The *Future of Business Survey* is a new source of information on small and medium-sized enterprises (SMEs). Launched in February 2016, the monthly survey – a partnership between the OECD, World Bank, and Facebook – provides a pulse on the current and future economic environments in which businesses operate, with the goal of informing decision-making at all levels and delivering insights that can help businesses grow. Given that it polls Facebook business Page owners (both newer and long-standing companies), the *Future of Business Survey* provides a unique window into the new digital and mobile economy.

A key attribute of the survey is its simplicity, ensuring a high response rate and a low response burden. In the first seven months since its launch, more than 90,000 SMEs on Facebook, across 22 countries, have responded to the online survey, and more countries will be added over time. The survey currently contains 15 questions but the flexibility of the survey allows new questions to be added quickly in response to emerging policy needs.

This report describes the methodology of the survey, including future plans, and provides a first view of the emerging results. To explore the aggregate level data and learn more about collaborating, visit [www.futureofbusinesssurvey.org](http://www.futureofbusinesssurvey.org).
HIGHLIGHTS

→ Businesses had a significantly more positive evaluation of the future (looking six months ahead) than of their current business situation in the reporting period (February–August 2016).

→ Respondents had a more positive evaluation (current and future) of their own businesses compared to their industry colleagues and the economy as a whole.

![Positive and negative business sentiment in %](image)

- BUSINESS CONFIDENCE
- INDUSTRY CONFIDENCE
- ECONOMIC CONFIDENCE

Notes: Responses are aggregated from February to August, and across all 22 countries.

→ The more positive a business’ outlook, the more likely the use of online tools.

→ The more developed the economy, the lower the challenges. Businesses in middle-income (MI) countries were more likely to report facing the following challenges compared to those in high-income (HI) countries:

- a. Developing new products/innovation (MI 43% | HI 28%)
- b. Finding/working with suppliers (MI 29% | HI 17%)
- c. Securing finance for expansion (MI 33% | HI 21%)
- d. Retaining/recruiting skilled employees (MI 34% | HI 23%).
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This report has been co-authored by a team including Molly Jackman, Andy Krasny, and Niamh Sweeney at Facebook; Nadim Ahmad and Mariarosa Lunati at the OECD; Timothy Herzog, Nona Karalashvili, and Joshua Wimpey at the World Bank; Ronan Lyons at Trinity College Dublin; and Axel Bichler and Martin Degen at FactWorks.

The report has also benefited from discussions and peer review from many teams within our respective organizations. Special thanks to Sally Aldous, Richard Allan, Lola Banos, Joe Benarroch, Rosa Birch, Elisabeth Diana, Lisa Foster, Leena Im, Martina McDonnell, Nicola Mendelsohn, Colin Neff, Jean Niehaus, Paula Palmans, Rob Sherman, Brian Thivierge, Ed Wong, and Daniel Youmans from Facebook; Roberto Astolfi, Michela Gamba, Emmanuelle Guidetti, Frédéric Parrot, Gueram Sargsyan, Simon Scott, Liliana Suchodolska and Joseph Winkelmann from the OECD; and Melissa Johns, Augusto Lopez-Claros, and Haishan Fu from the World Bank.

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We are grateful to the Global Partnership for Sustainable Development Data for bringing our three organizations together around the common goal of improving the availability and use of data for development.
Small and medium-sized enterprises (SMEs), usually defined as firms with fewer than 250 employees, typically represent more than 90 percent of businesses in all economies and often constitute a majority of employment in many countries worldwide (Entrepreneurship at a Glance 2016, OECD).

Policymakers, researchers and businesses share a common interest in the environment in which SMEs operate, as well as their outlook on the future, not least because young and innovative SMEs are often an important source of considerable economic and employment growth (Young SMEs, growth and job creation, OECD 2014). Better insights and timely information about newer and long-standing SMEs improve our understanding of economic trends, and can provide new insights that can further stimulate and help these businesses grow.

Although there is a wealth of information currently available that can help inform policymaking on SMEs, existing sources of data are typically not very timely and often only backward looking. For example, in most countries’ statistical offices, standard data collections measure and report activity (turnover, employment, value-added) some time after the reference period to which the data refer. A number of statistical offices and private or public organizations also collect information that looks ahead (typically referred to as business sentiment indicators), asking respondents to provide an assessment on the future outlook. However, they do not necessarily collect information on important characteristics of the firm (e.g., age, gender composition) or mechanisms/business models used by the firms: for example, whether they trade internationally or whether they capitalize on new innovations such as digitization.

To help provide these insights, Facebook, the OECD and the World Bank collaborate on a monthly survey that attempts to improve our understanding of SMEs in a timely and forward-looking manner. The three organizations share a desire to create new ways to hear from businesses and help them succeed in the evolving digitally-connected economy. The shared goal is to help policymakers, researchers, and businesses better understand business sentiment, and to leverage a digital platform to provide a unique source of information to complement existing indicators.

In addition, the survey attempts to demonstrate how new approaches to data collection and new kinds of partnerships can help address the demand for policy-relevant data, including under the UN’s Sustainable Development Goals, and fill data gaps across the world. The immediate contribution of this joint effort is threefold:

- Due to its frequency, geographic coverage, substantive breadth, and unique sample, the survey provides a new window into the sentiment of SMEs in many countries simultaneously – including both new and long standing enterprises.
- The survey demonstrates the potential of leveraging digital platforms as a vehicle to collect timely and cost-effective information of value to the research and policy communities.
- The target population includes all SMEs on Facebook. Responses from these businesses represent a perspective from newer and long-standing digitized businesses and provide a unique window into a new mobilized economy. The long-term goal is that the survey will uncover trends and insights about digitized businesses in order to foster global economic growth.

The initiative is relatively new. All parties are committed to applying extra rigour to interpret the provisional results, with the intention to gain insights and refine the survey as needed. The following should be considered when interpreting the results and analyzing the initial data:

- The survey focuses on digitized businesses (i.e., those with a Facebook Page). Therefore, the responses should not be interpreted as wholly representative of all SMEs.

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1 For instance, the European Union has implemented for statistical and legal purposes a definition of SMEs that sets an upper threshold of 249 employees; see Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, 2003/361/EC. In general, definitions about SMEs vary across countries reflecting differences in legal and administrative settings; see http://www.ifc.org/wps/wcm/connect/9ae1dd80495860d6a482b519583b6d16/MSME-CI-AnalysisNote.pdf?MOD=AJPERES.
While there are no early indicators of systematic response bias, more work is needed to evaluate the extent to which the sample represents the population of digitized SMEs.

Though more than 90,000 SMEs responded in the first seven months of the survey, when cutting the data by country and other demographics, cell counts can get small. Therefore, while our analysis highlights some early patterns of interest (e.g., changes in sentiment among traders and non-traders at a country level), more analysis and data is needed before drawing definitive conclusions.

As with any survey, responses may vary based on cultural context. We recommend that researchers focus on interpreting changes over time within countries, and exercise care when analyzing cross-country patterns.

To mitigate these concerns, in future work, we plan to increase the coverage of countries and improve the sampling of firms and aggregation of responses. Additionally, we will modify the questions to ensure we learn about relevant and current issues. The survey is intended to be flexible, allowing it to be adapted to respond to new emerging issues. More generally, we hope the Future of Business Survey can help reveal longitudinal insights and trends about our global economy, providing indicators related to international trade, digital inclusion, gender topics in the workplace, along with innovation, and promising industries.

As described above, the Future of Business Survey differs from existing survey collections of businesses, whether backward or forward looking. This reflects the broad range and nature of questions asked in the survey as well as the target population.

The target population consists of SMEs that have a Facebook Page. To date, more than 60 million SMEs have a Page (see Figure 2). With more businesses leveraging online tools each day, the survey provides a lens into an evolving mobilized, digital economy.

The businesses surveyed are both newer and long-standing businesses, spanning across a variety of sectors. Each business has turned online to share its products and reach customers around the world. The target population of businesses with online exposure is a relatively unmeasured community worthy of policy interest. All parties will apply extra rigor when extrapolating results to the entire population of businesses, given that the sample of businesses are already using digital tools.

In addition to shedding light on an important segment of digitized SMEs, the survey can easily be distributed at low cost to access large samples of businesses across countries. The initial survey covers 22 countries (see Figure 3). However it is our hope and intention to expand globally. To ensure high response rates, the Future of Business Survey is brief and includes a variety of questions related to important characteristics of the responding businesses. The Future of Business Survey provides the opportunity for rich analyses by researchers and policymakers on the roles SMEs play and the challenges they face.
SURVEY METHODOLOGY

The Future of Business Survey is an ongoing online survey, administered each month by German research company FactWorks (for the full questionnaire, see Annex 1). It was first launched in 17 countries in February 2016 and in May/June 2016 it was expanded to include 22 countries (Figure 3). Under the World Bank’s income classification, 13 of the selected countries are classified as “high-income” (these include most OECD member countries), while 9 countries are classified as “middle-income.”

Sample

The sample includes owners of Facebook SME Pages. Additionally, only Page owners over the age of 18 are surveyed.

A random sample of firms, representing the target population in each country, is selected to respond to an online survey each month. Annex 2 provides detailed information on sampling, as well as on the methods applied to mitigate potential biases. Note that at present no attempt is made to stratify respondents by certain characteristics in order to create a weighted estimate of the total economy. Future work will focus on generating the relevant weights (for example, industry of activity, trader/non-trader, employment size).

Outreach and content

Respondents are invited to the survey via email and offered to answer questions in their preferred language. The invitation makes it clear that responses will only be used for research purposes and that identifying information is removed. The survey is conducted in the second half of each month. Participants are asked to answer the survey within two weeks after the invitation, and a reminder is sent after one week.

In the first seven months of the survey, 92,818 businesses responded. The median number of monthly responses in each country was 474.
SPOTLIGHT ON BUSINESS SENTIMENT

A key set of questions included in the survey relates to business sentiment, and the approach used here builds on a strong legacy of business tendency surveys and indices, the best known of which are described in Annex 3. A diverse group of institutions, from national statistical offices via employers’ and trade associations to private consulting firms conduct a variety of these surveys. Researchers, policymakers and businesses use the results of these surveys to monitor the current business situation and forecast short-term developments.

The novelty in the Future of Business Survey in comparison to other existing surveys on business sentiment is that it reflects (1) the targeted population of SMEs with a digital (Facebook) presence, and (2) the ability to cross-tabulate responses to sentiment with other characteristics of the firm. These can be important correlates of confidence, including use of online tools, engagement in international trade, and gender composition of top management.

Business Confidence Indicator

Two questions are used to create a composite indicator, described here as a measure of business confidence:

1. How would you evaluate the current state of your business [positive, neutral, negative]?
2. What is your outlook for the next 6 months on your business [positive, neutral, negative]?

Business confidence levels are a composite of the two questions above and range from -100 (all negative) to +100 (all positive)

The business confidence levels are calculated for each country c in each month m as follows:

\[ BCI_{mc} = \sqrt{(Status\_Net\_Score\_{mc} + 200) \times (Outlook\_Net\_Score\_{mc} + 200) - 200} \]

Where:

\[ Status\_Net\_Score_{mc} = \%\text{positive about the current situation}_{mc} - \%\text{negative about the current situation}_{mc} \]

\[ Outlook\_Net\_Score_{mc} = \%\text{positive about the next 6 months}_{mc} - \%\text{negative about the next 6 months}_{mc} \]

A score of -100 therefore indicates that all respondents share a negative current and future economic outlook, while a value of +100 indicates the opposite.

This approach has a number of desirable properties, including stability and self-sufficiency. Combining sentiment about the current and future economic situation creates some resilience to short-term fluctuations, so the metric only responds to major events or sustained developments indicating actual trend changes. Additionally, the calculation of the Business Confidence Indicator (BCI) does not rely on additional sources of data. It is based only on responses to the Future of Business Survey that participants can provide without having significant economic expertise or conducting auxiliary research. The provisional results generated from the first seven months of data collection (covering February to August 2016) currently point to broad stability in confidence levels for all 22 countries, although with tentative signs of changes emerging in some countries (as described below). Aggregating the results over the first seven months points to substantial differences across regions: North America (49.1); Europe (39.1); Middle East/Africa (37.5); LATAM (31.6); and APAC (37.8). These differences partly reflect prevailing economic conditions. They are also likely the result of cultural differences, reinforcing the importance of looking at movements in individual countries over time to assess potential shifts in the economic cycle, such as turning points and slowdowns/upturns in economic growth.

With only seven months of data, it is premature to create strong messages on the state of the business cycle across different economies based on this new measure. That said, comparisons of estimates for business confidence levels with existing metrics such as the OECD’s Composite Leading Indicator and Business Tendency survey data as well as measures of economic activity more generally, are encouraging, indicating that the BCI may provide meaningful insights on the state of the economic cycle. A thorough assessment will ideally look at data over an entire economic cycle, and, as noted earlier, work will continue in forthcoming months as data collection progresses to further improve the quality, scope and coverage of the survey and indicators.

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5 The Ifo Business Climate Index is estimated using the same approach. See https://www.cesifo-group.de/ifoHome/facts/Survey-Results/Business-Climate/Calculating-the-Ifo-Business-Climate.html
WHO ARE THE RESPONDENTS?

The main characteristics of respondents aggregated across countries from February to August 2016 are the following:

- Most of the businesses represented are micro-businesses (i.e. businesses with fewer than 10 employees), with 72% of respondents saying that they employ fewer than five people.
- While most businesses surveyed are fairly young (47% between zero and three years of age), 27% of respondents represent established businesses existing for more than ten years.
- Looking at the gender groups in management, 32% of SMEs have mainly female-led management, 45% are mainly male-led and the remaining 23% show a balanced gender distribution. In four countries, women make up at least half of the persons in management positions: Australia (55%), Canada (53%), the US (53%), and the UK (51%).
- 17% of businesses surveyed engage in international trade. The top five countries in terms of the percentage of businesses engaged in international trade were Egypt (27%), Viet Nam (24%), Ireland (23%), Thailand (22%), and Poland (21%).
- The top three industries represented by respondents are: retail and wholesale; professional services; and restaurant/cafés or other food services.

Firmographics, aggregated across countries and months

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail or wholesale</td>
<td>18%</td>
</tr>
<tr>
<td>Professional services</td>
<td>9%</td>
</tr>
<tr>
<td>Restaurant/cafés or other food services</td>
<td>9%</td>
</tr>
<tr>
<td>Personal services</td>
<td>8%</td>
</tr>
<tr>
<td>Media, communication or information</td>
<td>7%</td>
</tr>
<tr>
<td>Arts, entertainment or recreation</td>
<td>7%</td>
</tr>
<tr>
<td>Construction or home repair</td>
<td>5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4%</td>
</tr>
<tr>
<td>Education</td>
<td>4%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>3%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>3%</td>
</tr>
<tr>
<td>Real estate</td>
<td>3%</td>
</tr>
<tr>
<td>Automotive repair or services</td>
<td>3%</td>
</tr>
<tr>
<td>Non-profit/charity organization</td>
<td>1%</td>
</tr>
<tr>
<td>Transportation or storage</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY SIZE</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just me</td>
<td>36%</td>
</tr>
<tr>
<td>2–4</td>
<td>35%</td>
</tr>
<tr>
<td>5–9</td>
<td>13%</td>
</tr>
<tr>
<td>10–19</td>
<td>7%</td>
</tr>
<tr>
<td>20–49</td>
<td>4%</td>
</tr>
<tr>
<td>50–249</td>
<td>3%</td>
</tr>
<tr>
<td>250+</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MANAGEMENT GENDER7</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainly female</td>
<td>32%</td>
</tr>
<tr>
<td>Mainly male</td>
<td>45%</td>
</tr>
<tr>
<td>Balanced</td>
<td>23%</td>
</tr>
</tbody>
</table>

1 Due to changes to the questionnaire, industry results are based on August data only; company size results are based on July/August data only.
2 The threshold for defining a female/male-led management is set as follows: if at least 65% of the top management are female/male, the SME is categorized as female/male-led. The remaining groups is considered as balanced.
CURRENT AND FUTURE OUTLOOK
FOR THE BUSINESS

Across all countries and survey months, businesses had a significantly more positive evaluation of the future (looking six months ahead) than of their current business situation in the reporting period.

In general, respondents had a more positive evaluation (current and future) of their own businesses compared to assessments of their industry colleagues and the economy as a whole, possibly reflecting the coverage of companies in the survey (digitized) and their higher perceived growth prospects.

→ Latin America: In Argentina and Brazil, the assessment of the current (reporting) period mirrored the general slowdown in both economies, but for Brazil in particular there has been a marked and steady upward shift in positive sentiment on the future outlook since February. In Colombia, sentiment has remained strongly positive both in relation to the current and the future outlook.

→ Asia Pacific: Sentiment in the reporting period and looking ahead was low and relatively stable in Japan and Thailand, which may, at least in part, reflect cultural response bias (i.e. norms around expressing positivity), and the care needed in comparing levels across countries. In other Asian economies including India, Indonesia and Viet Nam, current and future assessments were strongly positive from February to August.

→ Middle East and Africa: Assessments were also positive in Egypt, albeit less so than in other countries. Tentative signs emerged in July of a potential moderation in growth when looking ahead, with the net balance between positive and negative assessments falling 9 percentage points between June and August. In contrast, the net balance on the current reporting period increased by 7 percentage points in South Africa between May and August (15 percentage points between July and August), and the six month outlook remained strongly positive. This huge increase may be partly due to the 2016 municipal election outcome in August 2016 (e.g., http://www.fin24.com/Economy/markets-react-positively-to-sa-election-outcome-analysts-20160807)

→ North America: Sentiment was strongly positive in North America, in both the current and future periods, but tentative signals emerged in July pointing to a potential moderation in the United States.

Business Confidence Indicator

FIGURE 5

[Graph showing business confidence indicator for various countries, with data points for July and August 2016.]
CURRENT AND FUTURE OUTLOOK FOR THE BUSINESS: SPOTLIGHT ON EUROPE

Within Europe, evaluations of the future outlook have remained relatively positive (when compared to some other regions, notably South America, Asia and Africa) and stable throughout the February–August period.

Significant differences do exist within Europe. Spain and Italy show a less positive outlook while Ireland shows a very positive outlook. These trends reflect in large part the state of each economy and, in particular, the divergent post Euro-crisis recovery in Italy and Spain compared to Ireland.

A look at all respondents points to limited evidence of a strong change in sentiment post the UK referendum on EU membership (Figure 6). However, these effects did not persist in August, indicating that the negative “Brexit shock” so far only had short-term effects on the sentiments of SMEs in Europe. This is in line with other indicators – especially for the UK – also showing a decline in July followed by a recovery in August (e.g., UK Manufacturing PMI: http://www.tradingeconomics.com/united-kingdom/manufacturing-pmi or UK Services PMI: http://www.tradingeconomics.co.uk/united-kingdom/services-pmi).

These data are preliminary and should be interpreted with care, particularly given the relatively small sample size obtained when examining results disaggregated by country and firm characteristics (e.g., traders v. non-traders). By aggregating more data in the future, deeper analyses – for example, looking at specific differences between exporters and importers – should become feasible.
Positive assessment of future outlook

% of all respondents by trading status

CHALLENGES TO BUSINESSES

The most common challenges for businesses are attracting customers (77%), increasing revenue (60%), and maintaining profitability (49%). These concerns were fairly uniformly expressed by businesses in both middle- and high-income countries.

Beyond these ubiquitous concerns, interesting differences emerge between businesses in the high-income and middle-income countries (Table 1). Businesses challenges in middle-income countries were rated as more prominent than in high-income countries.

SME challenges by income category

<table>
<thead>
<tr>
<th></th>
<th>High-income</th>
<th>Middle-income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting customers</td>
<td>77%</td>
<td>78%</td>
</tr>
<tr>
<td>Increasing revenue</td>
<td>59%</td>
<td>61%</td>
</tr>
<tr>
<td>Maintaining profitability</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>Uncertainty over economic conditions</td>
<td>32%</td>
<td>40%</td>
</tr>
<tr>
<td>Developing new products/innovation</td>
<td>28%</td>
<td>43%</td>
</tr>
<tr>
<td>Retaining/recruiting skilled employees</td>
<td>23%</td>
<td>34%</td>
</tr>
<tr>
<td>Securing financing for expansion</td>
<td>21%</td>
<td>33%</td>
</tr>
<tr>
<td>Securing financing for business as usual</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>Tax laws and rules</td>
<td>21%</td>
<td>23%</td>
</tr>
<tr>
<td>Finding/working with suppliers</td>
<td>17%</td>
<td>29%</td>
</tr>
<tr>
<td>Other government regulations</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>Regulatory and other barriers to exports</td>
<td>5%</td>
<td>10%</td>
</tr>
</tbody>
</table>

All differences are significant at the 95%-level.
The discrepancies between business in high- and middle-income countries were greatest when it came to challenges in:

- Developing new products/innovation (15 percentage points higher in middle-income countries).
- Finding/working with suppliers (12 percentage points higher in middle-income countries).
- Securing finance for expansion (12 percentage points higher in middle-income countries).
- Retaining/recruiting skilled employees (11 percentage points higher in middle-income countries).

Additionally, confident businesses face different challenges than less confident ones, as shown in Figure 8.

<table>
<thead>
<tr>
<th>Confidence and challenges</th>
<th>FIGURE 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting customers</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Increasing revenue</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Maintaining profitability</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Uncertainty over economic conditions</td>
<td><img src="chart.png" alt="Bar chart" /></td>
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<tr>
<td>Developing new products/innovation</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Retaining/recruiting skilled employees</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Securing finance for expansion</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Securing finance for business as usual</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Taxes and rules</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Finding/working with suppliers</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Other government regulations (e.g., compliance, technical regulation, patents, reporting)</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
<tr>
<td>Regulatory and other barriers to exports</td>
<td><img src="chart.png" alt="Bar chart" /></td>
</tr>
</tbody>
</table>

Note: Confident businesses are those that evaluated their current and future outlook as positive. Unconfident businesses are those that evaluated their current and future outlook as negative. Responses are aggregated from February to August, and across all 22 countries.

Particularly, confident businesses were more likely to regard challenges as solvable by themselves, while less confident businesses are concerned about uncertainty in their environment. The greatest discrepancies to emerge between groups (all differences significant at the 95%-level) include:

- Compared to confident businesses, unconfident businesses are 33 percentage points more likely to regard uncertainty over economic conditions as a challenge (22% v. 55%).
- Confident businesses are 12 percentage points more likely than unconfident businesses to regard retaining and recruiting skilled employees as a challenge (33% v. 21%).
- Confident businesses are 9 percentage points more likely than unconfident businesses to say that developing new products and innovation is a challenge (36% v. 27%).
BUSINESS TACTICS – USE OF ONLINE TOOLS

SMEs were asked to report their use of online tools, including (1) showing products and services; (2) providing information; (3) advertising to potential customers; (4) communicating with customers or suppliers; (5) selling products/services, and (6) managing internal business processes. Though we expect the respondents to be more tech-savvy than the broader population of SMEs based on the nature of the sample (i.e., SMEs on Facebook), notable patterns include (Figure 9):

→ Confident businesses generally use online tools for more purposes (5.1 compared to 4.6, difference significant at the 95%-level).
→ 75% of respondents use online tools or platforms for at least 5 out of 6 purposes listed.8
→ In two countries – France and Japan – the average business used online tools or platforms for 4 purposes. In the remaining 20 countries, the average was 5.
→ The most common uses were showing products or services (92%) and providing information (90%).
→ Businesses were least likely to use online tools to manage internal business processes (57%).
→ In three countries, Indonesia (96%), Brazil (95%) and Spain (95%) almost all businesses say they use online tools to show products/services – the highest rate of use for any tool in any markets.

The largest discrepancy between confident and unconfident businesses was in their use of online tools for internal management: confident businesses were 15 percentage points more likely to use online tools in this context than unconfident businesses (difference significant at the 95%-level).

Note: Confident businesses are those that evaluated their current and future outlook as positive. Unconfident businesses are those that evaluated their current and future outlook as negative. Responses are aggregated from February to August, and across all 22 countries.

8 Relative to the economy as a whole, this estimate is likely to be upwards biased since the sample only includes businesses with a Facebook Page.
LESSONS AND DIRECTIONS FOR FUTURE RESEARCH

The Future of Business Survey is a new source of information to help businesses learn from one another and to provide new insights to researchers and policymakers about the global economy.

The survey leverages a technology platform as a vehicle for firm-level data collection. The resulting data can facilitate greater understanding of the economic environment in which businesses operate and provide insights that inform decision-making at all levels.

Additionally, the Future of Business Survey demonstrates the power of public-private partnerships in generating data that are informative, timely, potentially global and comparable across countries and regions.

This particular survey reflects only a hint of the type of powerful information that similar partnerships and methodologies can deliver in the future. A key goal going forward will be to improve our collective ability to provide and comment on longitudinal insights.

As highlighted above, part of the evolving nature of the initiative will be to continue to work towards an understanding of how our respondents are representative of SMEs on Facebook and within each country. This will help to determine how to evaluate biases (compared to the national picture and over time) and if weights can be applied to address them (for example by industry and trading status). In many countries, particularly the developed, such weights are available. Generating weights for developing economies will require collaboration and capacity-building programmes in those countries. It is hoped that initiatives such as this one may help to increase momentum to develop this necessary suite of indicators (important in their own right for developing, for example, good quality estimates of a country’s GDP).

Additionally, we plan to expand the scope of the survey. Currently, the survey includes 22 countries, all middle- and high-income, according to World Bank classifications. Our goal is to provide timely and helpful information with as global a coverage as possible – and we intend to scale the survey to new markets in service of this objective.

In 2014, UN Secretary General Ban Ki-moon called for a “data revolution,” recognizing that achievement of the Sustainable Development Goals would require not only more complete and timely data, but also a wholesale change in how we produce, apply and think about data use. Organizations such as the OECD, the World Bank and in-country national statistical offices are looking at how technologies can provide better ways of producing statistics. Data gaps will increasingly be filled with information from a wide spectrum of tools ranging from traditional methods like face-to-face surveys, to crowd sourcing, to search engine aggregate intent data.

Online surveys may enable accurate measurement of issues that are elusive yet fundamental to economic development. As internet access expands around the globe and more transactions of all types move into the online space, statistical approaches will need to adapt as well. This creates both a challenge and an opportunity.

Evaluating business confidence levels can provide the basis for improvements to many statistical indicators relevant to economic development. As noted in the UN Data Revolution Report, there is substantial need for improved data collection methods to collect beneficiary feedback, assess quality of delivery of public services such as water, electricity, health and education, and better understand interactions between businesses and regulatory agencies.

Detailed, accurate and timely information about fundamental issues such as citizens’ ability to participate in governance, their experience of corruption, or individuals’ quality of life in general are now put within reach. In crisis situations such as natural disasters, epidemics, and humanitarian relief efforts, we need systems that can gather vital data quickly to direct resources where they are most needed.

The UN Data Revolution Report includes many examples of how technology is helping to fill data gaps. The Future of Business Survey provides another example of how, through social media, we can move toward a more complete set of global indicators. With better insights, we will improve our understanding of economic trends, improve development outcomes, and inspire new ways to help all businesses grow in the new mobilized economy.

Future of Business Survey

Aggregated responses from the Future of Business Survey are available at www.futureofbusinesssurvey.org.

We value all feedback and welcome suggestions for collaborations. Please contact feedback@futureofbusinesssurvey.org for suggestions or information in general.

ANNEX 1: QUESTIONNAIRE

**ASK ALL:**

**Q0.** Which language would you prefer for the survey? Please select one.

- r1. DEFAULT LANGUAGE FOR COUNTRY MOVED TO TOP
- r2. English
- r3. French
- r4. German
- r5. Hindi
- r6. Indonesian
- r7. Italian
- r8. Polish
- r9. Portuguese
- r10. Spanish
- r11. Thai
- r12. Vietnamese
- r13. Afrikaans
- r14. Hebrew
- r15. Arabic
- r16. Japanese

Thank you for participating in this survey. It will take about 5 minutes to complete. Please remember there are no right or wrong answers, it’s your opinion that counts.

For Q1, Q2, Q3, Q4 respondents are randomly assigned to either standard order or reverse order of responses (for each respondent, the order remains consistent across questions).

**ASK ALL:**

**Q1.** How would you evaluate the current state of ...

Please select one answer in each row.

<table>
<thead>
<tr>
<th></th>
<th>r1. Positive</th>
<th>r2. Neutral</th>
<th>r3. Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>r1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>r2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>r3.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ASK ALL:**

**Q2.** What is your outlook for the next 6 months on ...

Please select one answer in each row.

<table>
<thead>
<tr>
<th></th>
<th>r1. Positive</th>
<th>r2. Neutral</th>
<th>r3. Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>r1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>r2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>r3.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ASK ALL:**

**Q3.** How did the number of employees in your business change in the last 6 months? Please select one.

<table>
<thead>
<tr>
<th></th>
<th>r1. Increase</th>
<th>r2. No change</th>
<th>r3. Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>r1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>r2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>r3.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ASk all:

Q4. And how do you expect the number of employees in your business to change in the next 6 months? Please select one.

r1. Increase
r2. No change
r3. Decrease

Ask all, randomize item order:

Q5. What are the most important challenges your business currently faces? Please select all that apply.

r1. Attracting customers
r2. Maintaining profitability
r3. Uncertainty over economic conditions
r4. Retaining/recruiting skilled employees
r5. Developing new products/innovation
r6. Finding/working with suppliers
r7. Securing financing for business as usual
r8. Securing financing for expansion
r9. Regulatory and other barriers to exports
r10. Other government regulations (e.g., compliance, technical regulation, patents, reporting)
r11. Tax laws and rules
r12. Increasing revenue
r98. Other, specify: (OPEN, ALWAYS AT END)

Now we’d like to ask a few questions for classification purposes.

Ask until wave 5 (Jun 16):

Q7. How many employees are there in your business? Please select one.

r1. Just me
r2. 2–3
r3. 4–10
r4. 11–50+
r5. > 50
r99. Don’t know/prefer not to say
**Future of Business Survey**

**ASK STARTING IN WAVE 6 (JUL 16):**

**Q7. How many employees are there in your business?**

- r10: Just me
- r11: 2–4
- r12: 5–9
- r13: 10–19
- r14: 20–49
- r15: 50–249
- r16: 250+
- r99: Don’t know/prefer not to say

For Q8, Q8b and Q8c in wave 6 (Jul 16), randomly assign English-language respondents (Q0=r1 in US/CA/GB/IN/AU/IE or Q0=r2 in other countries) to one of these questions.

**ASK UNTIL WAVE 5 (JUN 16), ASK NON-ENGLISH-LANGUAGE RESPONDENTS IN WAVE 6, AND ASK ENGLISH-LANGUAGE RESPONDENTS ASSIGNED IN WAVE 6; RANDOMIZE ITEM ORDER:**

**Q8. Which of the following industries best categorizes your business? Please select one.**

- r1: Manufacturing
- r2: Construction
- r3: Wholesale and retail trade; repair of motor vehicles and motorcycles
- r4: Transportation and storage
- r5: Accommodation and food service activities
- r6: Information and communication
- r7: Financial and insurance activities
- r8: Real estate activities
- r9: Professional, scientific and technical activities
- r10: Administrative and support service activities
- r11: Education
- r12: Human health and social work activities
- r13: Arts, entertainment and recreation
- r14: Agriculture, forestry and fishing
- r15: Mining and quarrying
- r16: Electricity, gas, steam and air conditioning supply
- r17: Water supply, sewerage, waste management and remediation activities
- r18: Public administration and defense; compulsory social security
- r98: Other, specify (OPEN, ALWAYS AT END)
**ASK STARTING IN WAVE 7 (AUG 16), AND ASK ENGLISH-LANGUAGE RESPONDENTS ASSIGNED IN WAVE 6; RANDOMIZE ITEM ORDER:**

Q8b. Which of the following industries best categorizes your business? Please select one. You can hover your mouse over each item/tap on an item to find a more detailed description.

- **r1. Manufacturing**
  Food processing, printing, production of household goods or clothes, chemical industry, repair of industrial machinery (TOOLTIP)

- **r2. Construction or home repair**
  Property development, construction or demolition of buildings or infrastructure, building completion (painting, plumbing, etc.) (TOOLTIP)

- **r3. Retail or wholesale (incl. online shops)**
  Sales agents, second-hand car sales, wholesale or retail stores, stalls or markets, trade over the internet (TOOLTIP)

- **r4. Automotive repair or services**
  Repairs of cars, trucks, motorcycles or parts; washing, spraying or painting (TOOLTIP)

- **r5. Accommodation (e.g., hotels, camping grounds)**
  Some more examples include: student residences, any other short-term accommodation (TOOLTIP)

- **r6. Restaurant/café or other food services**
  Some more examples include: take-away or street food, event catering, bars (TOOLTIP)

- **r7. Media, communication or information (e.g., broadcasting, telecoms, computer programming)**
  Some more examples include: publishing, film or music recording or production, cinemas, news agencies, IT services, data hosting, web portals (TOOLTIP)

- **r8. Professional services (e.g., financial services, consulting, travel agents, business services)**
  Some more examples include: insurance, advertising, translation, photography, architecture, research, leasing of goods and motor vehicles, security services, cleaning, administrative services, organization of events (TOOLTIP)

- **r9. Real estate (e.g., brokerage, leasing, management)**
  Estate agents, leasing of buildings or permanent accommodation, management of buildings (TOOLTIP)

- **r10. Education (e.g., schools, tutoring, driving school)**
  Some more examples include: adult education, sport or cultural education (TOOLTIP)

- **r11. Healthcare (e.g., dentist, senior care)**
  Some more examples include: medical care practices, therapy, mental health, child daycare, social work (TOOLTIP)

- **r12. Personal services (e.g., beauty and wellness, repair of household goods)**
  Some more examples include: computer repair, funerals, pet care, textile cleaning, dating services (TOOLTIP)

- **r13. Arts, entertainment or recreation (e.g., museum, creative arts, sports club)**
  Some more examples include: performing arts, libraries, gambling or betting, recreation parks (TOOLTIP)

- **r14. Transportation or storage (e.g., taxi, warehousing)**
  Some more examples include: passenger transport (rail, ferry, etc.), freight transport, removal services, home delivery services, cargo handling (TOOLTIP)

- **r15. Non-profit/charity organization**
  Fixed position (ALWAYS AT END)

- **r16. Other, specify: (OPEN, ALWAYS AT END)**
  E.g., agriculture, forestry and fishing; mining and quarrying; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities; public administration and defense; compulsory social security (TOOLTIP)
ASK ENGLISH-LANGUAGE RESPONDENTS
ASSIGNED IN WAVE 6;
RANDOMIZE ITEM ORDER:
Q8c. Which of the following industries best describe your business? Please select one.
   r1. Manufacturing
   r2. Retail/wholesale
   r3. Construction
   r4. Hotel or restaurant
   r5. Services
   r6. Non-profit/charity organization (ALWAYS AT END)
   r7. Other, specify: (OPEN, ALWAYS AT END)

ASK ALL EXCEPT SOLE PROPRIETORS
(Q7≠r1, r10):
Q9. Which of the following best describes your position in the company you work for? Please select one.
   r1. Owner or Partner
   r2. Management
   r3. Employee
   r4. Other
   r99. Prefer not to say

ASK SOLE PROPRIETORS
(Q7=r1, r10):
Q11. What is your gender? Please select one.
   r1. Male
   r2. Female
   r3. Prefer not to say

ASK ALL EXCEPT SOLE PROPRIETORS
(Q7≠r1, r10):
Q12. How many people are in the top management of your company (i.e. make final decisions for the business)? Please enter your best estimate.
   r1. Men: (OPEN, CANNOT BE 0 IF r2=0)
   r2. Women: (OPEN, CANNOT BE 0 IF r1=0)
   r3. Don't know/prefer not to say (EXCLUSIVE)

ASK ALL:
Q10. How old is your company? Please select one.
   r1. Less than 1 year
   r2. 1–3 years
   r3. 4–5 years
   r4. 6–10 years
   r5. More than 10 years
   r99. Don't know/prefer not to say

ASK EXPORTERS
(Q13=r1,r3):
Q14. What proportion of your revenue do international exports account for? Please select one.
   r1. Less than 25%
   r2. 25% to 49%
   r3. 50% to 74%
   r4. 75% or more
   r99. Don't know/prefer not to say
WAVE 6: ASK FOR ENGLISH-LANGUAGE RESPONDENTS ONLY, WAVE 7 (AUG 16): ASK ALL

Q16. How much of your personal income does your business represent? Please select one.

r1. This business doesn’t contribute to my personal income

r2. I make a little/some money with this business

r3. A substantial part of my income is based on this business

r4. All my income is based on this business

r99. Prefer not to say

ASK FIRST 50 RESPONDENTS WHO COMPLETE THE SURVEY IN EACH NEW WAVE:

Q15. We always strive to make our surveys easily understandable and interesting. Please do not hesitate to let us know your comments or suggestions on this survey. Please be as specific as possible.

r1. (OPEN, OPTIONAL)

Thank you very much for participating in our survey. Your opinions are very valuable and we appreciate you sharing them with us.
The survey sample was drawn from the Facebook Page owner database independently in each of the 22 countries, based on a simple random sample. Although the survey has been designed to be as simple as possible in construction, to avoid imposing a response burden on firms, respondents are invited to the survey only once per year.  

The target base sizes are around 400 respondents per month and country (300 respondents in South Africa, 200 respondents in Ireland and Israel), depending on the available population of Facebook Page owners in each country. For the first month a response rate of 1% was assumed, which resulted in an unexpectedly high number of respondents (28,682 respondents) due to higher actual response rates. For each subsequent month sample sizes were reduced stepwise to account for these higher response rates. A total of 92,818 respondents answered the survey in the first seven months of the SME survey (Table 2).

Response rates for each country and month are reported in Table 2. Response rates are calculated as the number of respondents who completed the survey divided by the total number of SMEs invited. The response rates range from 2.1% (India) to 7% (Spain).

Response rates to online surveys vary widely depending on a number of factors including survey length, region, strength of the relationship with invitees, incentive mechanisms, invite copy, interest of respondents in the topic and survey design. While these response rates may seem low, they are actually quite high for B2B surveys (indeed, we anticipated response rates around 2%, and it would not be unusual to obtain a response rate of 1%).

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10 A promising area for future research is to explore the feasibility of creating partial matched samples of firms over a two-month period to improve the quality of longitudinal analyses and messages. Additionally, we will explore the possibility of larger sample sizes, and follow-up surveys or modules for firms with certain characteristics (e.g., trading firms).  
11 Some very basic cleaning rules were applied before being counted as a valid respondent (e.g., respondents completing the survey in under 90 seconds were cleaned-out). The cleaning rules usually led to the exclusion of 1-2% of respondents (with the exception of Indonesia, where 4% of respondents were excluded).  
## Respondents per month and response rates

<table>
<thead>
<tr>
<th>Country</th>
<th>Feb 16</th>
<th>Mar 16</th>
<th>Apr 16</th>
<th>May 16</th>
<th>Jun 16</th>
<th>Jul 16</th>
<th>Aug 16</th>
<th>Response rate averages (lowest–highest/month)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>28682</td>
<td>17185</td>
<td>8110</td>
<td>8731</td>
<td>10596</td>
<td>9469</td>
<td>10045</td>
<td>3.8% (3.2%–4.3%)</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>1341</td>
<td>1053</td>
<td>489</td>
<td>466</td>
<td>454</td>
<td>395</td>
<td>555</td>
<td>3.1% (2.6%–3.4%)</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>1767</td>
<td>1399</td>
<td>433</td>
<td>412</td>
<td>411</td>
<td>469</td>
<td>474</td>
<td>4.3% (4.0%–4.7%)</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>2099</td>
<td>998</td>
<td>482</td>
<td>420</td>
<td>419</td>
<td>461</td>
<td>436</td>
<td>4.9% (4.1%–5.4%)</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>1849</td>
<td>1185</td>
<td>527</td>
<td>451</td>
<td>469</td>
<td>450</td>
<td>473</td>
<td>4.3% (3.7%–4.8%)</td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>3067</td>
<td>1260</td>
<td>455</td>
<td>419</td>
<td>414</td>
<td>442</td>
<td>519</td>
<td>7.0% (6.4%–7.7%)</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>2006</td>
<td>854</td>
<td>511</td>
<td>433</td>
<td>430</td>
<td>417</td>
<td>530</td>
<td>4.4% (3.9%–5.1%)</td>
</tr>
<tr>
<td><strong>UK</strong></td>
<td>1413</td>
<td>1095</td>
<td>440</td>
<td>439</td>
<td>376</td>
<td>453</td>
<td>448</td>
<td>3.2% (2.5%–3.6%)</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>941</td>
<td>746</td>
<td>446</td>
<td>424</td>
<td>344</td>
<td>506</td>
<td>449</td>
<td>2.9% (2.4%–3.4%)</td>
</tr>
<tr>
<td><strong>Brazil</strong></td>
<td>1622</td>
<td>984</td>
<td>490</td>
<td>461</td>
<td>466</td>
<td>455</td>
<td>493</td>
<td>3.9% (3.7%–4.1%)</td>
</tr>
<tr>
<td><strong>Mexico</strong></td>
<td>2159</td>
<td>1112</td>
<td>500</td>
<td>462</td>
<td>461</td>
<td>481</td>
<td>517</td>
<td>4.8% (4.5%–5.4%)</td>
</tr>
<tr>
<td><strong>Argentina</strong></td>
<td>2230</td>
<td>947</td>
<td>518</td>
<td>489</td>
<td>468</td>
<td>474</td>
<td>507</td>
<td>5.4% (5.1%–5.8%)</td>
</tr>
<tr>
<td><strong>Colombia</strong></td>
<td>2507</td>
<td>1303</td>
<td>519</td>
<td>491</td>
<td>436</td>
<td>529</td>
<td>469</td>
<td>5.9% (5.3%–6.4%)</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>897</td>
<td>428</td>
<td>571</td>
<td>528</td>
<td>533</td>
<td>449</td>
<td>482</td>
<td>2.1% (1.9%–2.4%)</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td>1597</td>
<td>1182</td>
<td>455</td>
<td>446</td>
<td>410</td>
<td>490</td>
<td>464</td>
<td>3.7% (3.4%–4.0%)</td>
</tr>
<tr>
<td><strong>Indonesia</strong></td>
<td>964</td>
<td>912</td>
<td>416</td>
<td>396</td>
<td>384</td>
<td>417</td>
<td>511</td>
<td>2.3% (2.0%–2.6%)</td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>1216</td>
<td>981</td>
<td>442</td>
<td>415</td>
<td>497</td>
<td>385</td>
<td>456</td>
<td>2.8% (2.4%–3.1%)</td>
</tr>
<tr>
<td><strong>Viet Nam</strong></td>
<td>1007</td>
<td>746</td>
<td>416</td>
<td>433</td>
<td>440</td>
<td>437</td>
<td>465</td>
<td>2.5% (2.2%–2.6%)</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td>536</td>
<td>518</td>
<td>360</td>
<td>296</td>
<td>536</td>
<td>518</td>
<td>360</td>
<td>4.8% (4.1%–5.2%)</td>
</tr>
<tr>
<td><strong>South Africa</strong></td>
<td>610</td>
<td>658</td>
<td>348</td>
<td>396</td>
<td>610</td>
<td>658</td>
<td>348</td>
<td>4.1% (3.9%–4.2%)</td>
</tr>
<tr>
<td><strong>Israel</strong></td>
<td>544</td>
<td>254</td>
<td>233</td>
<td>233</td>
<td>544</td>
<td>254</td>
<td>233</td>
<td>5.7% (5.6%–6.0%)</td>
</tr>
<tr>
<td><strong>Egypt</strong></td>
<td>325</td>
<td>339</td>
<td>387</td>
<td>387</td>
<td>325</td>
<td>339</td>
<td>387</td>
<td>1.6% (1.5%–1.6%)</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>1139</td>
<td>458</td>
<td>485</td>
<td>485</td>
<td>1139</td>
<td>458</td>
<td>485</td>
<td>5.7% (5.6%–5.7%)</td>
</tr>
</tbody>
</table>
SAMPLING CONSIDERATIONS AND LIMITATIONS

Any survey data is prone to several forms of error and biases that need to be considered to understand how closely the results reflect the intended population. In particular, the following components of the total survey error are noteworthy:

**Sampling error** is a natural characteristic of every survey based on samples and reflects the uncertainty in any survey result that is attributable to the fact that not the whole population is surveyed. For illustration only, Table 3 shows the sampling error for a range of target sample sizes based on the 95% confidence level.

Other factors beyond sampling error that contribute to such potential differences are **frame or coverage error** (sampling frame of Page owners does not include all relevant businesses but also may include individuals that don’t represent businesses), and **nonresponse error** (cf. Table 2 for response rate overview).

Note that the sample is meant to reflect the population of businesses on Facebook, not the population of small businesses in general. This group of digitized SMEs is itself a community worthy of deeper consideration and of considerable policy interest. However, care should be taken when extrapolating to the population of SMEs in general. Moreover, future work should evaluate the external validity of the sample. Particularly, respondents should be compared to the broader population of SMEs on Facebook, and the economy as a whole.

To facilitate cross-country comparability, it is necessary to mitigate potential cultural biases. The questionnaire was pretested by the target audience, as well as experts from the area of research interest. Additionally, steps were taken to translate the survey in order to reduce sensitivities to cultural response bias.

- Respondents were given the option to respond to the survey in any of fifteen languages native to the countries in which it was conducted.
- Translations were done only by native speakers, with two rounds of additional online checks in the context of the survey environment.
- Translators were provided with context material for this survey (e.g., the Facebook for Business website) in order to understand the context of the survey. They were also instructed to take the English survey at least two times before starting with the translations.
- Translations were discussed in a group in order to ensure a common understanding of questions and items.
- The tone (formal vs. informal) of the survey was based on cultural conventions, e.g., Facebook usually uses an informal tone, while in cultures such as the Japanese this is very uncommon and thus a formal tone was used there.

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**Margins of error for different sample sizes**

<table>
<thead>
<tr>
<th>Sample size</th>
<th>Sampling error (margin of error) in percentage points*</th>
</tr>
</thead>
<tbody>
<tr>
<td>n= 1000</td>
<td>Plus/Minus</td>
</tr>
<tr>
<td>1000</td>
<td>3.1</td>
</tr>
<tr>
<td>500</td>
<td>4.4</td>
</tr>
<tr>
<td>400</td>
<td>4.9</td>
</tr>
<tr>
<td>300</td>
<td>5.7</td>
</tr>
<tr>
<td>200</td>
<td>6.9</td>
</tr>
</tbody>
</table>

* The margins of error shown here are calculated for a given proportion of 50%. Other proportions different from 50% would always result in lower margin of errors.
## ANNEX 3: BUSINESS TENDENCY SURVEYS

### WHO IS BEING TARGETED/SURVEYED?

<table>
<thead>
<tr>
<th></th>
<th>Target population</th>
<th>Access to enterprises</th>
<th>List size/sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Future of Business Survey</strong></td>
<td>SMEs, 22 countries, all sectors (particular aim to gauge small- and micro-business sentiment)</td>
<td>Company Facebook page (owner)</td>
<td>Sample size: 400 the sample is smaller for small economies</td>
</tr>
<tr>
<td><strong>Business Tendency Surveys</strong></td>
<td>Businesses on national level</td>
<td>Business registers (that national statistical agencies maintain for their regular enterprise surveys)</td>
<td>Sample size ranging from &gt; 3000 for large countries (e.g., Canada, Germany, Italy) to &lt; 500 for very small economies (e.g., Luxembourg, New Zealand)</td>
</tr>
</tbody>
</table>

### HOW ARE THEY BEING SURVEYED?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Comparability of results (international)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Future of Business Survey</strong></td>
<td>Monthly</td>
<td>Highly comparable among countries that are included in survey, because identical survey and same institution</td>
</tr>
<tr>
<td><strong>Business Tendency Surveys</strong></td>
<td>Monthly</td>
<td>Results comparable to a certain extent because of harmonisation efforts (especially in EU)</td>
</tr>
</tbody>
</table>

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**Official business tendency surveys** (according to international guidelines)
- [OECD’s Leading Indicators](https://www.oecd.org/std/leading-indicators/31837055.pdf)

International guidelines and best practice recommendations for business tendency surveys include:
- The European Commission’s harmonised survey programme ([http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm](http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm))
<table>
<thead>
<tr>
<th>WHO IS BEING TARGETED/SURVEYED?</th>
<th>HOW ARE THEY BEING SURVEYED?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target population</strong></td>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>Future of Business Survey</td>
<td>Monthly</td>
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<tr>
<td>SMEs, 22 countries, all sectors (particular aim to gauge small- and micro-business sentiment)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sample size: 400</td>
</tr>
<tr>
<td>Access to enterprises</td>
<td></td>
</tr>
<tr>
<td>Company Facebook page (owner)</td>
<td></td>
</tr>
<tr>
<td>List size/sample size</td>
<td></td>
</tr>
<tr>
<td>Company Facebook page</td>
<td>Sample size is smaller for small economies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other relevant business surveys</th>
<th>How are they being surveyed?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Markit PMI survey</strong></td>
<td>Monthly</td>
</tr>
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<td></td>
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<tr>
<td><strong>EC and ECB access to finance survey</strong></td>
<td>Annual</td>
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<tr>
<td><strong>Eurochambres Economic Survey</strong></td>
<td>Annual</td>
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<td></td>
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<tr>
<td>Other enterprises</td>
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</tbody>
</table>

**Notes:**
- Monthly surveys are run on a regular basis.
- Annual surveys are conducted once a year.
- Frequency of surveys may vary by country and sector.
- Access to enterprises refers to the method used to reach the target population.
- Sample size and comparability of results may vary by country and sector.
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