Appendix B – The national questionnaires

SURVEY ON PRICING BEHAVIOUR - INDUSTRY

Contact person for the questionnaire: +32(0)2 221 42 70

Preliminary remarks: By "price" we mean the sales price actually charged, even in cases where it deviates from the list price. If you have different prices for different types of customers, please state the most common type of customer in your answer.

Turnover of your company during the last available fiscal year (excluding VAT): .........................................euro

Which percentage of this turnover is generated:
- in Belgium .................................................................... %
- in other euro area countries.............................................%
- outside the euro area.......................................................%

Number of employees in your company, according to your latest declaration to the national social security office: .................................................................................... persons

Part A - Information on your main product and on the market in which it is sold

A1 What is your main product, in other words, the product that generates the highest turnover? ......................

A2 How much per cent of the turnover does your main product account for? .....% 

A3 What is, in terms of turnover, the main market for your main product? (tick only one answer please)

☐ 1 the Belgian market
☐ 2 another euro area country
☐ 3 a non-euro area country

From now on, your answers should refer to the main market for your main product. In other words, when answering the questions, please always try to bear in mind the main product (A1) and the main market (A3).

A4 How many competitors do you have on your main market for your main product? (tick only one answer please)

☐ 1 none
☐ 2 less than 5
☐ 3 between 5 and 20
☐ 4 more than 20
☐ 5 I don't know
A5 How much per cent of your turnover do you generate by selling your main product to:

- companies and divisions within your own group ....%
- companies outside your own group with a long-term relationship ....%
- companies outside your own group without a long-term relationship ....%
- directly to consumers ....%
- government ....%

100%

A6 If you decided to increase the price of your main product by 10%, all other factors remaining unchanged (including competitors' prices), by what percentage would the turnover of your main product fall?

by ......% ❑ I don't know

A7 Different factors can determine your competitiveness. What is the importance in your company of the factors listed below?

please quote the relevant importance for each answer, by selecting one of the options: 1 = unimportant 2 = of minor importance 3 = important 4 = very important 5 = I don't know

☐ the price of our product
☐ the quality of our product
☐ the degree to which our product can be distinguished from that of our competitors
☐ delivery period
☐ long-term relationship with customers
☐ the after-sales service
☐ other factors; please specify .................................................................

A8 Does your firm have the possibility to set the price of the main product itself, or is it set by somebody else? (tick only one answer please)

❑ we set our price ourselves ❑ continue to A9
❑ our price is set by the government
❑ our price is set by the parent company/group
❑ others set the price; please specify who ................................................

A9 There are various ways of setting the price of your main product. How well do the following methods apply to the situation in your company?

please quote the relevant importance for each answer, by selecting one of the options: 1 = unimportant 2 = of minor importance 3 = important 4 = very important 5 = I don't know

☐ we set our price fully according to our costs and a completely self-determined profit margin
☐ we set our price according to the price of our main competitor(s), meaning that we do not determine our profit margin ourselves
Part B - Price adjustments

B1a When do you review the price you want to charge for your main product (this does not necessarily mean that the price actually changes)? (tick only one answer please)

- at specific time intervals
- mainly at specific time intervals, but also in reaction to specific events (e.g. a considerable change in our costs)
- in reaction to specific events (e.g. a considerable change in our costs)
- I don't know

B1b If you review your prices at specific time intervals, how often does this occur (this does not necessarily mean that the price actually changes)? (tick only one answer please)

- more than once a year
- once a year
- less than once a year

B2a How did you review the price of your main product the last time? (tick only one answer please)

- we have applied a rule of thumb (e.g. a fixed amount/percentage change, indexation based on the consumer price index, ...) continue to B3
- we have considered a wide range of information (demand, costs, competitors' price ...) relevant for profit maximisation within our company continue to B2b

B2b If you considered a wide range of information the last time you reviewed the price, what was it related to? (tick only one answer please)

- this range of information was only related to the present context in which our company operates
- this range of information was related both to the present and to the expected future context in which our company operates

B3 Which factors cause you to raise/lower the price of your main product? please quote the relevant importance for each answer, by selecting one of the options: 1 = unimportant 2 = of minor importance 3 = important 4 = very important ? = I don't know

Factors causing a price increase
- an increase in our labour costs
- an increase in our financial costs
- an increase in our other costs
- an decrease in our productivity
- an increase in demand
- an increase in our competitors' price
- other factors please specify

Factors causing a price decrease
- a decrease in our labour costs
- a decrease in our financial costs
- a decrease in our other costs
- an increase in our productivity
- a fall in demand
- a decrease in our competitors' price
- other factors please specify
There can be various reasons as to why a price is not (or only very slightly) changed during a certain period. Please indicate their importance in your company.

*Please quote the relevant importance for each answer, by selecting one of the options:*

1 = unimportant  2 = of minor importance  3 = important  4 = very important  5 = I don't know

- [ ] we have a written contract with our customers specifying that the price can only be adjusted when the contract is renegotiated
- [ ] price changes entail "physical" costs (e.g. printing new catalogues, changing price tags, adjusting the website, ...)
- [ ] it is costly in terms of time and/or money to collect relevant information for pricing decisions
- [ ] our customers prefer a stable price and a change could damage customer relations, even if our competitors also change their price
- [ ] there is a risk that competing companies might not adjust their prices and that we might be first. So we wait for our competitors to act, and then follow suit.
- [ ] in a recession, when cashflow is low, our price may need to be kept up in order to have sufficient liquidities at one's disposal. A substantial part of our costs is indeed fixed, whereas it takes some time before a price decrease results in a higher turnover.
- [ ] our variable costs do not change much over the business cycle, which contributes to the price of our product remaining roughly the same
- [ ] when our customers buy a lot, they have more interest in comparing prices than when they don't buy a lot. They are more sensitive to price changes in booms than in recessions.
- [ ] during economic booms the costs incurred by the company to reach customers decline. This contributes to keeping our price down.
- [ ] during an economic recession, it is more difficult to obtain external financing (e.g. bank loans). This contributes to keeping our price up.
- [ ] our customer mix changes over the business cycle, during a recession we lose our least loyal customers, while more loyal customers remain. As the latter are less price-sensitive, our price can be left unchanged during a recession.
- [ ] our price is set at an attractive threshold (e.g. 4.99 euro or 25.00 euro) and is only changed when it is convenient to move to a new attractive threshold
- [ ] there is a risk that we subsequently have to readjust our price in the opposite direction
- [ ] we are afraid that customers will interpret a price reduction as a reduction in quality
- [ ] an increase in demand for our product is met by elements other than a price increase, e.g. an extension of the delivery period

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**B5** How often does the price of your main product actually change, including reductions, but excluding sales or sell-off? (tick only one answer please)

- [ ] more than once a year  ☑ how many times a year? ........
- [ ] once a year
- [ ] less than once a year  ☑ once in how many years? ........
Part C  - Pricing behaviour on other markets than the main market
(only to be filled out by companies for which the market mentioned in [A3] is not the only market)

C1 You may have different prices according to the market on which you operate. Which of the following statements best describes your main product? (tick only one answer please)

☐ 1. the price denominated in euro is the same for all countries  
☐ 2. the price denominated in euro is the same for all euro area countries, but not for non-euro area countries  
☐ 3. the price denominated in euro is different, both for euro area countries and for non-euro area countries  

C2 What is the importance of the following factors in a differentiated price setting behaviour between markets? please quote the relevant importance for each answer, by selecting one of the options: 1 = unimportant 2 = of minor importance 3 = important 4 = very important ? = I don’t know

☐ exchange rate movement of the currency used for payment
☐ tax system on the market (e.g. VAT-rate)
☐ structural market conditions on the market (e.g. taste, standard of living,...)
☐ cyclical fluctuations in demand on the market
☐ the price of the competitor(s) on the market
☐ rules on the market
☐ other factors; please specify ...........................................

C3 Is competition for your main product stronger on the foreign market than on the Belgian market? (tick only one answer please)

☐ 1. yes
☐ 2. no
☐ 3. our company does not operate on the Belgian market
☐ 4. I don't know

Name and phone number of the person who filled out this questionnaire:

NAME: .......................................................................................................................... ..............................................

Phone: ...................................................................................

Thank you for taking part in the survey.
Identification no.

Product (XY):

Please refer your answers to the above mentioned product!

General information

1) The share of XY with respect to total sales amounts to _____%.

2) Our customers for XY are from (share of sales):
   - Germany _______%
   - other Euro-area countries _______%
   - other countries _______%
   100 %

3) Our price setting in the remaining Euro-area / other countries differs from our domestic market with respect to:
   - to the timing
   - the amount
   - the reasons
   - It is not different

Please refer your answers from now on to the domestic market, respectively to the whole Euro-area if there the price setting is not different from the domestic market!

4) The breakdown of our sales with XY with respect to customers is:
   - our own group _______%
   - other industrial enterprises _______%
   - wholesale _______%
   - retail, department stores, hypermarkets, mail order houses _______%
   - private costumers _______%
   - government _______%
   - others _______%

5) Our sales share of XY with customers, who regularly ask for prices, amounts to _______%.

6) The number of competitors for XY on the domestic market amounts to:
   - less than 5
   - between 5 and 20
   - more than 20
   - We do not have any significant competitor

Information regarding price formation

7) Our prices are revised without being necessarily changed regularly:
   - daily
   - weekly
   - monthly
   - quarterly
   - semi-annual
   - yearly
   - on certain instances (e.g., if costs changes are large)
   - within the scope of an ex post calculation

8) We have a certain margin for setting our prices and determine them:
   - by applying a constant mark-up on calculated unit costs
   - by taking calculated unit costs as basis and varying the mark-up taking into account market and competition conditions
   - by looking at the price of our main competitor
   - by tying it to another price (e.g., wage)
   - in a different manner

9) With have almost no margin for price setting

10) We warrant our price on average for a period of ____ months.

11) Our sales share of XY with fixed term contracts amounts to _____%.
    These prices are tied by contract to the price development of another variable.
    Prices are fixed for ____ months on average.
    We do not have fixed term contracts with fixed prices.

12) Our per unit profit is lower during a down swing

13) Our price is constantly reduced during the life-cycle

Please mark according to significance.
(1)=minor importance to (4)=great importance

14) The calculations underlying our price setting are based on:
   - extrapolating past values (e.g., average price increase of intermediate inputs during the preceding year, past cost development)
   - the actual development
   - expectations, that are not based on extrapolating past values (e.g., future cost increases)
Please take into account from now on only those price changes that belong to actual deals and not to pure list price changes.

15) Our price for XY is the same for all customers □ depends on the amount bought □ is decided upon case by case □

16) Starting from a satisfying business situation we change our prices if there is an

<table>
<thead>
<tr>
<th>Price increase</th>
<th>minor importance</th>
<th>greater importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>permanent increase in labour costs (eg. negotiated wage increase)</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>transitory increase in labour costs (eg. overtime hours, bonuses)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>increase in financing costs</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>increase in costs of materials</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>product improvement</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>demand increase</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>demand reduction</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>price increase by a competitor</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>other reasons</td>
<td>(1)</td>
<td>(2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Price reduction</th>
<th>minor importance</th>
<th>greater importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>decrease in labour costs (eg. bonuses, lay offs)</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>decrease in financing costs</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>decrease in costs of materials</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>increase of productivity</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>demand decrease</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>demand reduction</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>price reduction by a competitor</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>other reasons</td>
<td>(1)</td>
<td>(2)</td>
</tr>
</tbody>
</table>

17) We change our prices at a regular date if possible (eg beginning of the year) □
We change our prices at regular time intervals if possible (eg after 12 months) □
We make a foreseeable price change in advance if possible □
We postpone a price change or renounce it because
- a fixed term contract explicitly prohibits a price change □
- a price change is connected with high costs (eg Printing of price lists) □
- our variable costs do not vary much during the business cycle □
We postpone a price increase or renounce it for fear that
- competitors do not rise their prices too □
- after a short while a price reduction would be necessary □
- the hoped for additional revenues due to a higher unit price do not compensate for the feared losses due to a lower number of units sold □
- other reasons □
We postpone a price decrease or renounce it for fear that
- competitors decrease their prices too □
- after a short while a price increase would be necessary □
- the hoped for additional revenues due to a higher number of units sold do not compensate for the feared losses due to a lower unit prices □
- other reasons □

Thank you very much for your cooperation!
SURVEY ON PRICING BY COMPANIES

<table>
<thead>
<tr>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHANGES IN THE ADDRESS OF THE COMPANY (Indicate only those items that differ with respect to those in the survey's box)</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSON IN CHARGE OF ANSWERING THE QUESTIONNAIRE</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDICATE THE MAIN ACTIVITY IN WHICH YOUR COMPANY ENGAGES</td>
</tr>
<tr>
<td>[activity description]</td>
</tr>
<tr>
<td>TOTAL NUMBER OF EMPLOYEES (AVERAGE FOR THE YEAR(00))</td>
</tr>
<tr>
<td>[number of employees]</td>
</tr>
</tbody>
</table>

INSTRUCTIONS
This survey has been designed to learn about the key features of the pricing process at Spanish companies. Throughout the survey, the term "price" refers to the actual sale price of the product/service, even if it should differ from the list price.

Many of the questions in this survey refer to your main product/service. The main product/service may correspond to a group of products/services provided that these are relatively homogeneous in terms of your company’s pricing policy.

Should you have any doubts or require further clarification, or if you wish to send the completed survey by fax, the following channels are open:
- Tel: 902.898.308
- Fax: 902.899.309
- E-mail: precio@cuestionet.com

To complete the survey online, go to the following website: www.cuestionet.com/bde/precios
and use the following:
- User: pde9686
- Password: precios

Once at the website, the data identifying your company must be introduced: clave_web and sig_web. These features are on the survey label.
### A. MARKET STRUCTURE

**What is your company's main product/service?**

Your company's main product/service is ____________.

**What percentage of turnover does this product/service account for?**

<table>
<thead>
<tr>
<th>Country/Market</th>
<th>Yes</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Europe* (excluding Spain)</td>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>Other countries</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* The euro area Member States are: Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal, and Finland.

**If your company sells some portion of its product/services on the same terms and at the same prices throughout the world, indicate how important the following factors are in setting different prices for different markets.**

- **A. The price in Europe is the same for all countries.**
  - 1
- **B. The price in Europe is the same for all countries but differs from the price in other countries.**
  - 2
- **C. The price in Europe is not the same for all countries.**
  - 3
- **D. The price in Europe is different for each country.**
  - 4

**If the price set in the various markets/countries differs, rate how important the following factors are in setting different prices for different markets.**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate variations of financial payment</td>
<td>10</td>
</tr>
<tr>
<td>Tariffs (e.g., import duties)</td>
<td>10</td>
</tr>
<tr>
<td>Demand</td>
<td>10</td>
</tr>
<tr>
<td>Competitor prices</td>
<td>10</td>
</tr>
<tr>
<td>Other market characteristics, consumer preferences, income levels</td>
<td>10</td>
</tr>
</tbody>
</table>

### B. What is your main market? Indicate the country or area accounting for the highest percentage of sales of your main product/service.

- **A. Local**
  - 61%
- **B. Regional**
  - 62%
- **C. National**
  - 63%
- **D. International**
  - 64%

**Regarding sales of your main product/service in your main market, indicate how it is your market share of total sales of the product/service in that market:**

- **A. Not significant**
  - 71%
- **B. Less than 10%**
  - 72%
- **C. 10-25%**
  - 73%
- **D. 25-50%**
  - 74%
- **E. Over 50%**
  - 75%

**How many competitors are there in your main market for your main product/service?**

- **A. None**
  - 76%
- **B. Fewer than 5**
  - 77%
- **C. 5-20**
  - 78%
- **D. More than 20**
  - 79%

### C. What is the percentage of sales to:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Yes</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Wholesalers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Retailers</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1.3 Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Companies outside the group:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Wholesalers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Retailers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. General government agencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Consumers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Regarding sales of your main product/service or your main market, how many of your customers are: **

- **A. Occasional**
  - 6%
- **B. Regular**
  - 1%

**Indicate whether your company:**

- **1. Undertakes a regular promotional activity**
  - Yes
- **2. Purchases a business-to-business policy**
  - Yes
# B. PRICING AT YOUR COMPANY

## 1. The Price of Your Main Product/Service is Set by:

<table>
<thead>
<tr>
<th>Option</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Your company</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>B. The parent company without involvement of the company itself</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>C. The main customers, without involvement of the company itself</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>D. Certain government sectors, without involvement of the company itself</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 2. To what extent are the following pricing methods applied in your company?

<table>
<thead>
<tr>
<th>Pricing Method</th>
<th>Important</th>
<th>Not Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pricing is on the basis of costs</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>2. Pricing depends on the prices of our main competitors</td>
<td>31</td>
<td>32</td>
<td>33</td>
</tr>
</tbody>
</table>

## 3. The Price of Your Main Product/Service

<table>
<thead>
<tr>
<th>Option</th>
<th>41</th>
<th>42</th>
<th>43</th>
<th>44</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Is the same for each customer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Varies depending on the amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Varies depending on a case-by-case basis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Varies depending on other aspects (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 4. How often do you recalculate this price does not necessarily mean changes the price of your main product/service?

<table>
<thead>
<tr>
<th>Option</th>
<th>51</th>
<th>52</th>
<th>53</th>
<th>54</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Periodically at specific intervals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Essentially in response to specific events, e.g., a considerable change in costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Mainly at specific times, but also in response to specific events, e.g., a considerable change in costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 5. If your company recalculates its prices at specific intervals, how often do you do this, in general?

<table>
<thead>
<tr>
<th>Option</th>
<th>61</th>
<th>62</th>
<th>63</th>
<th>64</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. More than once a year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Once a year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Less than once a year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 6. How do you recalculate the price of your main product/service at an occasion?

<table>
<thead>
<tr>
<th>Option</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Applying a rule of thumb, e.g., a fixed amount or percentage change, e.g., a percentage change, e.g., a percentage change, e.g., a percentage change, e.g., a percentage change</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Using a wide range of indicators (e.g., demand, costs, competitors, prices) relevant for pricing decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 7. How often do you change the price of your main product/service?

<table>
<thead>
<tr>
<th>Option</th>
<th>81</th>
<th>82</th>
<th>83</th>
<th>84</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. More than once a year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Once a year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Less than once a year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 8. Over USD, in a whole, was there any change (in percentage terms) in the price of your main product/service?

<table>
<thead>
<tr>
<th>Option</th>
<th>91</th>
<th>92</th>
<th>93</th>
<th>94</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 9. Do you recall a significant recent change in the price of your main product/service? If yes, to what extent was it passed on?

<table>
<thead>
<tr>
<th>Option</th>
<th>11</th>
<th>12</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Partial</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C. DETERMINANTS OF PRICE CHANGES

Indicate the significance of the factors that may cause you to raise/lower the price of your company's main product/service. Give a value of 1 (not important) to 4 (very important) for the following factors:

<table>
<thead>
<tr>
<th>Factors causing:</th>
<th>Price Increase</th>
<th>Price Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Change in labor costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Change in financial costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Change in the cost of raw materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Change in energy and fuel prices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Change in other production costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Change in productivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Change in demand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Change in competitive prices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. An improvement in design, quality or the product range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. The intention of gaining market share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Other factors (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D. FACTORS HAMPERING PRICE ADJUSTMENTS

Indicate which factors may lead to a delay in the adjustment of the price of your main product/service. Give a value of 1 (not important) to 4 (very important) for each of the following factors:

<table>
<thead>
<tr>
<th>Least than 1 month</th>
<th>1-3 months</th>
<th>3-6 months</th>
<th>6 months</th>
<th>1 year</th>
<th>Price increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Significant increase in demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Significant increase in production costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Significant decrease in demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Significant decrease in production costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reasons for deferring an increase in the price</th>
<th>Reasons for deferring a reduction in the price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Competition might affect their price</td>
<td></td>
</tr>
<tr>
<td>2. In the near future, it might be necessary to raise the price in the opposite direction</td>
<td></td>
</tr>
<tr>
<td>3. The existence of a product or a competitor that sells the price</td>
<td></td>
</tr>
<tr>
<td>4. The prospect of a more attractive offer (e.g., 10% or 40% more) and also the opportunity to raise it to a more attractive offer</td>
<td></td>
</tr>
<tr>
<td>5. The existence of costs arising from changing prices (new catalogues, menu costs, changing price tags)</td>
<td></td>
</tr>
<tr>
<td>6. The cost of collecting and processing the information associated with the decision to change the price</td>
<td></td>
</tr>
<tr>
<td>7. The possibility of using some alternative measure to achieve changes in price (change in delivery period)</td>
<td></td>
</tr>
<tr>
<td>8. The possibility of losing customers even if competitors also raise their prices</td>
<td></td>
</tr>
<tr>
<td>9. The possibility that customers will not produce a reduction in price as a result of quality</td>
<td></td>
</tr>
<tr>
<td>10. Other (please specify)</td>
<td></td>
</tr>
</tbody>
</table>
Branch number and name  

COMPANY NAME  
FUNCTION OF RESPONDENT  
TURN OVER OUT OF TAX (thousands of euros)  
SHARE OF EXPORTS IN TURNOVER (in %)  
IDENTIFICATION NO.  
ESTABLISHMENT NO.  
APE CODE  

1993 Nomenclature (NAF)  

MAIN PRODUCT (in full)  

This questionnaire has been answered by: ☐ phone ☐ face to face interview ☐ other

1. What percentage of your turnover out of tax is accounted for by your main product? .......... .......... .......... .......... I I I I ,0 %  
   • I do not know / I do not wish to answer .......... .......... .......... .......... (9)  

2. What percentage of your turnover out of tax is generated?  
   • In France (incl. French overseas departments and territories) .......... .......... .......... .......... I I I I %  
   • In the euro area (excl. France) .......... .......... .......... .......... I I I I %  
   • I do not know / I do not wish to answer .......... .......... .......... .......... (9)  

3. On the French market and for your main product, with how many companies are you in competition?  
   (tick only one answer)  
   • none ................................................ .......... .......... .......... .......... (1)  
   • 1 to 2 ................................................ .......... .......... .......... .......... (2)  
   • 3 to 4 ................................................ .......... .......... .......... .......... (3)  
   • 5 to 10 ................................................ .......... .......... .......... .......... (4)  
   • 11 to 20 ................................................ .......... .......... .......... .......... (5)  
   • More than 20 ................................................ .......... .......... .......... .......... (6)  
   • I do not know / I do not wish to answer .......... .......... .......... .......... (9)  

4. On the French market and for your main product, what percentage of your turnover is accounted for by:  
   (tick only one answer)  
   • Firms that subcontract work ............................................................................. I I I I %  
   • Other firms ............................................................................................................. I I I I %  
   • Consumers (via your own distribution network, retailers ...) ..................................... I I I I %  
   • General government, local authorities ................................................................. I I I I %  
6. In general, the purchase price (the price actually charged) of your main product is (maximum two answers)

- The same for all customers
- Differentiated according to the quantity which is sold
- Decided case by case
- I do not know / I do not wish to answer

7. On the French market and for your main product, what is the share, in percentage of your total cost of

<table>
<thead>
<tr>
<th></th>
<th>Labor cost</th>
<th>Intermediate consumption cost</th>
<th>Fixed cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

8. How do your unit variable costs (costs of labour and of other inputs by unit of production) change when there is an increase in the level of production?

- Increase
- Unchanged
- Decrease
- I do not know / I do not wish to answer

9. How do you usually set the price of your main product on the French market?

(If several situations arise, answer for the most significant) (tick only one answer)

- A mark-up is applied to unit variable production costs (your price is different from the price of your competitors)
- The market is very competitive and your price is the same as the one of your competitors
- The price is regulated (e.g. medicines...)
- Other (please specify)
- I do not know / I do not wish to answer

10. In general, how often do you review the price of your main product (without necessarily changing it)?

The exam must be complete enough to possibly lead to a modification of price. (tick only one answer)

- Daily
- Weekly
- Monthly
- Quarterly
- Yearly
- Over one year
- Other (specify)
- No usual frequency
- I do not know / I do not wish to answer

11. In general, when you change your price, do you take into account the fact that the next price adjustment can only occur after a certain period of time?

- Yes
- No
- I do not know / I do not wish to answer

12. On the French market, do customers sometimes benefit from discount prices on your main product?

(several possible answers for yes)

<table>
<thead>
<tr>
<th>Firms</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, depending on the quantity bought</td>
<td>Yes, depending on the quantity bought</td>
</tr>
<tr>
<td>Yes, depending on the market situation</td>
<td>Yes, depending on the market situation</td>
</tr>
<tr>
<td>Yes, at certain times of the year</td>
<td>Yes, at certain times of the year</td>
</tr>
<tr>
<td>Yes, other (please specify)</td>
<td>Yes, other (please specify)</td>
</tr>
</tbody>
</table>

- No
- I do not know / I do not wish to answer
13. Which factors, among the ones listed below, would cause you to raise/lower the price of your main product on the French market? For each factor, quote the relevant importance: (1) = unimportant; (2) = of minor importance; (3) = important; (4) = very important; (5) = this situation has not arisen during the last two years; (9) = I do not know / I do not wish to answer.

**Reasons to raise the price of your main product**
- An increase in labour costs
- An increase in intermediate commodity prices
- An increase in productivity
- An increase in demand
- A stock increase or a decrease in delivery delay
- An increase in the price offered by your competitor(s)
- A decrease in the number of your competitors
- Other (please specify)

*The quotation for each factor might be different from one column to the other.*

**Reasons to lower the price of your main product**
- A decrease in labour costs
- A decrease in intermediate commodity prices
- An increase in productivity
- A decrease in demand
- A stock decrease or a decrease in delivery delay
- A decrease in the price offered by your competitor(s)
- An increase in the number of your competitors
- Other (please specify)

14. Which factors, among the ones listed below, might deter you from adjusting the price of your main product on the French market? For each factor, quote the relevant importance: (1) = unimportant; (2) = of minor importance; (3) = important; (4) = very important; (5) = this situation has not arisen during the last two years; (9) = I do not know / I do not wish to answer.

**Reasons to decide not to raise the price of your main product**
- The risk that your competitors will not adjust their price
- The risk that you will subsequently have to readjust your price in the opposite direction
- The existence of a written contract specifying that price can only be adjusted when the contract is renegotiated
- The existence of an implicit contract (regular contact with a customer without any written contract)
- A preference for maintaining price at a psychological threshold (e.g. 499 € instead of 502 €)...
- The costs generated by price adjustments (menu costs, IT costs...)
- Other (specify)

**Reasons to decide not to lower the price of your main product**
- The risk that your competitors will not adjust their price
- The risk that you will subsequently have to readjust your price in the opposite direction
- The existence of a written contract specifying that price can only be adjusted when the contract is renegotiated
- The existence of an implicit contract (regular contact with a customer without any written contract)
- A preference for maintaining price at a psychological threshold (e.g. 499 € instead of 494 €)...
- The costs generated by price adjustments (menu costs, IT costs...)
- Other (specify)

15. Usually, in the event of a major and lasting change in your environment (change in demand, competitive environment, etc...), do you modify the price of your main product? (tick only one answer)

**Increased demand and/or lower competition**
- Yes, with a delay shorter than 1 month (1)
- Yes, with a delay between 1 and 3 months (2)
- Yes, with a delay longer than 3 months (3)
- With difficulty (4)
- No (5)
- This situation has not arisen during the last two years (6)
- I do not know / I do not wish to answer (9)

**Lower demand and/or increased competition**
- Yes, with a delay shorter than 1 month (1)
- Yes, with a delay between 1 and 3 months (2)
- Yes, with a delay longer than 3 months (3)
- With difficulty (4)
- No (5)
- This situation has not arisen during the last two years (6)
- I do not know / I do not wish to answer (9)
16. Usually, in the event of a major and lasting change in your unit variable production costs (costs of labor and of other inputs) on the French market, do you modify the price of your main product? (tick only one answer)

<table>
<thead>
<tr>
<th>Lower unit production costs</th>
<th>Higher unit production costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, with a delay shorter than 1 month</td>
<td>Yes, with a delay shorter than 1 month</td>
</tr>
<tr>
<td>Yes, with a delay between 1 and 3 months</td>
<td>Yes, with a delay between 1 and 3 months</td>
</tr>
<tr>
<td>Yes, with a delay longer than 3 months</td>
<td>Yes, with a delay longer than 3 months</td>
</tr>
<tr>
<td>With difficulty</td>
<td>With difficulty</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>This situation has not arisen during the last two years</td>
<td>This situation has not arisen during the last two years</td>
</tr>
<tr>
<td>I do not know / I do not wish to answer</td>
<td>I do not know / I do not wish to answer</td>
</tr>
</tbody>
</table>

17. In 2003, how many times did you change the price of your main product? Take as reference the price actually charged for a representative transaction

<table>
<thead>
<tr>
<th></th>
<th>times</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not know / I do not wish to answer</td>
<td>(9)</td>
</tr>
</tbody>
</table>

17bis. Between January 2003 and December 2003, what has been (will be) the variation, in percent, of the price of your main product on the French market? Take as reference the price actually charged for a representative transaction

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not know / I do not wish to answer</td>
<td>(9)</td>
</tr>
</tbody>
</table>
**Preliminary remarks**
- The answers must be referred to year 2002
- In case your firm produces (or sells) more goods or services, the answers, where explicitly stated, must be referred to the "main product (or service)". For instance, if the firm produces (or sells) several types of hats and of shoes, by "product" we mean "hats" and "shoes" (independently of the specific type), whereas by "main product" we mean the one which in 2002 generated the highest turnover.

**SECTION A - GENERAL INFORMATION ON THE MARKET IN WHICH THE FIRM OPERATES**

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. How many products does your firm produce (or sell)?</td>
<td></td>
</tr>
<tr>
<td>A2. What is your &quot;main product&quot;?</td>
<td></td>
</tr>
<tr>
<td>A3. What is the percentage of turnover due to your &quot;main product&quot;?</td>
<td>%</td>
</tr>
<tr>
<td>A4. What is the most important market (in terms of turnover) for your &quot;main product&quot;? (please tick only one answer)</td>
<td></td>
</tr>
<tr>
<td>Italian market:</td>
<td></td>
</tr>
<tr>
<td>&quot;Local&quot; market:</td>
<td></td>
</tr>
<tr>
<td>&quot;National&quot; market:</td>
<td></td>
</tr>
<tr>
<td>Other euro area countries</td>
<td></td>
</tr>
<tr>
<td>Countries outside the euro area</td>
<td></td>
</tr>
<tr>
<td>A5. If you sell your &quot;main product&quot; abroad, what is the percentage of your turnover due to exports?</td>
<td>%</td>
</tr>
<tr>
<td>A6. With reference to your &quot;main product&quot; and the Italian market, your firm is, in terms of market share (if you sell your &quot;main product&quot; only on the &quot;local&quot; market, please refer the answer to it): (please tick only one answer)</td>
<td></td>
</tr>
<tr>
<td>The first firm</td>
<td></td>
</tr>
<tr>
<td>One of the first 4 firms</td>
<td></td>
</tr>
<tr>
<td>One of the first 10 firms</td>
<td></td>
</tr>
<tr>
<td>Not among the first 10 firms</td>
<td></td>
</tr>
<tr>
<td>I do not know, I do not want to answer</td>
<td></td>
</tr>
<tr>
<td>A7. With reference to your &quot;main product&quot; and the Italian market, could you indicate the number of your competitors (if you sell your main product only on the &quot;local&quot; market, please refer the answer to it): (please tick only one answer)</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
</tr>
<tr>
<td>&lt; 5</td>
<td></td>
</tr>
<tr>
<td>Between 5 and 20</td>
<td></td>
</tr>
<tr>
<td>&gt; 20</td>
<td></td>
</tr>
<tr>
<td>I do not know, I do not want to answer</td>
<td></td>
</tr>
<tr>
<td>A8. In what percentage the turnover generated by your &quot;main product&quot; is due to sales to:</td>
<td>%</td>
</tr>
<tr>
<td>Other firms</td>
<td></td>
</tr>
<tr>
<td>Consumers, through large retailers</td>
<td></td>
</tr>
<tr>
<td>Consumers, through your own distribution network o through a network under your control</td>
<td></td>
</tr>
<tr>
<td>Consumers, through small retailers</td>
<td></td>
</tr>
<tr>
<td>Consumers through other channels (e.g. catalogues, internet, etc.)</td>
<td></td>
</tr>
<tr>
<td>Public Administration</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>%</td>
</tr>
<tr>
<td>A9. With reference to your &quot;main product&quot;, are the relationships with your customers mostly of a long-term nature (i.e. longer than 1 year) or occasional? (please tick only 1 answer for each type of customer)</td>
<td></td>
</tr>
<tr>
<td>Other firms (including those belonging to the retail sector):</td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
</tr>
<tr>
<td>Occasional</td>
<td></td>
</tr>
<tr>
<td>Consumers (only for firms which sell their products directly to the public):</td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
</tr>
<tr>
<td>Occasional</td>
<td></td>
</tr>
<tr>
<td>A10. With reference to your &quot;main product&quot; and moving from a normal level of production, how do your unit variable costs (costs of labour and of other inputs) change when there is an increase in the level of production? (please tick only 1 answer)</td>
<td></td>
</tr>
<tr>
<td>Large increase</td>
<td></td>
</tr>
<tr>
<td>Moderate increase</td>
<td></td>
</tr>
<tr>
<td>Unchanged</td>
<td></td>
</tr>
<tr>
<td>Moderate decrease</td>
<td></td>
</tr>
<tr>
<td>Large decrease</td>
<td></td>
</tr>
</tbody>
</table>
### SECTION B - THE DETERMINANTS OF THE PRICE LEVEL

<table>
<thead>
<tr>
<th>B1. The actual price of your &quot;main product&quot; is:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(please tick at most 2 answers)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The same for all customers..........................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Differentiated according to the quantity.............</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Decided case by case ................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• I do not know, I do not want to answer ............</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• A mark-up is applied to unit variable costs</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>(cost of labour and cost of the other inputs) ..........</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• The price is regulated................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Other (please specify) ................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• I do not know, I do not want to answer ............</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B2. How do you normally set the price of your &quot;main product&quot;?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• A mark-up is applied to unit variable costs (cost of labour and cost of the other inputs)</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• The price is regulated..................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Other (please specify)..................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• I do not know, I do not want to answer ..................</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B3. How different would the price of your &quot;main product&quot; be if you did not have any competitor on your market?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unchanged..................................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Slightly different...............................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Rather different...................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Much different ....................................................</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B4. If you decided to increase the price of your &quot;main product&quot; by 10%, ceteris paribus (in particular assuming that the prices set by your competitors remain unchanged) by what percentage would the demand for your &quot;main product&quot; fall?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] [ ] [ ]%</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

### SECTION C - PRICE ADJUSTMENTS

<table>
<thead>
<tr>
<th>C.1 Under normal conditions the price of your &quot;main product&quot; is reviewed (without necessarily being changed):</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>In response to &quot;specific events&quot;</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Changes in costs ...........................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Changes in demand...........................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Other (please specify) ....................................</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Periodically</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Daily ..................................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Weekly ................................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Monthly ................................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Quarterly........................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>• Yearly ..................................................................</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C.2 Once you have decided that it is necessary to change the price of your &quot;main product&quot;, which of the factors listed below might lead to a delay in the actual price change? (please attribute the degree of importance to each answer by choosing one of the following four options: 1 = unimportant; 2 = of minor importance; 3 = important; 4 = very important)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C2.1 The fear that competing firms will not adjust their price.........................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>C2.2 The fear that subsequently you will need to modify the price in the opposite direction...................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>C2.3 The presence of a contract which states conditions (including price) that can be changed only when the contract is re-negotiated ..................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>C2.4 The price is set at &quot;attractive&quot; thresholds (e.g. 4.99 euro instead of 5.00) and it is changed only when it is convenient to move to a new attractive threshold ........................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>C2.5 The presence of high costs of changing prices (printing new catalogues, physical costs of adjusting price tags, etc) ..........................................................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>C2.6 Bureaucratic rigidities (e.g., the need to inform Associations of category of the new price) .............</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>C2.7 Other (please specify if possible) ................................................................................................</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C.3 Is it possible that the price of your &quot;main product&quot; is below your unit variable costs?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes.................................................</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>No....................................................</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C.4 If the answer to the previous question is &quot;yes&quot;, for how many months would you be willing to accept a price level below unit variable costs?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] months</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>I do not know ...............................................................................................................................................</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

17
<table>
<thead>
<tr>
<th>Question</th>
<th>Table</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.5 In 2001 how many times did you actually change the price of your &quot;main product&quot;?</td>
<td></td>
</tr>
<tr>
<td>C.6 And in 2002?</td>
<td></td>
</tr>
</tbody>
</table>

**SECTION D – THE ASYMMETRIES**

**D.1 Which factors would be likely to cause an increase in the price of your "main product"?**

<table>
<thead>
<tr>
<th>Factor</th>
<th>1 = unimportant</th>
<th>2 = of minor importance</th>
<th>3 = important</th>
<th>4 = very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>An increase in the cost of labour</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An increase in the cost of raw materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An increase in financial costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A rise in demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price increase by one or more competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**D.2 If demand for your "main product" increased, before you raise the price level, would you first consider:**

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>An extension in delivery time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changing the level of stocks</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

**D.3 Which factors would be likely to cause a decrease in the price of your "main product"?**

<table>
<thead>
<tr>
<th>Factor</th>
<th>1 = unimportant</th>
<th>2 = of minor importance</th>
<th>3 = important</th>
<th>4 = very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>A decrease in the cost of labour</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A decrease in the cost of raw materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A decrease in financial costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A decrease in demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price decrease by one or more competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**D.4 If you were about to decrease the price of your "main product", would you fear that customers might assume that you had reduced its quality?**

<table>
<thead>
<tr>
<th>Fear</th>
<th>Yes</th>
<th>No</th>
<th>I do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The European Central Bank (ECB) and the national central banks in EMU have launched a joint research project on price setting by European companies. Together, they are responsible for price stability in the euro area. Information about pricing behaviour is vital to the preparation and conduct of monetary policy. The Nederlandsche Bank (DNB) is involved in surveying Dutch companies on this topic. The information you provide will only be used for research purposes. TNS-NIPO does not deliver company specific information like respondent or branch names. DNB guarantees strict confidentiality of your answers. Answering the questionnaire will take you about 10 minutes. We are very grateful for your cooperation.

0 AVAILABLE BACKGROUND INFORMATION

0.1 Position of respondent in the company
0.2 Sector
  - Manufacturing
  - Business services
  - Wholesale
  - Retail (food/ non-food/catering)
  - Transportation
  - Other
0.3 Number of employees including owner
  - 1 person
  - 2-4 persons
  - 5-9 persons
  - 10-19 persons
  - 20-49 persons
  - 50-99 persons
  - 100 or more persons

1 GENERAL INFORMATION

1.1 Are you in a position to provide information on the price setting within your company?
  - Yes
  - No (end of interview)
1.2 Does your company adopt one pricing policy for all of your products?
  - Yes, is basically the same for all our products
  - Yes, for the greater part of our assortment
  - No, depends on the type of product
  - Don’t know/no answer

Please answer the following questions for the main product or one typical product sold by your company, in the questionnaire referred to as product X

1.3 What product (X) do you have in mind?
1.4 What percentage of your turnover is accounted for by product X. A rough estimate suffices.
1.5 In what markets do you sell your main products? (more answers allowed)
  - Local market
  - Regional market
  - National market
  - Foreign markets
1.6 What is your main market for product X? Please tick only one answer
  - Local market
  - Regional market
  - National market
  - Foreign markets
1.7 If you sell your main product abroad, what percentage of your turnover is due to exports?
   - .....%
   - Don’t know / no answer

1.8 Could you roughly indicate the number of competitors for your main product on the Dutch market?
   Please tick only one answer
   - None
   - 1
   - 2 to 5
   - 5 to 20
   - 20 or more
   - Don’t know / no answer

1.9 To what extent do you experience competition for product X?
   - Severe competition
   - Strong competition
   - Weak competition
   - No competition
   - Don’t know / no answer

1.10 Did you raise or lower the selling price of product X last year?
    - Raised it
    - Lowered it
    - Left it unchanged
    - Don’t know / no answer

1.11 With what percentage has your selling price been changed in 2003 compared to 2002?
    - .....%
    - Don’t know / no answer

2 PRICE SETTING BEHAVIOUR: TIMING AND DETERMINANTS

2.1 Do you decide on the price of prod X independently or are they prescribed by head-office or government rules?
   - Determine prices myself
   - Partially dependent on suggested prices/prices of head-office
   - Fully dependent on suggested prices/prices of head-office
   - Price is to a large extent regulated by government
   - Other…
   - Don’t know/ no answer

2.2 Do you adjust the selling price of product X at fixed time intervals?
   - Yes, daily
   - Yes, periodic (e.g. once a week, month, year)
   - Generally periodic, but occasionally in response to specific events (large shocks for example)
   - No, depends fully on specific events

2.3 On average, how many times a year do you adjust your selling price of product X?
   - ..... 
   - Don’t know / no answer

2.4 On average, how often do you check or review the adequacy of the price of product X?
   - Daily
   - Weekly
   - Monthly
   - Quarterly
   - Once a year
   - Other frequency …
   - Occasionally
   - Don’t know / no answer

2.5 Do you tune the timing of your own price changes to those of your supplier(s)?
   - No
   - Sometimes (e.g. in case of major price change by supplier)
   - Often
   - Always
   - Don’t know / no answer

2.6 Do customers tune the timing of their price changes to yours?
2.7 How do you calculate the price of your "main product"?
- a fixed mark-up is applied to unit variable costs (cost of labour and other inputs)
- a variable mark-up is applied to unit variable costs, depending on market conditions
- to a large degree on the basis of my competitors’ prices
- link it to another price (like wages)
- dictated by our customer(s)
- other
- don’t know, no answer

2.8 Which factors would likely cause an increase in the price of your "main product"?
Attribute a value of 1 (irrelevant) to 10 (very important)
- An increase in the cost of labour
- An increase in the cost of raw materials
- An increase in financial costs
- An increase in other production costs
- An increase in demand
- An increase in competitors’ prices
- An increase in quality of the product
- A cash-flow or financing problem

2.9 Which factors would likely cause a decrease in the price of your "main product"?
Attribute a value of 1 (irrelevant) to 10 (very important) to each
- A decrease in the cost of labour
- A decrease in the cost of raw materials
- A decrease in financial costs
- A decrease in other production costs
- A decrease in demand
- A decrease in competitors’ prices
- A decrease in quality of the product
- Liquidity surpluses

2.10 Which of the following factors might delay carrying out price changes for product X?
Attribute a value of 1=irrelevant to 10=very important to each
- The presence of a formal contract: prices can only be changed when the contract is re-negotiated
- Our customers expect us to keep prices as stable as possible
- Lowering prices might mistakenly be interpreted as quality loss
- Fear that competing firms will not adjust their price
- Fear that one may need to revise the price in the opposite direction
- Prices are set at ‘attractive’ thresholds
- Presence of high menu costs of changing prices
- Instead of changing prices, prefer to change other conditions like terms-of-payment, service level
- Other (please specify if possible)

2.11 The introduction of the euro enlarges comparability of prices between EMU-member countries?
Has this affected your price setting policy?
- Had no or hardly any effect
- Not yet, but expect this to be the case in the future
- More difficult to differentiate prices across EMU-countries
- Less sensitive to exchange rate movements
- Other
- Don’t know / no answer
General Indications

- This questionnaire is intended to inform us about your pricing policy. When answering the following questions, please reflect on the product that best represents your company. (You can, for example, choose the best-selling product of the year 2003.) This product will be referred to as "main product".

- Please relate all your data to the year 2003.

**Product (XY):**

**THE PRICE SETTING BEHAVIOUR OF AUSTRIAN COMPANIES**

**PART A – INFORMATION ABOUT THE MARKET IN WHICH YOU SELL YOUR PRODUCT**

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. What is your main product?</td>
<td></td>
</tr>
<tr>
<td>A2. What percentage of sales does your main product account for?</td>
<td></td>
</tr>
<tr>
<td>A3. What share of the turnover of your main product is generated in the following regions?</td>
<td></td>
</tr>
<tr>
<td>A4. What percentage of sales do you generate by selling your main product...</td>
<td></td>
</tr>
<tr>
<td>A5. What is the market share of your main product on its most important market?</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE 1:** When answering the following questions, please reflect on the market which is most important for your main product. Thus, refer all your answers to the market with the highest percentage share in question A3.

1 Great Britain, Sweden, Denmark, Czech Republic, Slovakia, Hungary, Slovenia, Poland, Estonia, Latvia, Lithuania, Cyprus, Malta.
A6. How many (national and international) competitors do you have for your main product on its most important market? Please count only those companies you directly compete with. If, for example, you run a restaurant, please consider only the restaurants in your vicinity (district or town).

- none
- fewer than 5
- between 5 and 20
- more than 20

A7. How many customers do you have with regard to your main product on its most important market? Number of customers

A8. What percentage of sales do you achieve through regular customers (customers you have been doing business with for more than one year) and through occasional customers?

<table>
<thead>
<tr>
<th>Regular customers</th>
<th>Occasional customers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Part B – PRICING IN YOUR COMPANY

B1. Do you determine the price of your main product within the company or is it set by somebody outside the company?

- We determine the price
- The parent company determines the price
- Our main customers determine the price
- Public agencies determine the price
- Others

Please specify __________________________

B2a. Do you make arrangements with your customers in which you guarantee to offer your main product at a specific price for a certain period of time?

- No
- Yes. Transactions under such arrangements account for 0% - 25%
- 26% - 50%
- 51% - 75%
- 76% - 100%

of the sales of our main product.

B2b. If you have such arrangements in place, for how long do you usually guarantee the price? Number of months

B3. Do you allow a discount on the price of your main product? You may check several boxes.

- Large quantity discounts
- Discounts for regular customers
- Cash discounts
- Discounts depending on the market situation
- Seasonal discounts (e.g. sales)
- Others: ________________________________

Please specify below.

NOTE 2: The word "price" refers to the actual selling price of your main product. Please refer your answers to the price you actually charge including discounts.

Production costs can be divided into fixed costs and variable costs. Fixed costs remain constant, no matter how much you produce (e.g. rental fee, acquisition costs of machines). Variable costs change with the production level (e.g. raw materials, labour costs).
B4a. How do you determine the price of your main product?
Please indicate the degree to which every statement applies to your company (describes us very well, applicable, inapplicable, completely inapplicable, don’t know)

- We add a **constant mark-up** to the variable production costs per unit (mark-up pricing).
- Basically, we apply mark-up pricing. However, when we step up production, the variable costs increase to such a large extent that we cannot raise the price accordingly. As a consequence, we have to **reduce the mark-up**.
- Basically, we apply mark-up pricing. However, when we step up production, the variable costs decrease so that we can **increase the mark-up**.
- We set the price at the market level.
- We set the price (slightly) above the market level.
- We set the price (slightly) below the market level.
- We choose the price of our main product in a different way. Please tell us how:

B4b. Do you base your pricing decisions on data from previous years or on forecasts?

- On data from previous years
- On forecasts
- An average of past data and forecasts

B5. Suppose you produce at the normal production level and you would like to slightly increase production (within the given capacity limits). How would the variable production costs per unit change for the additional units produced?

*Please check only one box.*

- They increase strongly
- They increase slightly
- They remain constant
- They decrease slightly
- They decrease strongly
- Don’t know

B6a. We assume that companies check their prices from time to time, but that they do not necessarily change them.

Do you check the price of your main product...

- regularly?
- on specific occasions (e.g. when costs change considerably)?
- in general regularly and also on specific occasions (e.g. significant changes in costs or demand)?
- for other reasons?

*Please indicate the degree to which every statement applies to your company (describes us very well, applicable, inapplicable, completely inapplicable, don’t know)*

→ Continue with question B6b.

→ Continue with question B7.

B6b. You check the price of your main product regularly.

At which intervals do you check the price?

- daily
- weekly
- monthly
- quarterly
- twice a year
- yearly
- less frequently than yearly

→ Continue with question B7.

B7. This question does not deal with checking the prices but with actually changing them.

How often do you change the price of your main product on average in a given year?  |______| times
B8a. If there are reasons to raise the price of your main product, which of the following factors might prevent an immediate price increase? (describes us very well, applicable, inapplicable, completely inapplicable, don't know)

- The concern that our competitors will not raise prices and that we will be the first to raise prices. We will wait until the competitors raise prices and will follow.
- We have arrangements with our customers, in which we guarantee to offer our main product at a specific price.
- The price we used up to now was a psychological price (e.g. 9.90); we would change this price only if the new price were also a psychological price.
- The concern that subsequently we will have to readjust the price in the opposite direction.
- Raising prices entails costs; we have to print new price lists (or catalogues), for example, or we have to modify our website.
- We will raise prices only if costs rise, but as a rule, we wait a bit before raising prices.
- We will do without price increases and will change other product parameters – e.g. extend delivery times.

B8b. If there are reasons to reduce the price of your main product, which of the following factors might prevent an immediate price reduction? (describes us very well, applicable, inapplicable, completely inapplicable, don't know)

- Concerns that our price reduction might trigger a price war with our competitors.
- We have arrangements with our customers, in which we guarantee to offer our main product at a specific price.
- Concerns that our customers could interpret the price reduction as a reduction in quality.
- The price we used up to now was a psychological price (e.g. 9.90); we would change this price only if the new price were also a psychological price.
- The concern that subsequently we will have to readjust the price in the opposite direction.
- Reducing prices entails costs; we have to print new price lists (or catalogues), for example, or we have to modify our website.
- We will reduce prices only if costs decrease, but as a rule, we wait a bit before reducing prices.
- We will do without price reductions and will change other product parameters – e.g. shorten delivery times.

B9a. It could also be that you wish to keep the price of your main product constant because you stand to lose many customers if you raise prices, but do not stand to gain many new customers by reducing prices. Please indicate the degree to which this statement applies to your company.

B9b. Some customers consider price increases resulting from higher demand less fair than those resulting from higher costs. Do you keep prices constant despite demand fluctuations because you do not want to jeopardise your customer relationships. Please indicate the degree to which this statement applies to your company.

B9c. Another reason for not adjusting prices (at least not immediately) is that gathering information relevant for pricing decisions is costly in terms of time and/or money. Please indicate the degree to which this statement applies to your company.
<table>
<thead>
<tr>
<th>B10.a. If demand for your main product rises slightly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 1 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B10.b. If demand for your main product rises markedly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 1 1</td>
<td></td>
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</tbody>
</table>

<table>
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<tr>
<th>B10.c. If demand for your main product drops slightly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
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<tr>
<th>B10.d. If demand for your main product drops markedly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
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<tr>
<th>B10.e. If the cost for producing your main product rises slightly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
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<tr>
<th>B10.f. If the cost for producing your main product rises markedly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
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<tr>
<th>B10.g. If the cost for producing your main product drops slightly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
</tr>
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<tr>
<th>B10.h. If the cost for producing your main product drops markedly, how much time passes before you change prices?</th>
<th>Number of months:</th>
<th>We do not change prices:</th>
<th>Don't know:</th>
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<thead>
<tr>
<th>B11.a. Please reflect on the price increases of your main product in recent years.</th>
<th>In recent years we have not raised the price of our main product.</th>
<th>Continue with question B11b</th>
</tr>
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Which of the factors below were relevant for the price increases? (describes us very well, applicable, inapplicable, completely inapplicable, don't know)

- Wage costs rose.
- Capital costs (loan interest) rose.
- Purchased goods and services or raw materials became more expensive.
- Taxes were raised.
- We improved the quality of our main product.
- The competitors raised their prices.
- We raise prices at regular intervals.
- Demand for our main product rose.
- A public agency (e.g. price regulator) authorised a higher price.
- We link our price to the general price level (indexation).
- Forecasts on inflation and/or business activity for the upcoming years changed.
B11b. Please reflect on the price reductions of your main product in recent years.

In recent years we have not reduced the price of our main product. ☐ → Continue with question B12a

Which of the factors below were relevant for the price reductions? (describes us very well, applicable, inapplicable, completely inapplicable, don't know)

- Wage costs fell.
- Capital costs (loan interest) fell.
- Purchased goods and services or raw materials became less expensive.
- Taxes were cut.
- We managed to produce the main product at less costs owing to our improved production process.
- The competitors lowered their prices.
- The competitors introduced new and better products to the market.
- We reduce prices at regular intervals.
- Demand for our main product fell.
- A public agency (e.g. price regulator) called for a lower price.
- We link our price to the general price level (indexation).
- Forecasts on inflation and/or business activity for the upcoming years changed.

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>B12a. Did the introduction of euro banknotes and coins (at the beginning of 2002) have any effect on prices of purchased goods and services (e.g. intermediate inputs) in your industry?</td>
<td>Prices increased</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>B12b. Did the introduction of euro banknotes and coins (at the beginning of 2002) have any effect on prices of the products in your industry?</td>
<td>Prices increased</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>B13a. If the demand for your main product decreased temporarily, what would your first reaction be?</td>
<td>We reduce prices</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>We cut overtime and/or lay off people</td>
<td>☐</td>
<td>☑</td>
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<tr>
<td></td>
<td>We reduce investment and/or close down facilities</td>
<td>☐</td>
<td>☑</td>
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<tr>
<td></td>
<td>We build up inventory rather than reducing output</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>We increase the funds for marketing</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>We offer new products</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>Other measures such as</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>We wait and see</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>B13b. If the demand for your main product decreased permanently, what would your reaction be?</td>
<td>We reduce prices</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>We cut overtime and/or lay off people</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>We reduce investment and/or close down facilities</td>
<td>☐</td>
<td>☑</td>
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<td>We build up inventory rather than reducing output</td>
<td>☐</td>
<td>☑</td>
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<td></td>
<td>We increase the funds for marketing</td>
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<tr>
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<td>We offer new products</td>
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<td>☑</td>
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<tr>
<td></td>
<td>Other measures such as</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>We wait and see</td>
<td>☐</td>
<td>☑</td>
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</table>
### B13c. If the demand for your main product increased temporarily, what would your first reaction be?

**You may check several boxes.**

- We raise prices....................................................
- We do more overtime and/or hire more people..............................................................
- We increase investment and/or buy new facilities...........................................................
- We reduce inventory rather than raising output..............................................................
- Other measures...........................................................
- We wait and see............................................................

### B13d. If the demand for your main product increased permanently, what would your reaction be?

**You may check several boxes.**

- We raise prices....................................................
- We do more overtime and/or hire more people..............................................................
- We increase investment and/or buy new facilities...........................................................
- We reduce inventory rather than raising output..............................................................
- Other measures...........................................................
- We wait and see............................................................

**Thank you for taking the time to complete this questionnaire!**
SURVEY ON PRICE-SETTING BEHAVIOUR

The questions concern the main product sold by your company (either a good or a service). You can choose, for instance, the product with the highest turnover in 2003 or any other product that you considered as a reference of your main activity. The answers should be referred to this product and, unless otherwise stated, they should be also referred to 2003. The Banco de Portugal guarantees the strict confidentiality of your answers, which will be only used for economic research. The Banco de Portugal is very grateful for your collaboration.

Company name: _______________________________________________________________________________________________
Company economic classification (5-digit code): ____________ Fiscal Number: __________________________________________
Person that answers the survey: ________________________________________________________________________________
Phone Number: ______________________ E-mail: ______________________ Date: ____________________________________________

GENERAL INFORMATION

1. What is your main product? ________________________________________________________________________________
2. The percentage that your main product represents in the total turnover is about: 
   2.1. %
3. What is your main market (choose only one option)?
   3.1. Portugal ............................................................................................................................................................
   3.2. Other euro area countries 2 ................................................................................................................................
   3.3. United Kingdom ................................................................................................................................................
   3.4. United States ......................................................................................................................................................
   3.5. Other countries ...................................................................................................................................................
4. If you sell your product abroad, what percentage of your turnover is due to exports? 
   4.1. %
   4.2. I don’t wish to answer or I don’t have enough information to do so ..............................................................
5. What is the main destination of your sales (choose only one option)?
   5.1. Wholesalers .........................................................................................................................................................
   5.2. Retailers ...............................................................................................................................................................
   5.3. Companies of your own group .............................................................................................................................
   5.4. Other companies (private and public) ..................................................................................................................
   5.5. Public Administration (State, Municipalities,…) .................................................................................................
   5.6. Directly to consumers (via your own stores or through catalogues or Internet) ..................................................
   5.7. Others channels, please specify ______________________________________________________________________
6. In the Portuguese market, how many competitors do you have? 
   6.1. We don’t have any main competitor ..................................................................................................................
   6.2. Less than 5 ............................................................................................................................................................

2 Alemanha, Espanha, Grécia, Itália, Luxemburgo, Países Baixos, Bélgica, Irlanda, Finlândia, França e Áustria.
6.3. Between 5 and 20

6.4. More than 20

7. What is the market share of your main product in Portugal (choose only one option)?

7.1. Less than 5%

7.2. 6%-20%

7.3. 21%-50%

7.4. 51%-99%

7.5. 100%

8. The kind of relationship that you have with your customers is essentially (choose only one option):

8.1. Long-term (more than 1 year)

8.2. Short-term (less than 1 year)

9. The percentage of your sales that goes to long-term customers is approximately

10. What is the importance of the following factors for the competitiveness of your product? [Use the following options: 1-unimportant; 2-of minor importance; 3-important; 4-very important; 0-I can’t evaluate]

10.1. The price

10.2. The quality

10.3. The degree your product is different from your competitors

10.4. The delivery period

10.5. The presence of a long-term relationship

10.6. The after-sales service

10.7. Other factors, please specify

GENERAL INFORMATION ON PRICE SETTING

11. The price of your main product (choose only one option):

11.1. Is the same for all customers

11.2. Depends on the quantity sold but according to a uniform price list

11.3. Is decided case by case

12. Is there any particular month (or months) where the price of your main product is most likely changed?

12.1. No

12.2. Yes. Which?

13. How many times did the price of your main product change in 2002 and 2003?

14. Taking as a reference, for instance, the last changes in price (increases or reductions), indicate (approximately) the percentage of them that implied a price increase (suggestion: consider for instance the last ten price changes)

15. Taking as a reference, for instance, the same price changes considered in the last question, indicate the most frequent size of your price changes:

For price increases [choose only one option]

For price reductions [choose only one option]

16. Which of the following situations describes better the way your price is normally set (choose only one option):

16.1. The price is set by our company
16.2. The price is set by an external entity (Government, regulatory body,)

16.3. The price is set by our main customer(s).

16.4. The price is set by our main competitor(s).

16.5. Other, please specify

17. Does your company usually sets formal contracts that fix the price for a stated period?

17.1. No

17.2. Less than 10%

17.3. 11-25%

17.4. 26-50%

17.5. 51-90%

17.6. Almost all (>90%)

18. The price in your company is reviewed, without necessarily being changed (choose only one option):

18.1. At a well-defined frequency (annually, quarterly...)

18.2. Generally at a defined frequency, but sometimes also in reaction to market conditions (changes in the price of raw materials or in demand conditions)

18.3. Without any defined frequency, being reviewed in reaction to market conditions (changes in the price of raw materials or in demand conditions)

18.4. None of these cases applies to my company

19. [Answer to this question if you chose options 18.1 or 18.2 in the previous question]. At what frequency the price in your company is normally reviewed, without necessarily being changed? (Consider a price revision as an assessment of all information relevant for price determination)

19.1. Daily

19.2. Once a week

19.3. Once a month

19.4. Quarterly

19.5. Two times a year

19.6. Once a year

19.7. Less than once a year

20. On average, at what frequency is the price actually changed?

20.1. Daily

20.2. Once a week

20.3. Once a month

20.4. Quarterly

20.5. Two times a year

20.6. Once a year

20.7. Less than once a year

21. Which information do you most take into account when calculating the price of your main product (choose only one option)?

21.1. Information regarding the current and past behaviour of all variables relevant for profit maximization (demand, costs, the price of main competitors,)

21.2. Information regarding the recent behaviour of all variables relevant for profit maximization as well as their future prospects

21.3. We basically apply an indexation rule over one or more variables relevant for profit maximization (e.g. consumer price inflation, wage growth,)

22. Keeping everything else constant, including the price of your competitors, if you decide to increase the price of your main product for instance by 10% by what percentage do you think the quantities sold by your company would fall?

22.1. More than 20%

22.2. Between 10 and 20%

22.3. About 10%

22.4. Less than 10%

22.5. Quantities remain unchanged

REASONS FOR CHANGING PRICES

23. What is the importance of the factors listed below in terms of a price increase decision? [Use the following options: 1-unimportant; 2-of minor importance; 3-important; 4-very important; 0-I can’t evaluate]
24. What is the importance of the factors listed below in terms of a price decrease decision? [Use the following options: 1-unimportant; 2-of minor importance; 3-important; 4-very important; 0-I can’t evaluate]

24.1. A decrease in the price of raw materials.................................................................................................................. 1 2 3 4 0
24.2. A decrease in wage costs (including taxes).................................................................................................................. 1 2 3 4 0
24.3. A decrease in demand..................................................................................................................................................... 1 2 3 4 0
24.4. A decrease in our competitors’ price.......................................................................................................................... 1 2 3 4 0
24.5. A decrease in financing costs.......................................................................................................................................... 1 2 3 4 0
24.6. Other, please specify ......................................................................................................................................................

25. Companies sometimes differ in the speed that their prices respond to changes in demand and costs: [Use the following options: 1 - Less than 1 week; 2 - From 1 week to 1 month; 3 - From 1 to 3 months; 4 - From 3 to 6 months; 5 - From 6 months to 1 year; 6 - The price remains unchanged]

25.1. After a significant increase in demand, how much time on average elapses before you raise your prices? ........................................................................................................................................... 1 2 3 4 5 6
25.2. After a significant increase in production costs, how much time on average elapses before you raise your prices? ........................................................................................................................................... 1 2 3 4 5 6
25.3. After a significant fall in demand, how much time on average elapses before you reduce your prices? ........................................................................................................................................... 1 2 3 4 5 6
25.4. After a significant decline in production costs, how much time on average elapses before you reduce your prices? ........................................................................................................................................... 1 2 3 4 5 6

REASONS TO POSTPONE PRICE CHANGES

26. Companies sometimes decide to postpone price changes or to change their price only slightly. This is generally due to various factors. Some of them are listed below. Please indicate their importance in your company. [Use the following options: 1-unimportant; 2-of minor importance; 3-important; 4-very important; 0- I can’t evaluate]

26.1. The risk that our competitors do not change their prices .......................................................................................................................... 1 2 3 4 0
26.2. The fact that the next price adjustment can only occur after a certain period of time.......................................................... 1 2 3 4 0
26.3. The risk that we subsequently have to readjust our prices in the opposite direction.......................................................... 1 2 3 4 0
26.4. The existence of written contracts specifying that prices can only be changed when the contract is renegotiated.......................................................... 1 2 3 4 0
26.5. The preference for maintaining prices at a certain psychological threshold (ex. 199 euros).......................................................... 1 2 3 4 0
26.6. The costs implied by price changes (ex. changing price lists).............................................................................................. 1 2 3 4 0
26.7. The preference of our customers for stable prices. Changing prices frequently could threaten customer relations. ........................................................................................................................................... 1 2 3 4 0
26.8. The costs involved in collecting the relevant information for price decisions........................................................................ 1 2 3 4 0
26.9. An important part of our costs is fixed hampering price decreases when, for instance, market conditions are less favourable........................................................................................................................................... 1 2 3 4 0
26.10. There is a risk that customers may interpret a reduction in price as a reduction in quality.................................................. 1 2 3 4 0
26.11. The variable costs in our company do not change by much with market conditions, making our price quite stable........................................................................................................................................... 1 2 3 4 0
26.12. Our type of customers changes over the business cycle. During a recession we lose the least loyal customers and retain the most loyal ones. As the latter are less sensitive to price changes, the price can be kept basically unchanged during a recession........................................................................................................................................... 1 2 3 4 0

27. Some products are characterised by having a short duration (sometimes less than 1 year). This is the case for instance of those products that change collections seasonally, such as clothing or footwear, or products that change their models regularly, such as house appliances or computers. For some of these products the price may be kept unchanged during the (relatively short) lifetime of each collection or model. Is this situation valid for your main product?

27.1. Yes.............................................................................................................................................................................
27.2. No .............................................................................................................................................................................
INFORMATION REGARDING PRICE BEHAVIOUR IN INTERNATIONAL MARKETS
(ONLY TO BE FILLED OUT BY COMPANIES OPERATING IN INTERNATIONAL MARKETS)

28. What is the importance of the following factors in discriminating your price between markets? [Use the following options: 1-unimportant; 2-of minor importance; 3-important; 4-very important; 0-I can’t evaluate]

28.1. Exchange rate changes

28.2. The country tax system

28.3. Structural market conditions (tastes, standard of living,..)

28.4. Cyclical fluctuations in country demand

28.5. Market rules

28.6. Transportation costs

28.7. Other factors, please specify

29. If a significant share of your sales (at least 20 percent) goes to one single country outside the euro area, if the euro appreciates by 5 percent vis-à-vis the currency of that country how would you change the price in that market of your main product (choose only one option)?

29.1. The price would increase more than 5%

29.2. The price would increase less than 5%

29.3. The price would increase by 5%

29.4. The price would remain basically unchanged

INFORMATION ON WAGE SETTING

30. On average, at what frequency wages are normally changed in your company?

30.1. More than 2 times a year

30.2. Twice a year

30.3. Once a year

30.4. Less than once a year

31. Is there any particular month (or months) where the wages are most likely changed?

31.1. No

31.2. Yes. Which one?

THANK YOU