.ch/consumer-confidence and https://ec.europa.eu/info/files/revised-consumer-confidence-indicator_en.
3 Questionnaire

1.1 Past general economic situation

Question: How, in your view, has the general economic situation in Switzerland developed over the last 12 months? Has it...

Answers: significantly improved (+2) / marginally improved (+1) / remained virtually unchanged (0) / marginally deteriorated (-1) / significantly deteriorated (-2) / Don’t know (0)

1.2 Expected general economic situation

Question: How do you think the general economic situation will develop over the next 12 months? Will it...

Answers: significantly improve (+2) / marginally improve (+1) / remain virtually unchanged (0) / marginally deteriorate (-1) / significantly deteriorate (-2) / Don’t know (0)

2.1 Past price development

Question: How, in your view, have prices changed over the last 12 months? Have they...

Answers: risen sharply (+2) / risen slightly (+1) / remained virtually unchanged (0) / fallen slightly (-1) / fallen sharply (-2) / Don’t know (0)

2.2 Expected price development

Question: How, in your view, will prices change over the next 12 months? Will they...

Answers: rise sharply (+2) / rise slightly (+1) / remain virtually unchanged (0) / fall slightly (-1) / fall sharply (-2) / Don’t know (0)

3.1 Job security

Question: How, in your view, has job security evolved? Is there...

Answers: far less job security (-2) / marginally less job security (-1) / very little change (0) / somewhat more security (+1) / a lot more security (+2) / Don’t know (0)

3.2 Expected unemployment (since 2007)

Question: How do you expect the number of people unemployed in Switzerland to change over the next 12 months? The number will...

Answers: increase sharply (+2) / increase slightly (+1) / remain virtually unchanged (0) / fall slightly (-1) / fall sharply (-2) / Don’t know (0)

4.1 Past financial situation

Question: How, in your view, has your household’s financial situation changed over the last 12 months? Has it...

Answers: significantly improved (+2) / marginally improved (+1) / remained virtually unchanged (0) / marginally deteriorated (-1) / significantly deteriorated (-2) / Don’t know (0)

4.2 Expected financial situation

Question: How do you expect your household’s financial situation to change over the next 12 months? Will it...

Answers: significantly improve (+2) / marginally improve (+1) / remain virtually unchanged (0) / marginally deteriorate (-1) / significantly deteriorate (-2) / Don’t know (0)
5.1 Current situation in terms of saving/debt

Question: In the current economic situation, there are households that are able to put money aside, others that manage to make ends meet and others still who have no choice but to run up debts. How is it in your household?

Answers: We are running up debts (+2) / We sometimes have to draw on our savings (-1) / We just manage to make ends meet (0) / We are able to put some money aside (+1) / We are able to put quite a bit of money aside (+2) / Don’t know (0)

5.2 Moment to make major purchases

Question: Do you think that now is a good time to make major purchases (major household appliances, furniture, car, consumer electronics, etc.)?

Answers: Yes, now is a good time (+1) / Yes and no: there is no such thing as a right or a wrong time (0) / No, now is not the right time to make major purchases; it is better to put it off until a later date (-1) / Don’t know (0)

5.3 Expected situation in terms of saving/debt (since 2007)

Question: Over the next 12 months, how likely is it that you will save any money?

Answers: Very likely (+2) / Fairly likely (+1) / Not likely (-1) / Not at all likely (-2) / Don’t know (0)

Socio-demographic data

Information on respondents' age, gender, household circumstances, education, profession, language region and the size of the place of residence is also collected.

4 Seasonal adjustment

The consumer sentiment index has a clear seasonal pattern. As business cycle analysis typically abstracts from seasonal fluctuations, both for the consumer sentiment index and for the sub-indices seasonally and calendar adjusted data are published and commented. To this end, X-13ARIMA-SEATS is used. Adjusted as well as non-adjusted data are available on https://www.seco.admin.ch/consumer-confidence.

Inquiries:
Ronald Indergand, SECO, Head of Short-Term Economic Analyses, Economic Policy Directorate, tel.: +41 58 460 55 58, e-mail: conjoncture@seco.admin.ch