

# Challenges of collecting prices from the internet

- case Statistics Finland

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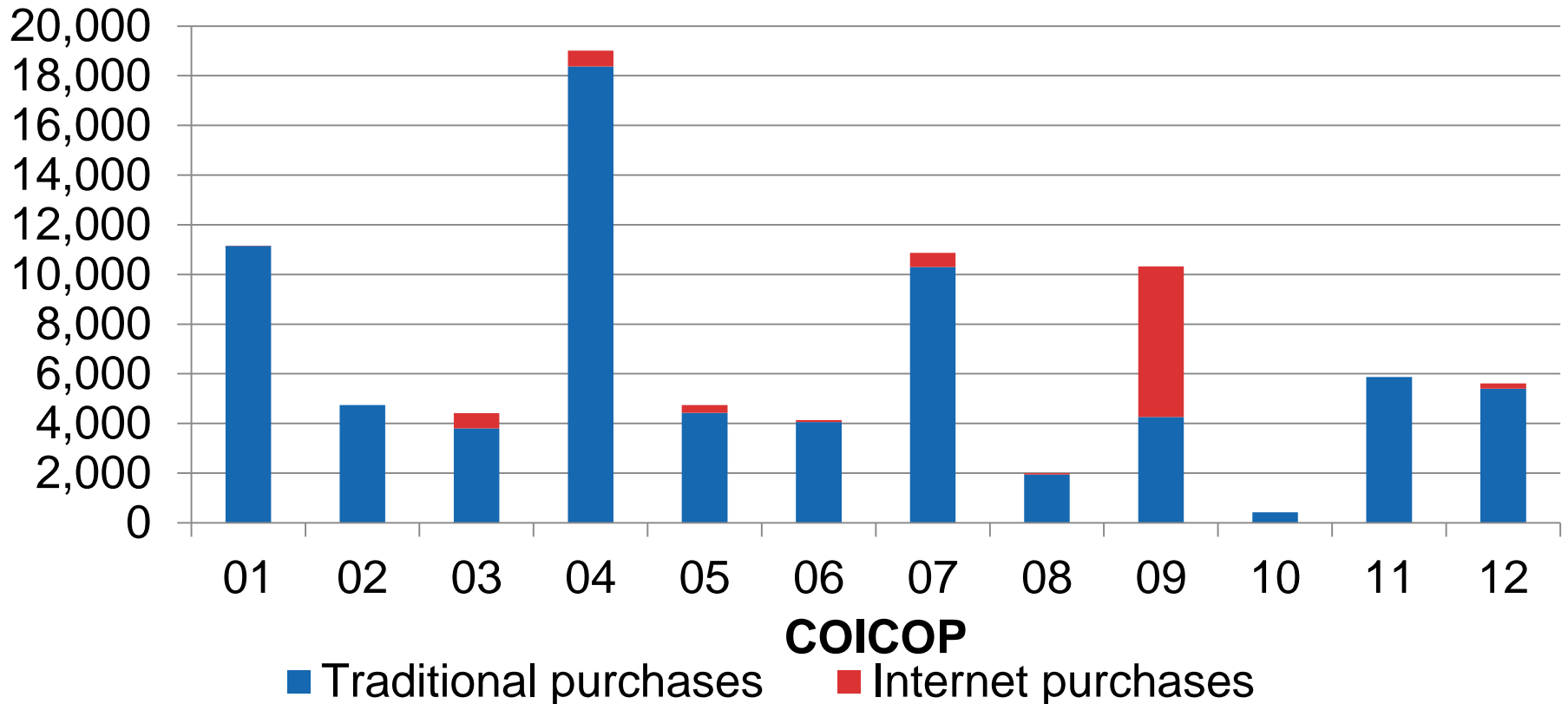
## Contents

- Introduction of Case Finland
- Should the cross-border purchases be included?
- Pricing questions
  - Is there a difference in where you buy?
  - What is the final price for the product?
- The Price collection from the internet in practice
- Challenges of collecting prices from the internet
  - Centralised collection
  - Internet sales collection
- Conclusions

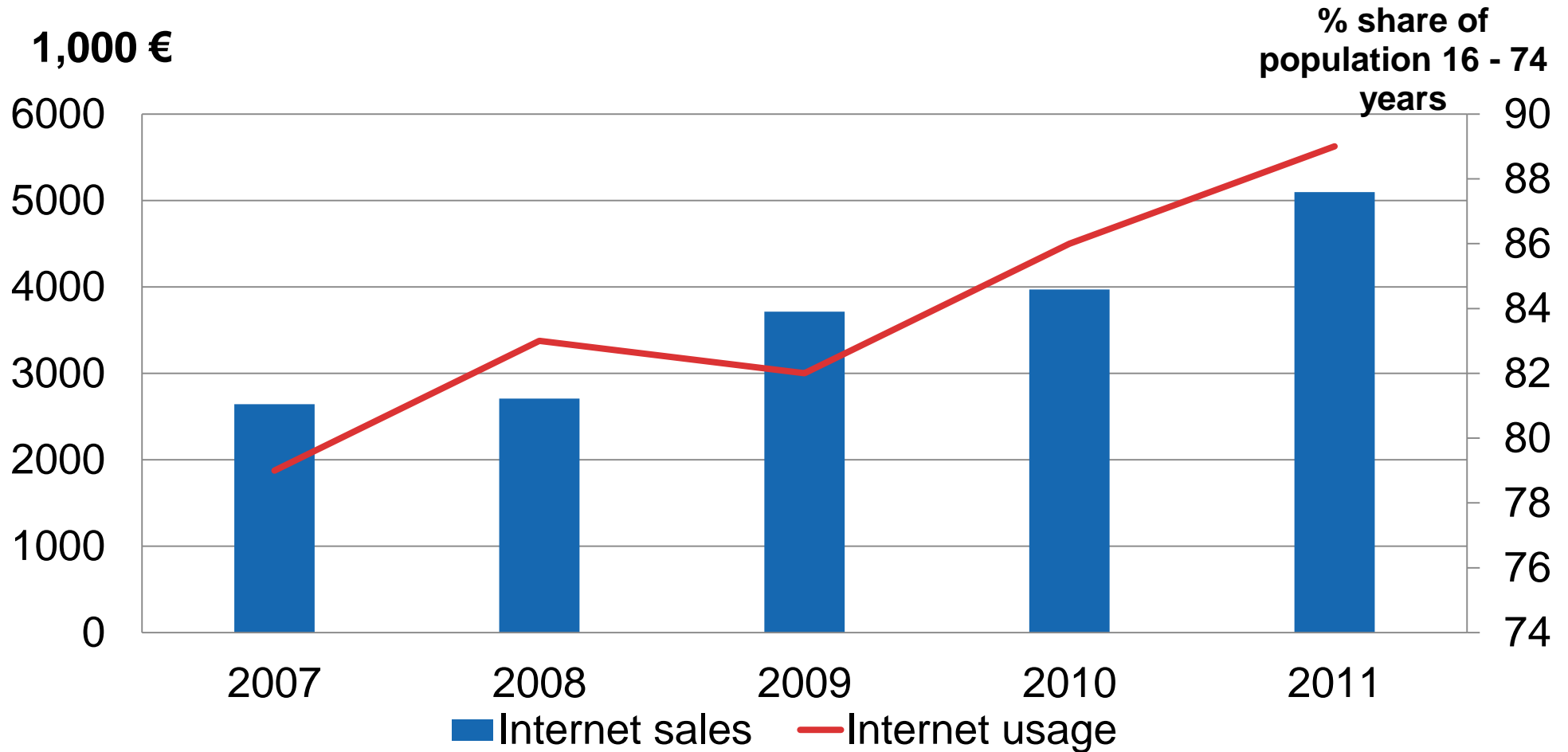
# Private consumption in Finland in 2011

Sources: Statistics Finland and TNSGallup

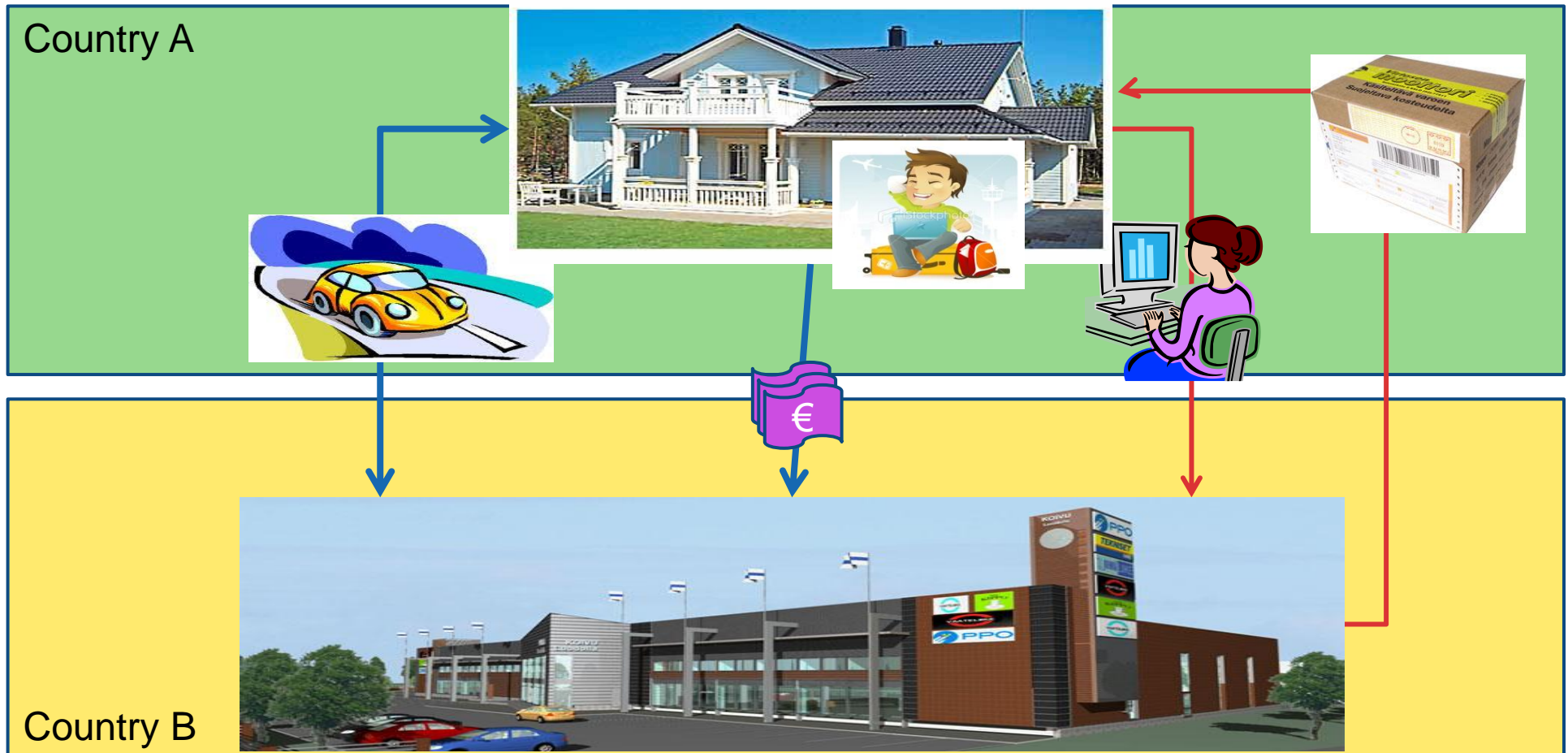
Million €



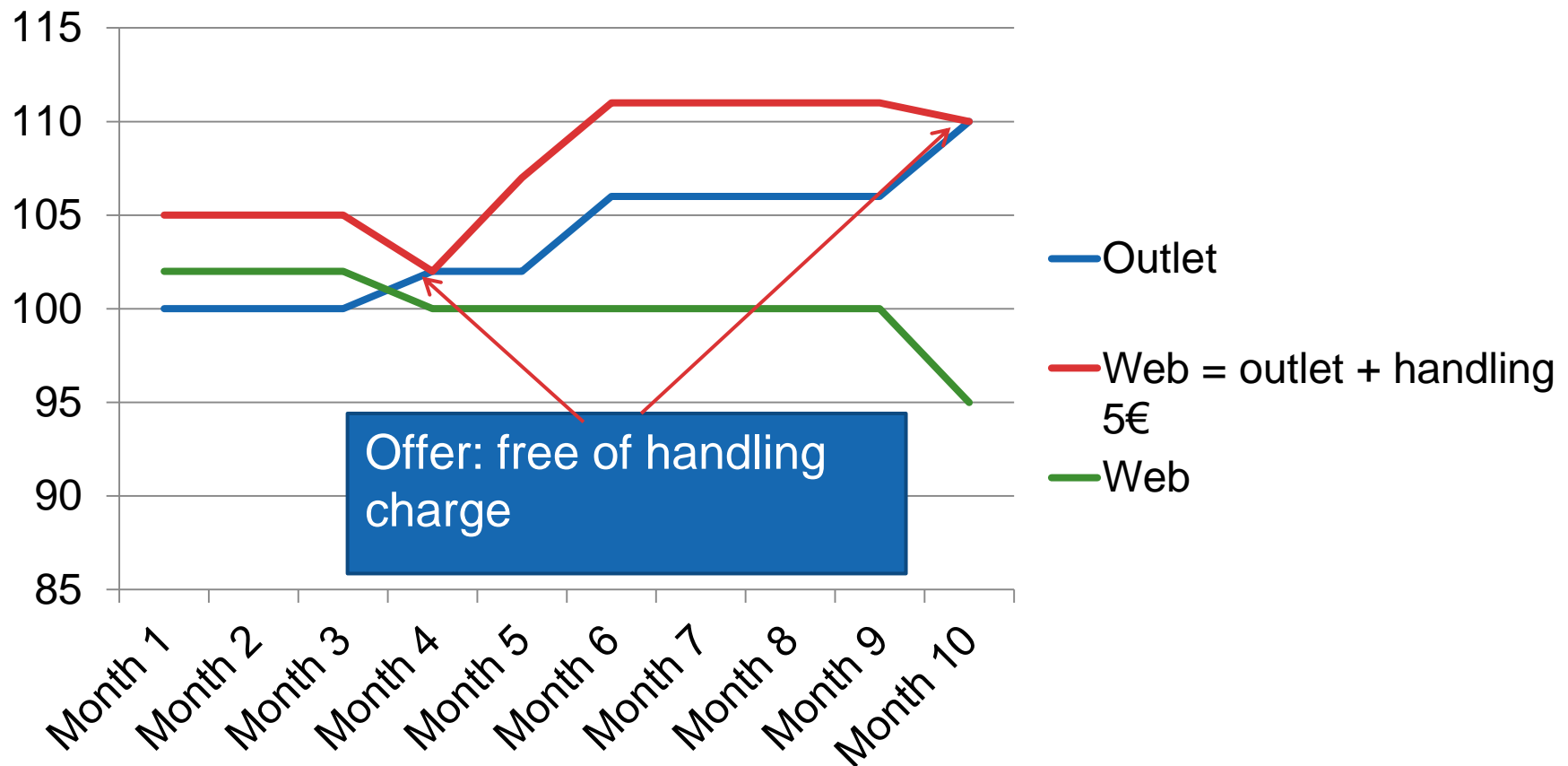
## Internet sales and use of internet 2007 - 2011



# Should the cross-border purchases be included?



# Pricing question 1: Is there a difference in where you buy?



## Pricing question 2: What is the final price of a product?

Quantity	Name	Price	Total
1	Shoes	EUR 40.00	EUR 40.00
1	Shirt	EUR 5.00	EUR 5.00
1	Towel	EUR 20.00	EUR 20.00
1	Contact lenses	EUR 40.00	EUR 40.00
Subtotal			<b>EUR 105.00</b>
Cargo			<b>EUR 5.95</b>
Tax			EUR 15.53
	Tax includes	(6% VAT)	EUR 2.26
		(23% VAT)	EUR 13.27
Total			<b>EUR 110.95</b>
Banks name:	Banco Espirito Santo		

## The Price collection in practice

- Direct collection from outlets
  - Ca 2,700 outlets
  - 6 regions (based on NUTS2)
  - 44 interviewers collecting prices monthly
  - Mobile application is used
- Price collection from the internet
  - Ca 250 outlets and online stores
  - CPI team collects ca 1,000 prices from monthly to twice a year



## The Price collection from the internet in practice

- Centralised collection
  - CPI staff collects prices
  - Prices which are
    - The same throughout the country
    - Based on other statistics
    - Otherwise practical to use centralised collection
  - Prices from large enterprises, organisations, public authorities
  - Frequency varies from monthly to twice a year

## The Price collection from the internet in practice

- Internet sales collection from online stores / webshops
  - CPI staff collects prices
  - 2-5 online stores / commodity group:
    - Clothes, shoes, household textiles, consumer electronics (mobile phones, cameras etc.) music, photographic services, contact lenses
- Prices are collected monthly

## Challenges of collecting prices from the internet – centralised collection

- Centralised collection
  - Products and services are more and more available only at the internet and mail order catalogues are not available
    - Holiday cottages and package holidays
  - Some prices are available only momentarily
  - Prices must be collected at a very early stage
    - Price collector must organise his work a different way than earlier

## Challenges of collecting prices from the internet – centralised collection

- Online stores have different kinds of web sites
  - Usability and availability varies
- Price collection can be challenging and time consuming at the outlets, for example computers and laptops
  - Quick change of models, types, features, quality...
  - Fast progress of the electronics
  - Challenges to follow the price of the same computer or computer with same quality

## Example of quality adjustment – a package holiday

- The price of package holiday changes in the season  $t$
- If there is a catalogue at hand
  - Quality adjustment could be done by choosing the new holiday from the catalogues in both seasons  $t-1$  and  $t$
  - Real price change is available
- If the prices are collected from webshop
  - Usually it is not possible to find out the price in the season  $t-1$
  - The price  $t-1$  must be estimated

## Challenges of collecting prices from the internet – internet sales collection

- Products and services change and varies at high intervals
  - Clothing collections change several times in a year (summer/winter collection etc.)
- Seasonal products and services
- Webshops are made for shopping -> sometimes there is a need of username in order to collect prices

## Conclusions

- The internet sales should be covered in the outlet sampling of CPIs
- The cross-border internet sales – should be coherent solution with other cross-border sales?
  - National accounts treats in principle as import of goods (or services as other tourist import?)
- The price collection gives new kind of challenges
  - Quality adjustment
  - Forced replacements – the choice of a new representative item

Thank you!

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