

# SPPI for NACE 58.29 Other software publishing - Germany

- **28th Voorburg Group Meeting in Tokyo**
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# Outline

- Definition of the service
- Pricing unit of the service
- Market conditions
- Classification structure
- Pricing methods
- Quality adjustment
- Summary



# Definition of the service

- **CPA 58.29 Other software publishing:**
  - publishing of ready-made (non-customised) software for operating systems and business and other applications
  
- **Related services:**
  - CPA 46/47 wholesale and retail trade services of software
  - CPA 62.01 Computer programming (designing and writing computer code for non-ready-made software)
  - CPA 62.02 Computer consultancy services (installation of software and training)

# Pricing unit of the service

**Predominantly:**

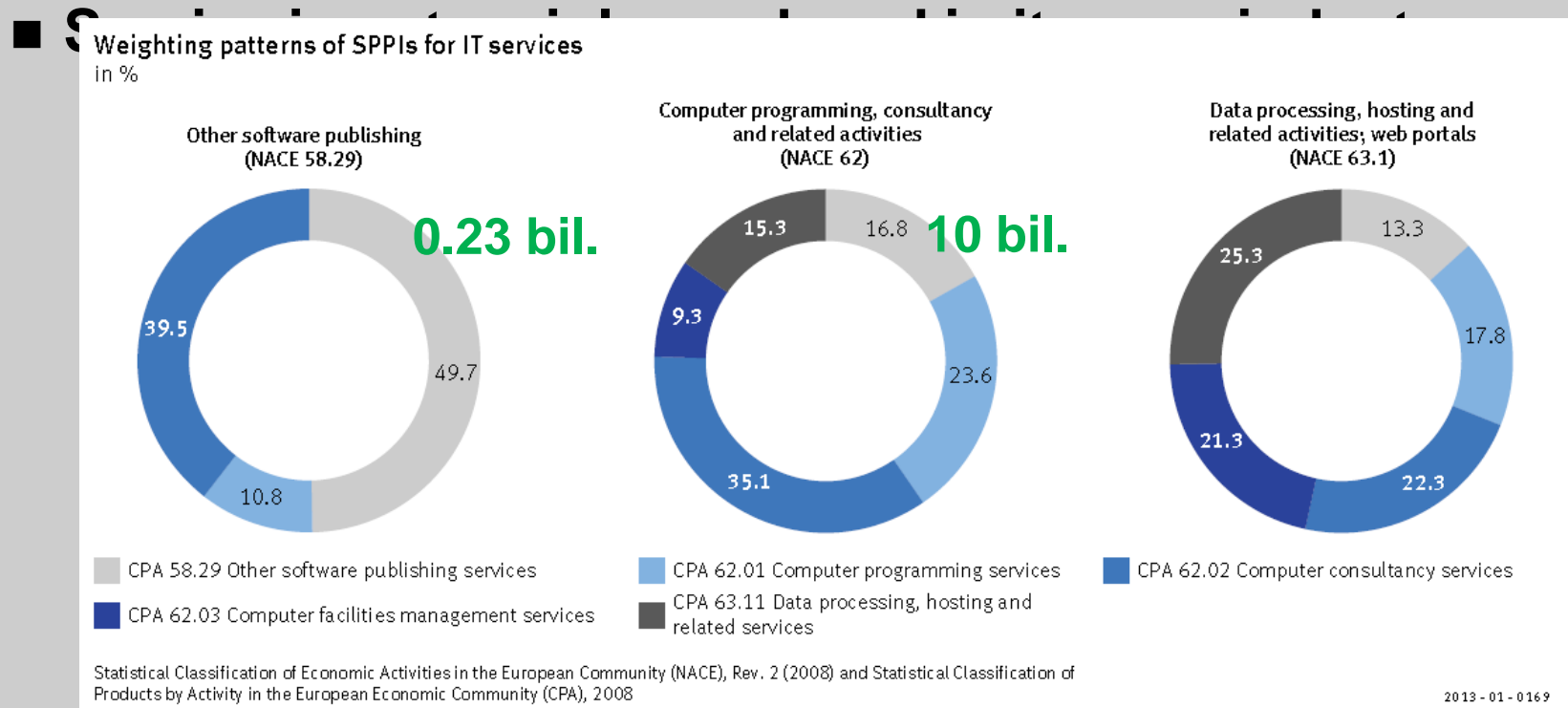
- **Software package**
- **Software package per user**

**Note: No actual sale of software, but of licenses.**

**Substantial changes of the license agreement generate a new service to be priced.**

# Market conditions

- Highly concentrated market
- Closely related to other IT industries (NACE 62 & 63)



# Evaluating the classification structure

- **CPA (2008) 58.29 without subcategories:**

- 58.29 Other software publishing services**

- 58.29.1 Systems software, packaged**

- 58.29.2 Application software packaged**

- 58.29.3 Software downloads**

- 58.29.4 On-line software**

- 58.29.5 Licensing services for the right to use computer software**

- **Evaluation:**

- **Relation to other IT industries seems to be higher than to other publishing services**

- **Separation in distribution channels not feasible (at least for price statistics)**

# Pricing methods

- **Software packages**
  - pricing of **repeated services**
  
- **Problems for price measurement**
  - Identification of price determining characteristics
  - Index publication in a concentrated market
  - Treatment of changes in license agreements
  - Integration of discounts
  - Targeting price representatives (main producers outside of industry NACE 58.29)
    - In Germany: IT industry-spanning price collection for CPAs with NACE specific weighting patterns

# Example: Price collection in Germany

## ■ Questionnaire design:

- Transaction prices
- Charge-out-rates
- Main activity fields and typical services chosen in close contact with respondents

## ■ Non-regulated market: cut-off survey with sampling

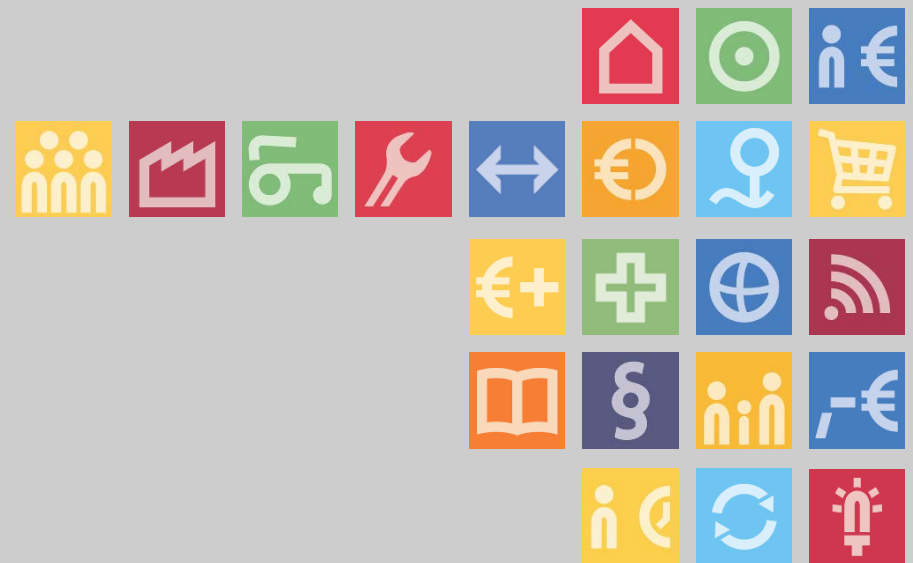
- Turnover below 250,000 € not questioned
- Turnover between 250,000 € and 25 million € sample
- Turnover above 25 million € exhaustive



# Quality adjustment

- **Quality adjustment methods:**
  - Software update: **no adjustment**
  - New version: **link-to-show-no-price-change** (bias?)
  
- **Other quality controls:**
  - Treatment of new item bias (NIB) in questionnaire design
  - Precise definition of the service
  
- **Rarely cases in Germany so far**

# Thank you



**Johanna von Borstel – FSO Germany Destatis**