Challenges of collecting prices from the internet
- case Statistics Finland
30.5. – 1.6.2012
UNECE/ILO meeting, Geneva
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Private consumption in Finland in 2011

Sources: Statistics Finland and TNSGallup

Million €

COICOP

Traditional purchases
Internet purchases

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31/05/2012
Internet sales and use of internet 2007 - 2011

Internet sales and use of internet 2007 - 2011

% share of population 16 - 74 years

Internet sales

Internet usage

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Should the cross-border purchases be included?

Country A

Country B

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

Offer: free of handling charge

Outlet
Web = outlet + handling
5€

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

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Name</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shoes</td>
<td>EUR 40.00</td>
<td>EUR 40.00</td>
</tr>
<tr>
<td>1</td>
<td>Shirt</td>
<td>EUR 5.00</td>
<td>EUR 5.00</td>
</tr>
<tr>
<td>1</td>
<td>Towel</td>
<td>EUR 20.00</td>
<td>EUR 20.00</td>
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<tr>
<td>1</td>
<td>Contact lenses</td>
<td>EUR 40.00</td>
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<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>EUR 105.00</strong></td>
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<tr>
<td></td>
<td><strong>Cargo</strong></td>
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<td></td>
<td><strong>Tax</strong></td>
<td>EUR 15.53</td>
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<tr>
<td></td>
<td>Tax includes</td>
<td>(6% VAT)</td>
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</table>

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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 choise of a new representative item
Thank you!

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