

# Statistics on Products in the Services Sector

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## Objectives

The main objective of this survey is to acquire information on the characteristics specific to each of the sectors that comprise the Market Services Sector in particular, in order to carry out a more precise sectorial analysis adapted to each economic sector.

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## Population scope

The population scope of this survey is defined according to the main activity carried out by the company. A different questionnaire is used for each of the activities studied.

The sectors analyzed in this Survey are:

- **Sale and repair of motor vehicles and service stations.** Filled out by companies whose main activity is listed in Division 50 of the NCEA-93 Rev.1.
- **Wholesale trade.** Filled out by companies whose main activity is listed in Division 51 of the NCEA-93 Rev.1.
- **Retail trade.** Aimed at companies whose main activity is listed in Division 52 of the NCEA-93 Rev.1.
- **Accommodation services.** Filled out by companies whose main activity is that of *hotels*, type 55.10 of the NCEA-93 Rev.1, and with at least 50 employees.
- **Travel agencies and tour-operators.** Filled out by companies whose main activity is that of *travel agencies, wholesalers and retailers of tourism and other tourist assistance activities*, type 63.30 of the NCEA-93 Rev.1, and with at least 20 employees.
- **Railway Transport.** Aimed at companies whose main activity is listed in Group 60.1 of the NCEA-93 Rev.1.
- **Metropolitan passenger transport.** Aimed at companies dedicated to suburban transport.
- **City and intercity passenger transport.** Filled out by companies whose main activity is the *regular city transport of passengers, regular passenger road transport or other land passenger transport*, types 60.21 (except metropolitan transport) and 60.23, respectively, of the NCEA-93 Rev.1.
- **Freight transport by road.** Filled out by companies whose main activity is the *transport of freight by road*, type 60.24 of the NCEA-93 Rev.1.

- **Sea and inland waterways transport.** Aimed at companies whose main activity is listed in Division 61 of the NCEA-93 Rev.1.
- **Air transport.** Aimed at companies whose main activity is listed in Division 62 of the NCEA-93 Rev.1.
- **Postal services.** Aimed at companies whose main activity is listed in type 64.12 of the NCEA-93 Rev.1.
- **Legal services.** Filled out by companies whose main activity is legal services, type 74.11 of the NCEA-93 Rev.1.
- **Business and consultancy services.** Filled out by companies whose main activity is accounting, bookkeeping, auditing and tax consultancy, type 74.12 of the NCEA-93 Rev.1, or consultation and advice on business management, type 74.14 of the NCEA-93 Rev.1.
- **Market research and public opinion polling services.** Aimed at companies whose main activity is listed in type 74.13 of the NCEA-93 Rev.1.
- **Technical services.** Filled out by companies whose main activity is architectural and engineering technical services and other activities related to technical advice, type 74.20 of the NCEA-93 Rev.1, or technical trials and analyses, type 74.30 of the NCEA-93 Rev.1.
- **Advertising services.** Aimed at companies whose main activity is listed in the 74.4 group of the NCEA-93 Rev.1.
- **Labour recruitment and provision of personnel services.** Aimed at companies whose main activity is listed in the 74.5 group of the NCEA-93 Rev.1.
- **IT services.** Aimed at companies whose main activity is listed in Division 72 of the NCEA-93 Rev.1.
- **Audiovisual services.** Aimed at companies whose main activity is listed in the 92.1 and 92.2 groups of the NCEA-93 Rev.1.

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## Studied variables

Each of the questionnaires, though different from the others, has a similar structure and the variables under study in each one can be classified according to three types:

- Breakdown of turnover by products
  - Breakdown of turnover by types of client or client activity sector.
  - Specific variables of each particular sector. They collect information on characteristics specific to each sector.
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## **Breakdown of turnover by activities carried out and services rendered**

For each of the sectors, a request is made for the companies to provide a breakdown of turnover by products offered. The relation of each of these products for each particular activity adjusts to those collected in the Classification of Products by Activity, though in some cases it differs from said classification by incorporating new services or including bordering services so that the companies can carry out a more adequate breakdown of their turnover.

This section is included in all sectors for the following reasons:

- a) *It allows for the correct assignation of the main activity of the company.* Each of the statistical units studied (companies) frequently carries out different activities that should be classified as separate types from that of the National Classification of Economic Activities. In general, activities developed by an economic unit are one of three types: main, secondary and auxiliary activities. The main activity is differentiated from secondary activities in that it generates greater added value; whereas auxiliary activities are those that generate services that are not sold on the market and that only serve the unit they depend on (administration departments, transport or storage services). Due to the difficulties faced by companies in calculating added value when various activities are carried out, the activity that generates the greatest turnover is considered the main activity.

The population framework of the Products Survey is the Companies Central Directory (CCD), based on Administrative Registers. The economic activity that each company has in the CCD is determined by the fiscal paragraph present in the Economic Activities Tax and the NCEA-93 activity code that appears on the social security contribution accounts. However, given that companies tend to carry out more than one activity, these should be registered in several economic activities tax paragraphs, and in order to assign an initial main activity, the INE Directory Unit applies a series of filters and criteria. This initial main activity may not be the correct one and the information that the company provides on the breakdown of turnover is adequate for the correct assignation of the main activity carried out.

Knowing in greater detail the services provided by the companies will also be useful for the different statistical adaptations that the change in the current NCEA Rev. will bring. 1 for the future NCEA Rev. 2.

- b) *It allows for knowledge of the level of specialisation of the companies in a sector.* Once the breakdown of turnover is carried out it is possible to know if the companies of a particular sector are completely dedicated to the provision of one specific service or a small number of them, or on the contrary, diversify their activity among several products.
- c) *It allows for the acquisition of knowledge that is very valuable for the analysis of certain sectors.* In the case of the accommodation companies (aimed at hotels) and travel agencies, the breakdown of turnover allows for the

acquisition of additional information that is very valuable for analysing tourism, since this information is incorporated in the estimates carried out for the Satellite Tourism Account.

- d) *It provides the information necessary for the drawing up of price indices from the supply perspective of each of the sectors.* When computing a price index, it is necessary to decide on the scope, select the products whose prices are to be measured, create a weightings system, obtain the weightings and prices and the most convenient aggregate formula for computing the index, ...

In the case of the Services Sector Price Index, some elementary "articles" (types of services) must be selected for each activity and comply with the following conditions:

- maintain the same characteristics over time (homogeneous),
- the evolution of their prices should be similar to the remaining services that they represent within the product,
- remain in the market,
- and be easily observed.

The breakdown of turnover of each activity by products allows for the determination of the most representative and most frequently offered services, while providing the information necessary to obtain a weightings system (computed according to the relative weight of each of the elementary services in the total) in order to compute the aggregate price index for that sector.

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### **Breakdown of turnover by type of client or client activity sector.**

This information is requested in all questionnaires even though the reasons for each of them may differ.

In the case of the questionnaires for wholesale trade and retail trade, this breakdown of turnover by type of client helps to correctly assign the activity of the company. Given that almost all the companies dedicated to commercial distribution carry out activities in both types of trade, knowing who the clients are determines which type is their main activity. If a distribution company obtains a higher percentage of invoicing from other wholesalers, companies or professionals, its main activity will be considered wholesale trade, while if its clients are mostly final consumers, the activity assigned will be retail trade.

Again in the case of hotels and travel agencies, the breakdown of turnover by clients (*homes, national and non-national tour operators, other national and non-national travel agencies, other companies*) constitutes a very valuable source of information for the estimates of the Satellite Tourism Account.

Finally, in the rest of the questionnaires, information is requested of the companies regarding the activity sector of their clients (households or private non-profit institutions, public sector or companies differentiated by economic sector). This breakdown allows for knowledge of the demand for market services carried out by the rest of the sectors of the economy. In the case of the demand by companies, knowledge of the sector in which they operate provides knowledge of the level of externalization that each of the sectors has been able to carry out.

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### **Specific variables of each particular sector**

In some of the sectors studied, the companies are asked to provide variables that inform on characteristics specific to said sector or measure the changes that may be taking place.

Examples of these questions are as follows:

**Retail trade:** In this questionnaire, information is requested on the breakdown of turnover according to sale system (traditional, self-service, e-commerce, mail-order sales, catalogue or telesales, vending machines, stalls and markets or home delivery). Information is also required of the companies on a classification of their retail premises according to sales area (less than 120 m<sup>2</sup>, 120 to 399, 400 to 999, 1,000 to 2,500, 2,500 to 4,999, 5,000 to 9,999 m<sup>2</sup>); as well as the numbers of employees and sales in each one. This allows for carrying out an analysis of productivity per employee for each type of locale or sales per square metre.

**Transport of travellers or freight by road, sea transport or air transport:** In all the questionnaires aimed at companies dedicated to transport, there is a specific section for characteristics of the fleet of each of them: number of vehicles by type, capacity (seating places or useful load) and age in years.

**Travel agencies:** The companies in this sector that obtain part of their invoicing through the sale of package tours carried out by themselves are asked to state the details of the services purchased in order to create said packages (transport services, accommodation, catering, vehicle rental, recreational and cultural services, financial and insurance services). In this way, the composition of these packages is known, providing information that is very useful for the estimates of the Satellite Tourism Account.

**Postal services:** In this questionnaire, information is requested on traffic carried out the number of pieces sent by type (letters, documents or packages) or moment of delivery (urgent or non-urgent).

**Advertising services:** In these questionnaires, the companies that, within this sector, carry out the central media services, are requested to provide a breakdown by type of medium (newspapers, magazines, radio, television, Internet, out-of-home and direct). These services consist of the purchase of large quantities of advertising space or time for the purpose of obtaining

advantageous conditions from the mass media, so as to sell them to clients, advertisers and agencies.

**Selection and placing of personnel:** One of the sections included in this questionnaire requires that the companies that select personnel for other companies list the number of hours invoiced according to the type of personnel provided (office, trade, industry, accommodation and catering, transport, health, education, computer specialist and others).