

Article

Business Impact of Coronavirus (COVID-19) Survey, expectation responses over time, UK: 1 June to 23 August 2020 (Waves 6 to 11)

Turnover expectations of the same businesses over time, using the final results of Waves 6 to 11 of the voluntary fortnightly Business Impact of Coronavirus (COVID-19) Survey (BICS), covering the period 1 June to 23 August 2020.

Contact:
Emily Hopson and Freddy Farias Arias
bics@ons.gov.uk
+44 (0)1633 456720

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1 . Main points

- Between early June and mid-August 2020, the proportion of businesses expecting an increase in turnover gradually fell from 27% to 18%, while the proportion of those expecting a decrease also fell, from 16% to 10%.
- The likelihood of a business's turnover turning out to be lower than they predicted two weeks prior was 48% between early June and mid-August.
- Businesses in the accommodation and food service activities industry were consistently the most optimistic sector (that is, turnover turned out to be lower than they expected two weeks prior).
- Smaller-sized businesses in this sample (those with fewer than 250 employees) correctly predicted their turnover 39% of the time, compared with 34% for larger businesses.

2 . Overview of expectations analysis

This article covers the results of responses on the expectation for turnover, using the final results of Waves 6 to 11 of the voluntary fortnightly [Business Impact of Coronavirus \(COVID-19\) Survey \(BICS\)](#), covering the period 1 June to 23 August 2020. In each Wave, businesses are asked to provide a qualitative estimate of what their expectations of the next two weeks will be for certain business dynamics. We are then able to compare that expectation to their outturn, as reflected in their response in the following Wave.

This analysis compares results based on a panel of 1,565 businesses that responded to all Waves between Waves 6 to 11. Wave 6 was chosen as a starting point to see how businesses' expectations have changed from the peak of the pandemic (May 2020) through to the easing of lockdown restrictions in the following months.

This subset of businesses is not necessarily completely representative of the wider BICS samples, but this has allowed us to track this panel of firms over time to see how the impacts of the coronavirus pandemic on their business have evolved. For further information on the type of businesses included in this sample, please see the [accompanying dataset](#).

Despite the efforts made to allow for robust Wave by Wave comparison, caution should still be taken when analysing these results as businesses might interpret the expectation questions differently, with some answering the questions in terms of the next two weeks relative to the previous two weeks or the next two weeks relative to their normal expectations for this time of year. The expectation questions ask "what are your expectations in/for the next two weeks?".

More about coronavirus

- Find the latest on [coronavirus \(COVID-19\) in the UK](#).
- All ONS analysis, summarised in our [coronavirus roundup](#).
- View [all coronavirus data](#).
- Find out how we are [working safely in our studies and surveys](#).

3 . Expectations on turnover

Only businesses that were trading in Waves 6 to 11 are included in the following analysis. This equates to 1,326 businesses out of the total 1,565 that responded to all six Waves.

According to this panel of businesses, more than half of businesses expected turnover to stay the same in the two weeks after responding, increasing from 51% in Wave 6 to 67% in Wave 11. Further, 28% of businesses reported they expected turnover to stay in the same in every questionnaire response from Waves 6 to 11.

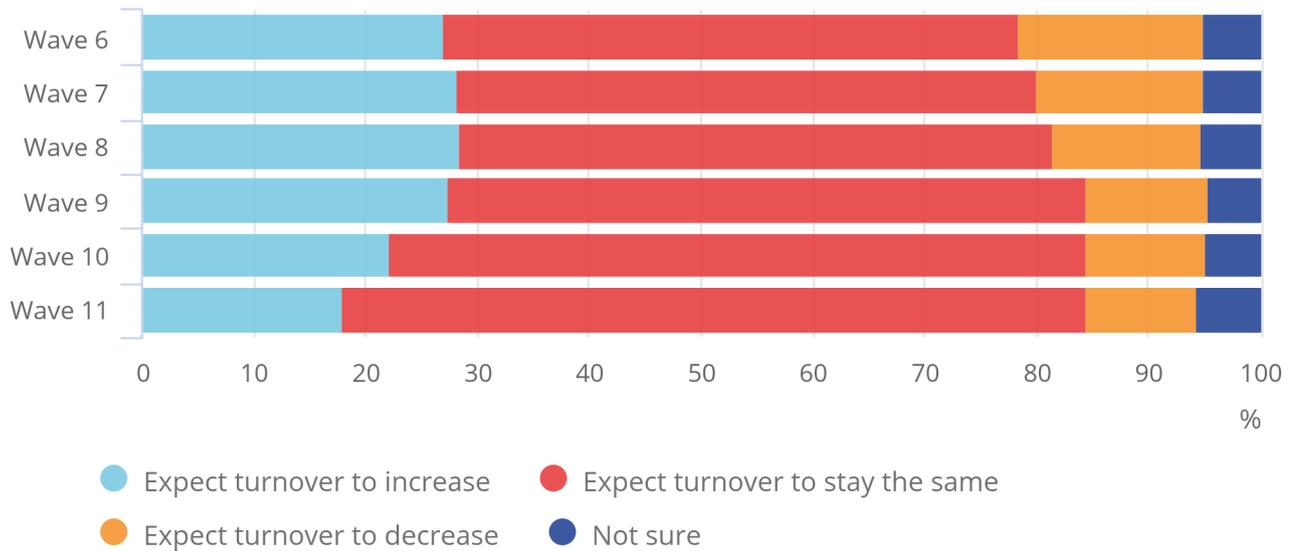
Of those that expected a change, more businesses expected an increase in turnover (an average of 25%) than a decrease (an average of 13%) across the selected Waves. Over time, the proportion of businesses expecting turnover to increase fell from a high of 28% in Wave 8 to 18% in Wave 11. Meanwhile, the proportion of businesses expecting a decrease in turnover gradually fell from 16% in Wave 6 to 10% in Wave 11. The rest were unsure on what to expect.

Figure 1: More businesses expected an increase in turnover than a decrease, in the following two weeks

Percentage of responding businesses currently trading, broken down by Waves, UK, 1 June to 23 August 2020

Figure 1: More businesses expected an increase in turnover than a decrease, in the following two weeks

Percentage of responding businesses currently trading, broken down by Waves, UK, 1 June to 23 August 2020



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey

Notes:

1. Final results of Waves 6 to 11 of the Office for National Statistics' (ONS') Business Impact of Coronavirus (COVID-19) Survey (BICS) panel (n = 1,326).
2. Businesses had to respond they were trading in Waves 6 to 11 to be included in the analysis. This equates to 1,326 businesses that responded out of the total 1,565.
3. Bars might not to sum to 100% because of rounding.
4. For this question, businesses may respond based from the point of completion of the questionnaire (that is, the two weeks after the point of completion).
5. "Expect turnover to decrease a little" and "Expect turnover to substantially decrease" categories have been combined for presentational purposes to "decrease". Meanwhile, "Expect turnover to increase a little" and "Expect turnover to substantially increase" categories have been combined for presentational purposes to "increase".

While most industries followed similar patterns of expectations across the selected Waves, there were notable cases where patterns were different in certain industries, reflecting moments of significant easing of lockdown measures.

Wholesale and retail trade businesses in this sample reported their highest percentage of businesses expecting turnover to increase in Wave 7, at 41%. This reflects businesses expecting an increase in turnover when non-essential shops in England reopened on 23 June 2020. After Wave 7, the expectations for turnover to stay the same for this sector increased from 41% in Wave 7 to 62% in Wave 11. Meanwhile, businesses in accommodation and food service activities reported their highest percentage expecting turnover to increase in Wave 9, at 56%. After Wave 9, the expectations for turnover to stay the same for this sector increased from 30% in Wave 9 to 60% in Wave 11. These changes in expectations reflect the restrictions in this sector being lifted from 4 July 2020 in England.

Industry and workforce breakdowns of businesses' expectations in turnover can be found in the [dataset](#).

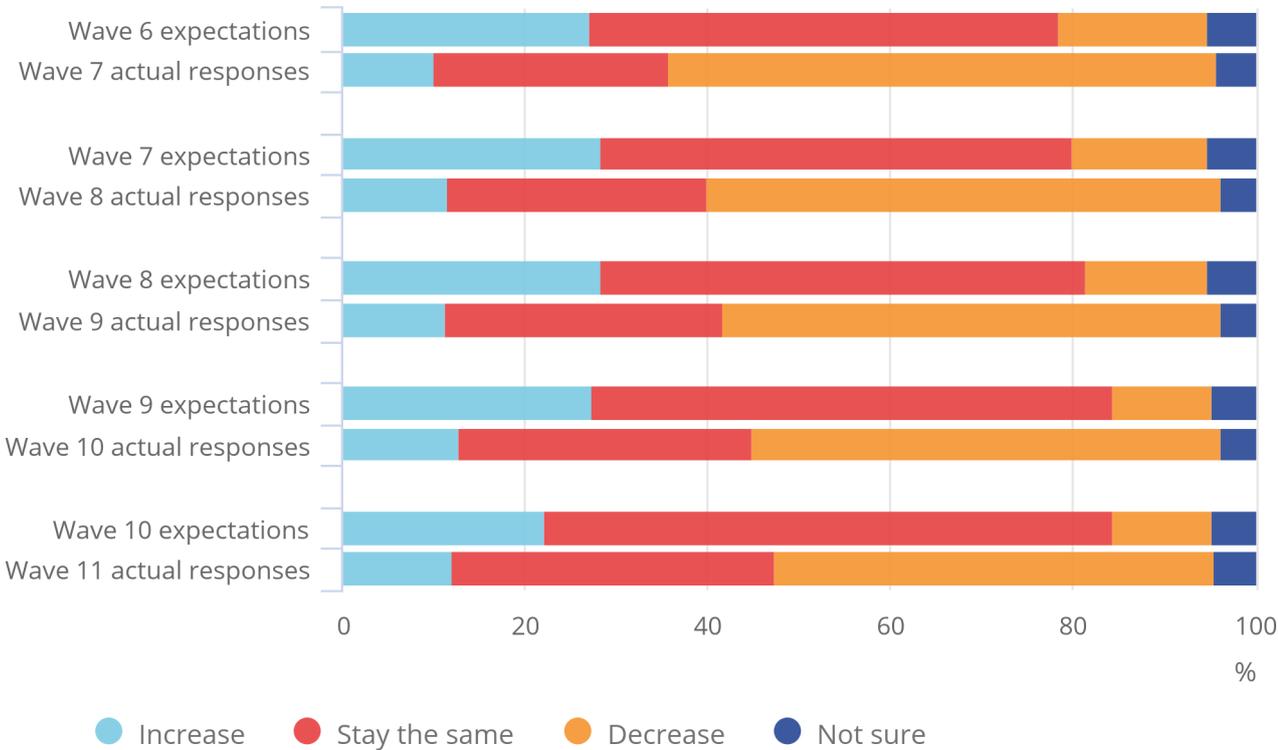
4 . Comparing expected and reported changes

Figure 2: Businesses have consistently been optimistic in their turnover expectations between Waves 6 and 11

Percentage of responding businesses currently trading, broken down by previous Wave expectations and following Wave actual responses, UK, 1 June to 23 August 2020

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Percentage of responding businesses currently trading, broken down by previous Wave expectations and following Wave actual responses, UK, 1 June to 23 August 2020



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5. Actual turnover responses have also been combined for presentational purposes to "increase" and "decrease".

Figure 2 shows how this panel of businesses have consistently been optimistic in their turnover expectations. On average, between Waves 6 and 11, 13% of businesses expected a decrease in turnover in the two weeks after responding and when compared with the reported changes to turnover of those same businesses two weeks later, 54% reported a decrease in turnover. In contrast, on average, while 26% of businesses expected an increase in turnover in the two weeks after responding, only 12% reported an increase in turnover when asked two weeks later.

Optimism in this sample of businesses changed over Waves 6 to 11. These businesses were most optimistic about an increase in turnover in Wave 8, when 28% expected an increase in turnover, compared with only 11% reporting an increase in turnover in Wave 9 – a difference of 17%. This reflects the further easing of restrictions impacting several industries in England and the lifting of travel restrictions in Wales at the beginning of July. By Wave 10, the difference in expected increase in turnover and an increase in turnover response in Wave 11 was at its lowest, at 10%. Businesses' expectations of a decrease in turnover have been more consistent with their actual responses over Waves 6 to 11, with the difference between percentage of businesses expecting a decrease in turnover and reporting a decrease in turnover in the following Wave steadily decreasing over time.

Figure 3: There is positive correlation across Waves of businesses expecting turnover to stay the same and reporting turnover is unaffected

Percentage of responding businesses currently trading, broken down by previous Wave expectations and following Wave actual responses, UK, 1 June to 23 August 2020

Notes:

1. Final results of Waves 6 to 11 of the Office for National Statistics' (ONS') Business Impact of Coronavirus (COVID-19) Survey (BICS) panel (n = 1,326).
2. Businesses had to respond they were trading in Waves 6 to 11 to be included in the analysis. This equates to 1,326 businesses that responded out of the total 1,565.
3. Bars might not to sum to 100% because of rounding.
4. For this question, businesses may respond based from the point of completion of the questionnaire (that is, the two weeks after the point of completion).
5. "Expect turnover to decrease a little" and "Expect turnover to substantially decrease" categories have been combined for presentational purposes to "decrease". Meanwhile, "Expect turnover to increase a little" and "Expect turnover to substantially increase" categories have been combined for presentational purposes to "increase".
6. Actual turnover responses have also been combined for presentational purposes to "increase" and "decrease".

[Data download](#)

Figure 3 shows there is no correlation between this sample of businesses' expectations of an increase in turnover and reporting turnover has increased in the following Wave. However, across the Waves, fewer businesses have expected turnover to decrease and then reported a decrease in the level of turnover. As the percentages for expectations and actuals for a decrease in turnover reduced, the percentages for turnover staying the same and turnover being unaffected increased.

All industries were optimistic with their expectations on turnover. Businesses in the accommodation and food service activities industry were consistently the most optimistic. This sector often reported a much higher percentage of businesses expecting an increase in turnover in Waves 6 to 10 than a decrease in turnover, yet it consistently reported one of the highest percentages of businesses responding they had a decrease in turnover relative to normal for that two-week period.

Businesses in the human health and social work activities sector have consistently reported a high percentage expecting to stay the same. However, these businesses have also responded that a high percentage of their reported turnover had not been affected in the following two-week period.

For more information on the sample size of the different industries, see the [accompanying dataset](#).

Figure 4 is a bubble chart where the bubble size represents the proportion of the sample that responded with expectation option in a previous Wave and the corresponding response they provided in the following Wave. The counts of each business's expectation and actual responses have been combined for Waves 6 to 11 to provide an overall picture for this time period.

Figure 4: Businesses that expected turnover to stay the same and responded that turnover was not affected was the largest matched pairs combination count

A combination of Waves 6 to 11 responses, count of responding businesses currently trading, broken down by previous Waves expectations and following Wave actual responses, UK, 1 June to 23 August 2020

Notes:

1. Final results of Waves 6 to 11 of the Office for National Statistics' (ONS') Business Impact of Coronavirus (COVID-19) Survey (BICS) panel (n = 1,326).
2. Businesses had to respond they were trading in Waves 6 to 11 to be included in the analysis. This equates to 1,326 businesses that responded out of the total 1,565.
3. For this question, businesses may respond based from the point of completion of the questionnaire (that is, the two weeks after the point of completion).
4. Bubble size represents the size of the count for each option combination.
5. Counts have been calculated adding option response counts for Waves 6 to 11. For example, there are 183 businesses in this sample that expected their turnover to stay the same in Wave 6 but then reported that their turnover was substantially lower than normal in Wave 7. For subsequent Waves, these number were: 171, 148, 143 and 134. These were summed to create the value for the "Expected turnover to stay the same" and "Turnover was substantially lower than normal" bubble, shown in Figure 4.
6. Bubbles might not be shown as counts less than or equal to three have been removed for disclosure purposes.

[Data download](#)

If businesses had perfect foresight, then all the bubbles would be on the 45-degree line, as indicated in Figure 4. Bubbles below the line represent those business responses that were optimistic, compared to the ones above, which represent pessimistic business responses.

The likelihood of expectations being met across all five Waves was 36%, where 25% of this sample of businesses correctly expected their turnover to be unaffected.

Nearly half of this sample of businesses were optimistic. The likelihood of these businesses' true turnover response being worse than expected was 48%. On the other hand, 10% recorded a higher turnover than they expected, with the remaining businesses either reporting they were not sure on their expectations or that they were not sure on their turnover response.

Smaller-sized businesses in this sample (those with fewer than 250 employees) had a higher percentage meeting their expectations at 39%, compared with 34% for larger businesses. Businesses with 250 employees or more were more optimistic, as 50% of the actual turnover responses were worse than expected, compared with 43% for the smaller-sized businesses. There was little difference seen for turnover responses being higher than expected.

For more information on sample size of the different sized businesses and how their optimism differed, see the [accompanying dataset](#).

Across Waves 6 to 11, 16% of this sample correctly predicted their turnover expectations for each Wave, compared with 33% that consistently predicted their turnover for the next two weeks incorrectly. The remaining 49% either predicted their expectations correctly for at least one Wave but not all or reported they were unsure at some point in either their expectations or turnover responses.

Of the businesses with 250 employees or more, 36% incorrectly predicted their turnover in the next weeks for all six Waves, compared with 28% of the smaller-sized businesses.

5 . Related links

[Coronavirus \(COVID-19\) latest data and analysis](#)

Web page | Updated as and when data become available

Latest data and analysis on the coronavirus (COVID-19) in the UK and its effect on the economy and society.

[Coronavirus and the economic impacts on the UK: 27 August 2020](#)

Bulletin | Released 27 August 2020

The indicators and analysis presented in this bulletin are based on responses from the voluntary fortnightly business survey, which captures businesses' responses on how their turnover, workforce prices, trade and business resilience have been affected. These data relate to the period 27 July to 9 August 2020.

[Business Impact of Coronavirus \(COVID-19\) Survey questions](#)

Article | Updated fortnightly

The latest questions from the voluntary fortnightly Business Impact of Coronavirus (COVID-19) Survey for each Wave.

[Business Impact of COVID-19 Survey \(BICS\) results](#)

Dataset | Released 27 August 2020

Responses from the new voluntary fortnightly business survey, which captures businesses' responses on how their turnover, workforce prices, trade and business resilience have been affected in the two-week reference period.

[Business impact of coronavirus, analysis over time, UK: Waves 2 to 5 panel](#)

Article | Released 9 June 2020

The indicators and analysis presented in this article are based on selected responses over time from the new voluntary fortnightly business survey, which captures businesses responses on how their turnover, workforce, prices, trade and business resilience have been affected in the two-week reference period. These data relate to the period 23 March to 17 May 2020 (Waves 2 to 5).

[Insights of the Business Impact of Coronavirus \(COVID-19\) Survey: 23 March to 5 April \(Wave 2\) to 1 to 14 June \(Wave 7\) 2020](#)

Article | Released 8 July 2020

Impact of the coronavirus pandemic on businesses' turnover, cash flow and workforce: analysis on responses to our new voluntary fortnightly business survey and how these have been affected in each two-week reference period. Covers the period 23 March to 14 June 2020.

[Coronavirus and the experiences of UK businesses, textual analysis: March 2020 to July 2020](#)

Article | Released 6 August 2020

Analysis of qualitative responses from selected questions from the fortnightly BICS, which provides further insights on individual business experiences over the course of the pandemic so far.