

Paper 13.6 Small & Micro FBO Tracker: Summary

SUMMARY

This paper provides an overview of the Small and Micro Food Business Operator (FBO) Tracker to date, and plans for future waves. This paper is for information and discussion.

Background

The Small and Micro FBO Tracker tracks views of small and micro food businesses on regulatory issues and trust in the FSA. This has helped inform engagement and intervention activity targeted at businesses with fewer than 50 staff.

The survey was initially developed to assess the perceived impact of changes as a result of the UK's exit from the European Union (EU), and the Achieving Business Compliance (ABC) programme. Since then, it has evolved to track small and micro FBO views on a range of subjects including:

- Perceptions of and trust in the FSA
- Barriers facing FBOs
- Online sales and use of third party platforms

The fourth wave has recently completed, with previous waves conducted in 2018, 2019, and 2021. Owing to the COVID-19 pandemic, the survey was not carried out in 2020 and from thereon, the survey became biennial. Wave 3 is the most recently [published report](#).

Wave 4

Aims

The survey has evolved across each wave. The most recent fourth wave set out to achieve the following aims:

- To ‘unpack’ attitudes towards regulation and deepen insights and knowledge of small and micro enterprises
- To measure trust in the FSA and extent to which FSA is considered a modern, accountable regulator.

Methodology and sample

A total of 556 interviews were conducted using a Computer-Assisted Telephone Interviewing (CATI) methodology between October and November 2023. All interviews were with small (10-49 employees) and micro (less than 10 employees) FBOs based in England, Northern Ireland, and Wales.

The sample was selected from the FSA’s business database which was matched by company name and address to commercial data (provided by Market Location) to identify telephone numbers. The sample was drawn using country, size, Food Hygiene Rating Scheme (FHRS) rating, and sector targets. The data was weighted to be representative of the in-scope micro and small FBO population across England, Northern Ireland, and Wales at the time of sampling.

Key findings

FBO perceptions of the FSA and regulatory awareness

Awareness of the FSA was high with almost all FBOs in 2023 aware of the FSA, consistent with previous waves (between 97%-98% in all waves) and over four in every five FBOs were confident in the FSA to conduct its core objectives.

Around a third (30%) of businesses who had heard of the FSA had contact with the FSA in the last 12 months. Those business rated the FSA on following metrics out of 10 (with 1 being ‘very poor’, and 10 being ‘excellent’):

- 8.8 – trustworthiness
- 8.7 – ease of use/access
- 8.5 – clarity of comms
- 8.5 – approachability

The majority of businesses (85%) felt informed about regulations affecting their business. With 31% feeling very informed. However, FBOs were typically unaware of the government’s commitment to Smarter Regulation (UK Government’s review and reform of retained EU laws) (81% unaware; 17% aware).

Online sales and use of third-party platforms

The number of FBOs who take food orders via their websites has remained stable at around a quarter (26%).

Over three quarters of FBOs now have a social media presence (77% up from 71% in 2021) but only 13% of FBOs use social media accounts to take food orders. The most common social media accounts in 2023 were Facebook (73%) and Instagram (44%).

The use of third-party platforms to sell food products has remained consistent at 14% of all FBOs. The most common third-party platform used by businesses were Just Eat (7%) and Deliveroo (7%), closely followed by Uber Eats (6%).

Four in five businesses that trade online reported that online sales represented less than a quarter of total sales (78%).

Barriers facing FBOs

FBOs reported that the most common barriers to the success of their business were: changes in consumer behaviour and demand due to the cost of living (71%); high inflation or increased interest rates (70%); and energy costs (60%). These top concerns are markedly different from 2021 where the most common threat was the availability of food supplies or disruption in the supply chain (54%) and changes in consumer behaviour and demand due to COVID-19 (55%).

Importing and Exporting

Only 3% of FBOs were importing and 1% were exporting in 2023. Since 2018, the proportion of businesses importing or exporting has decreased but in 2023, rates were similar to 2021 (4% importing, 1% exporting). Businesses that had changed their importing practices in the last 12 months suggested that the UK's exit from the EU, changes to import costs, and business growth were the leading factors which caused their businesses to change importing practices.

Challenges

Due to recruitment difficulties, wave 4 achieved a smaller sample than previous years (556 FBOs, compared to 700 in 2021), with a response rate of 7% (7,774 leads were contacted over the course of fieldwork), slightly lower than the

previous wave in 2021 (10%, 6,694 leads, 700 completes).

There was a large enough sample size for each of the devolved nations to allow for sub-group analysis (99 Wales, 103 NI, 354 England). However, the smaller overall sample size meant that some other sub-group differences were too small to report quantitatively.

Future waves

The next wave of the tracker is due to take place in FY25/26. To improve sample size, and allow more sub-group differences to be explored, we intend to bring forward the fieldwork period to early autumn to avoid clashing with the busy festive period. Additionally, given the increased online presence of FBOs, we are also considering adopting a push-to-web approach to improve response rates.

An online survey was piloted ahead of wave 3 (2021), which gives us a good starting point for considering this methodology. The online pilot sample was split out into email and postal^[1], with a total sample of 1,000 (500 received an email inviting them to the survey via an online link, and 500 received a postal letter, displaying the link to the survey along with an access code). Whilst only 17 business completed the survey (12 in response to the email invite; 2.4%, and 5 in response to the letter; 1%), the pilot highlighted some key issues when considering a move to an online methodology. These include:

1. Sourcing emails introduces skew to the sample: it's harder to source email addresses for smaller establishments. Emails for the likes of hotels and restaurants are typically easier to come by than retail businesses and takeaways.
2. Online completions took less time: The mean average length of completion was 17 minutes and 1 second. This compares to an average length of completion of 25 minutes and 15 seconds for the survey in CATI form^[2].
3. Sourcing email addresses is resource intensive: It took an average 2-3 minutes to source an email address online (which also accounts for time spent on unsuccessful searches). There are differences in variable costs between an online survey via email versus letter which need to be considered.
4. While the postal invite was cheaper to administer (this includes both the original letter and reminder), emails resulted in a higher proportion of completes and were a more cost-effective route. It is also worth noting that additional email reminders come at little additional cost, so the more

reminders are sent, the more cost effective the email invite approach becomes.

5. The quality of data did not deteriorate via an online survey. Survey completion lengths for the most part were reasonable (there was little evidence of 'speeding'), open-end questions were engaged with appropriately and only one question resulted in a high proportion of 'Don't know' responses.

While the pilot did not suggest any issues of data quality, adopting a mixed methodological approach always invites risks of mode effect. This is most common in multicode, prompted questions on the CATI, but can occur across a variety of question types, especially those that might be more sensitive. Questionnaire development work would be needed to review the potential for mode effects, especially given the need to track changes over time.

If a move to online was considered, the pilot recommended a consultation exercise with a portion of businesses, that explores the design, channel and content of the communications. Dependent on this, the pilot concluded that a hybrid 'push-to-web' / CATI model could be adopted. This would entail businesses being emailed a survey link initially, before being phoned by interviewers around a fortnight later. This approach has the potential to reduce the number of telephone interviews needed (thereby reducing costs slightly), while still utilising the phone method as a proven way to encourage engagement, thereby limiting response bias / data skew.

Members are asked to consider:

1. Does the current CATI methodology work to address the research aims? Would an alternative approach, such as a push to web / CATI model, achieve these research aims?
2. Are there additional considerations (not mentioned in this paper) that should be borne in mind when considering moving to an online survey method?
3. How else might we increase response rates?

[1] Postal addresses were taken from the FSA database, while email addresses were acquired through internal desk research (as email addresses were not present in the FSA database).

[2] Typically, an online survey completion would be expected to last approximately 60-70% the length of its CATI equivalent. This falls within that

range.