



Consumer Sentiment: Methodology

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1 Survey

Consumer sentiment data have been published monthly since February 2024. The survey has been conducted since 1972: once a quarter until 2023, and then continuously in a rolling cross section (RCS) design since 2024.² Every calendar week, an independent random sample of the Swiss population aged 16 and over is sent a letter to take part in the survey. If the selected persons fail to respond, they are sent a reminder letter a few weeks later. The survey is conducted online (Computer Assisted Web Interview, CAWI) in German, French or Italian. The results of the survey are published monthly at www.seco.admin.ch/consumer-confidence. The sampling, which is stratified according to major regions, is carried out by the Federal Statistical Office. In order to ensure a sufficient sample size in all major regions, a disproportionately large sample is drawn for the canton of Ticino (oversampling). Accordingly, design weights are used to calculate the results so that all major regions are included in the overall results according to their population size. The monthly consumer sentiment data have been available from January 2023.

2 Calculating the index

The survey comprises 14 questions on various aspects of economic development. Possible answers to the qualitative questions are coded as follows:

- Much better/higher: +2
- Better/higher: +1
- No change: 0
- Worse/lower: -1
- Much worse/lower: -2

A separate sub-index is calculated and published for each qualitative question, corresponding to the simple arithmetic mean of all answers multiplied by a factor of 100. The value range of each sub-index is therefore between +200 (were all respondents to answer 'significantly better / higher') and -200 (were all respondents to answer 'significantly worse / lower'), or between +100 and -100 for question 5.2, where there are only three possible answers. Details on the coding are provided below.

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² Prior to 2023, the survey was conducted quarterly in the first three weeks of each quarter, mainly by telephone. During a transition phase in 2023, both the quarterly survey according to the previous procedure and the RCS survey were conducted. For more information on RCS Design, see Lutz et al. (2024).

The consumer sentiment index is calculated as the mean of the following sub-indices and can assume values between -175 and +175:

- 1.2 Economic outlook for next year
- 4.1 Financial situation last year
- 4.2 Financial outlook for next year
- 5.2 Moment to make major purchases

Conceptually, the Swiss Consumer Sentiment Index is broadly compatible with the indices of the EU member states.³

3 Questionnaire

1.1 Past economic situation

Question: How has the «general economic situation» in our country changed over the last 12 months? It has...

Answers: significantly improved (+2) / marginally improved (+1) / remained virtually unchanged (0) / marginally deteriorated (-1) / significantly deteriorated (-2)

1.2 Economic outlook

Question: How do you expect the economy to perform over the next 12 months? It will...

Answers: significantly improve (+2) / marginally improve (+1) / remain virtually unchanged (0) / marginally deteriorate (-1) / significantly deteriorate (-2)

2.1 Past price situation

Question: How have prices evolved over the last 12 months? They have...

Answers: risen sharply (+2) / risen slightly (+1) / remained virtually unchanged (0) / fallen slightly (-1) / fallen sharply (-2)

2.2 Price outlook, 12 months

Question: What changes in prices do you expect over the next 12 months? Prices will...

Answers: rise sharply (+2) / rise slightly (+1) / remain virtually unchanged (0) / fall slightly (-1) / fall sharply (-2)

2.3 Price outlook, 5 years (since 2023)

Question: Now imagine the situation 5 years from now. What price situation do you expect in [current year +5] compared to the previous year [current year +4]? Prices will ...

Answers: rise sharply (+2) / rise slightly (+1) / remain virtually unchanged (0) / fall slightly (-1) / fall sharply (-2)

³ Before 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 Kaniowski et al. (2019).

3.1 Job security situation

Question: In your view, how has the job security situation evolved over the last 12 months? There has been ...

Answers: a lot more job security (+2) / somewhat more job security (+1) / very little change (0) / marginally less job security (-1) / far less job security (-2)

3.2 Unemployment outlook (since 2007)

Question: How do you expect unemployment to evolve over the next 12 months? Unemployment will...

Answers: fall sharply (-2) / fall slightly (-1) / remain virtually unchanged (0) / rise slightly (+1) / rise sharply (+2)

4.1 Past financial situation

Question: In your view, how has your household's financial situation changed over the last 12 months? It has...

Answers: significantly improved (+2) / marginally improved (+1) / remained virtually unchanged (0) / marginally deteriorated (-1) / significantly deteriorated (-2)

4.2 Financial outlook

Question: How do you expect your household's financial situation to change over the next 12 months? It will...

Answers: significantly improve (+2) / marginally improve (+1) / remain virtually unchanged (0) / marginally deteriorate (-1) / significantly deteriorate (-2)

5.1 Current savings / debt situation

Question: In the current economic situation, some households are able to put money aside, others can just about make ends meet on their income, and still others have to run up debts. What is the situation in your household?

Answers: I / We can set a lot of money aside (+2) / I / We can set a little money aside (+1) / I / We can just about make ends meet on my / our income (0) / I / We dip into our savings (-1) / I am / We are running up debts (-2)

5.2 Moment to make major purchases

Question: Do you think now is a good time to make major purchases (e.g. larger household appliances, furniture, etc.)?

Answers: Yes, now is a good time (+1) / Hard to tell: neither favourable nor unfavourable (0) / No, now is not the right time to make major purchases (-1)

5.2.1 Reasons for timing of major purchases

Question: You stated previously that now is [a good time] / [neither a favourable nor an unfavourable time] / [not the right time] to make major purchases. Why do you feel this way? Please

mention all of the reasons that spontaneously come to mind. There are no right or wrong answers, just your personal opinion.

Answers: Open question

5.3 Savings / debt outlook (since 2007)

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

Answer: Very likely (+2) / Fairly likely (+1) / Not likely (-1) / Not at all likely (-2)

5.4 Major purchases planned (since 2023)

Question: Do you intend to spend more or less money on major purchases (e.g. larger household appliances, furniture, etc.) over the next 12 months compared to the last 12 months? I intend to ...

Answers: spend a lot more (+2) / spend a little more (+1) / spend about the same (0) / spend a little less (-1) / spend a lot less (-2)

Socio-demographic data

In particular, information on respondents' age, gender, household structure, education, occupation and major region is also collected.

4 Quarterly time series from 1972

For the period from the 4th quarter of 1972 to the 4th quarter of 2022, the data are exclusively available on a quarterly frequency. To provide data users with the longest possible time series, we continued to produce quarterly time series even after we began publishing the survey at monthly intervals. The results of the first month of each quarter are used to extend the historical series, as the previous quarterly survey was also carried out in the first three weeks or so of each quarter.

The switch to monthly time series was accompanied by a change in the survey mode, from being conducted mainly by telephone to exclusively over the Internet. During a transitional phase in 2023, both surveys were conducted in parallel. As expected, there is a considerable difference in the scores of the two surveys. This corresponds to the observed differences between survey modes after the switch. Differences in the survey scores can be attributed to the effect of population differences or to mode effects (the method used to conduct the survey).⁴ For example, in surveys where an interviewer asks the questions aloud (on the telephone or in person), respondents tend to give more positive or socially desirable responses to sensitive questions, than when answering the same questions in writing. For economic monitoring, the general level of the resulting time series is of secondary importance. Rather, the primary objective is to identify trends in the observed indices over time.

The two surveys were conducted in parallel in 2023 to calculate the mean score differences between the historical and current sub-indices of consumer sentiment. In order to provide a long series without a level-shift, the historical data (4th quarter 1972 to 4th quarter 2023) were

⁴ See Marlar (2018).

adjusted accordingly to the scores of the new survey. This is a simple, straightforward procedure that has also been used in a similar manner for consumer sentiment data in Germany. No further correction is made, e.g. with regard to potential differences in variance, skewness or other characteristics of the data. The historical results without any adjustment are also available unchanged on the SECO website.

5 Seasonal adjustment

Certain sub-indices of the historical data on consumer sentiment show a seasonal pattern. As business cycle analysis typically abstracts from seasonal fluctuations, the quarterly series of the sub-indices and the consumer sentiment index from 1972 onwards are adjusted for calendar and seasonal effects. X-13ARIMA-SEATS is used for this purpose.

The monthly series, on the other hand, can only be seasonally adjusted if there is a sufficient number of observations. This is why, for the time being, monthly time series focus on comparisons with the previous year.

Literature

Kaniovski, S. et al. (2019). An Evaluation of the European Commission's Concept of the Consumer Confidence Index for Switzerland. Austrian Institute of Economic Research (WIFO).

Lutz, G. et al. (2024). Study to evaluate the future data compilation for the Swiss Consumer Sentiment Index. Grundlagen für die Wirtschaftspolitik Nr. 43. Staatssekretariat für Wirtschaft SECO, Bern, Schweiz.

Marlar, J. (2018). [Why Phone and Web Survey Results Aren't the Same](#).