

# APPENDIX I

## SURVEY METHODOLOGY

### Questionnaire Design

The objective of the survey was to provide basic quantitative data on trading house activities. It was aimed neither at obtaining detailed information nor at developing a directory of trading houses. Since a high rate of return was necessary in order to evaluate the contribution of the sector to Canadian trade, the questionnaire had to be designed in such a way as to elicit maximum participation from trading houses. It therefore had to be simple and short.

As a result, only a few points were raised. Apart from general information, only nine questions were asked. They dealt with the total value of goods transacted and its distribution among domestic, import, export, and third-country sales; distribution of export sales by type of activity, by area of destination, and by main product category. A few other questions were then raised on human and financial resources.

Preliminary versions of the questionnaire were developed, tested, and amended until a final version was produced by the survey sub-committee and adopted by the Task Force.

Although trading houses are said to contribute quite substantially to the international trade of many industrialized countries, their number and their volume of trade are usually unknown (with the possible exception of Japan). The Task Force survey constitutes a pioneering effort in this area.

In order to ensure the confidentiality of the data, only aggregate data were included in this report or transmitted to any other party whether public or private. The questionnaire data were transcribed in a coded form so that individual firms could not be identified, and processed for statistical analysis by a private firm. Questionnaires were destroyed after final analysis.

### Listing of Trading Houses

Identifying trading houses that met the definition adopted by the Task Force proved to be a major task. Input came from several sources: the Directory of Canadian Trading Houses, published by the Department of Industry, Trade and Commerce in 1982; a listing of trading houses provided by the Business Opportunities Sourcing System (B.O.S.S.); a listing of trading house members of the Canadian Export Association; lists provided by provincial governments, regional bureaus, and other sources. More than 800 company names were gathered and constituted the basic listing of the survey.

### Mailing and Follow-up

The first mailing took place in early June, and a second mailing in late July. Each was followed by phone calls when returned questionnaires were incomplete. In addition, following the second mailing, non-responding companies were reached by phone to ascertain whether they were still in business, whether they were indeed trading companies, and when they were, to induce them to participate in the survey.

### Response to the Survey

As was mentioned earlier, there was no fully reliable listing of trading houses available to the Task Force, and the survey was conceived in part as a way to estimate the size of the trading house sector. It was decided, given the

time constraints under which the Task Force was operating, to send the questionnaire to all companies that might qualify as trading houses, and then to discard non-trading companies on the basis of the information contained in the returned questionnaires.

The results of the mailings are presented in Table III.1. Out of the 819 questionnaires sent: 366 firms were identified as trading houses; 206 firms were out of business; 167 firms were in business but were not trading houses; and 80 companies could not be reached either because there was no answer (even after three attempts) or because an answering service did not return the Task Force Secretariat's call.

The rate of response to the survey of identified trading houses reached 56 per cent (206/366); only two questionnaires out of the 206 returned could not be used at all because of incomplete data. Estimates of total export transactions could be gathered on 83 per cent of the firms (303/366).

**TABLE A-1 — Response to the Survey**

Total Number of Questionnaires Sent  
(819, 100%)

Questionnaires Returned  
(264, 33%)

Trading  
Companies  
(206, 78%)

Non-Trading  
Companies  
(58, 22%)

Questionnaires  
Completed  
(204, 99%)

Questionnaires  
Not Completed  
(2, 1%)

Processed  
(201, 99%)

Not  
Processed\*  
(3, 1%)

Questionnaires Not Returned  
(555, 67%)  
Follow-up

Out of  
Business  
(206, 37%)

In  
Business  
(269, 48%)

No Response to  
Follow-Up  
(80, 23%)

\* Received too late to be processed.