E-commerce issues

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Overview

1. What is E-commerce
2. Industry Classification
3. Product Classification
4. Output
5. SPPIs
6. Discussion
“An e-commerce transaction is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders. The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted on-line. An e-commerce transaction can be between enterprises, households, individuals, governments, and other public or private organizations. To be included are orders made over the web, extranet or electronic data interchange. The type is defined by the method of placing the order. To be excluded are orders made by telephone calls, fax or manually typed e-mail.”

E-commerce is pervasive across the economy
Is E-commerce too narrow a concept?

Diagram:
- Economy
  - Digital economy
    - Digital transactions
      - E-commerce (OECD definition)
      - Digital industries
      - Digital products
Industry classification questions

Do we still need the distinction between store and nonstore retail establishments or should the classification be designed according to the types of products sold, regardless of the method used to sell them?

• If we choose to preserve the distinction, do we restrict the nonstore industry to the “pure-play” retailers, who historically have had a different operational structure than their store-based counterparts?

• Where do you draw the line as some of these pure-play businesses are opening storefronts and not necessarily the traditional brick and mortar shop?

Should the Internet be considered as just a different mode of delivery or is it really a different industry concept? Should Internet activities be tracked separately or combined with their traditional counterparts?

How should digital platforms and intermediaries be classified (to be discussed in the Thursday morning session on Intermediaries in the provision of services)?

Retail formats

Pure play on-line retailers:
A business that solely sells products online, i.e. does not have a storefront.

Brick and mortar / storefront retailers:
Retailer that sells products at a physical location/store.

Bricks and clicks / Clicks and mortar:
Retailer that sells products online and in physical stores.
Do the product groupings in the Central Product Classification (CPC) meet the needs of the statistical system in the measurement of the volume of services outputs in light of e-commerce? If not, what changes are needed?

US Retailers more interested in products sold than how sale was transacted

Digital transactions can be complex:
- Borderless transactions
- Households as producers
Output Statistics

- E-commerce has undergone rapid growth and evolution
- Different businesses have different definitions of e-commerce
- New US Census questions on e-commerce introduced for 2017
- No easy method to measure the shift in sales away from stores

“Revenues from Electronic Sources
A. Did this firm have any revenues from customers entering orders directly on the firm’s websites or mobile applications in 2017? Yes/No
B. Did this firm have any revenues from customers entering orders directly on third-party websites or mobile applications in 2017? Yes/No
C. Did this firm have any revenues from customers entering orders via any other electronic systems (such as private networks, dedicated lines, kiosks, etc.) in 2017? Yes/No
D. Of the total 2017 revenues reported, what was the dollar amount (or percentage) that was from the revenues identified in A-C above? Please provide an estimate if exact figures are not available.

$_________ OR _____%
Challenges for price measurement:
- Different price movements and pricing mechanisms between store prices and on-line prices
- Dynamic pricing
- Customization and new products

Benefits
- Access to new data sources
E-commerce issues

Discussion