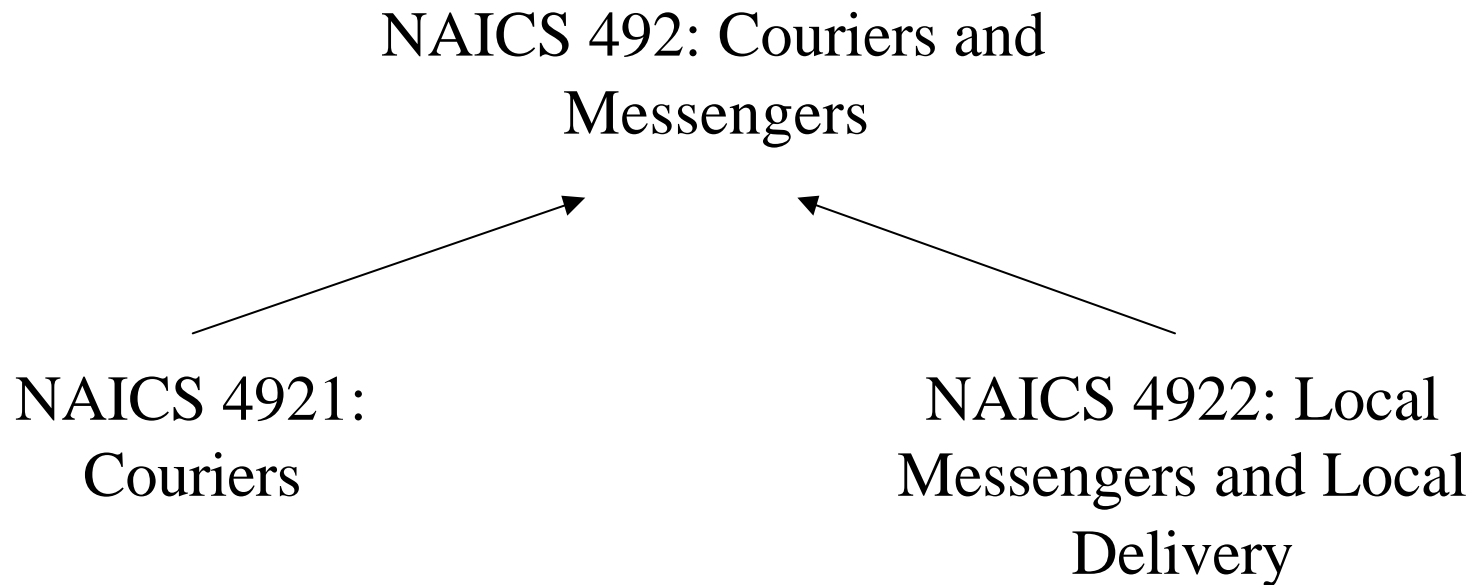


PRODUCER PRICE INDEX FOR COURIERS AND MESSENGERS

by Fred Barzyk
Prices Division, Statistics Canada



Overview





Methodology

PRICE \Rightarrow Constant specifications

Specification	Details
1. Geography	1.Province/territory to province/territory 2.Region (East, Quebec, Ontario and West) to the United States and Mexico
2. Type of Parcel Using Dimensional Weight	1.Business letter 2.1 kg box 3.3 kg box
3. Type of Service	1.Next day/overnight 2.Two days or more



Methodology

SAMPLE \Rightarrow Couriers

Cut off sampling, with top five companies accounting for 70 – 80% industry.



Methodology

SAMPLE \Rightarrow Local Messengers

Cut off sampling, with larger companies
chosen by geography.



Methodology

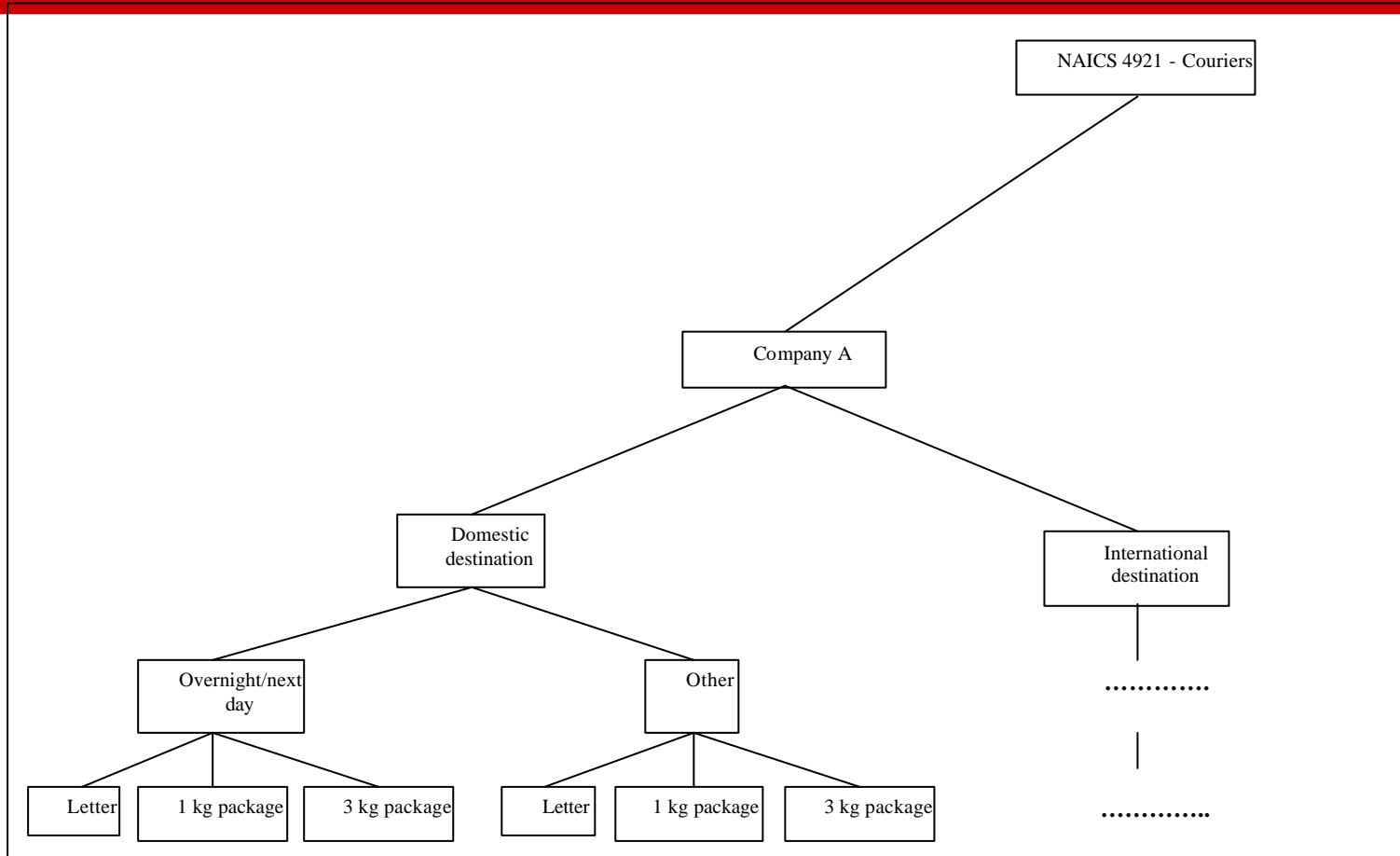
SAMPLE \Rightarrow Cut-off sampling

Preferred when:

- the index is strongly influenced by the changes in the items or establishments which contribute the largest revenues;
- the allowable sample size is small due to cost factors;
- there is “reliable” information on the revenue of all businesses in the population, and
- the revenue of the population is skewed,



Methodology





Methodology

- Weights – Couriers
 - Products → geomean
 - Type of service → TD 2000 survey
 - Domestic and international → TD 2000 survey
 - Company → TD 2000 survey



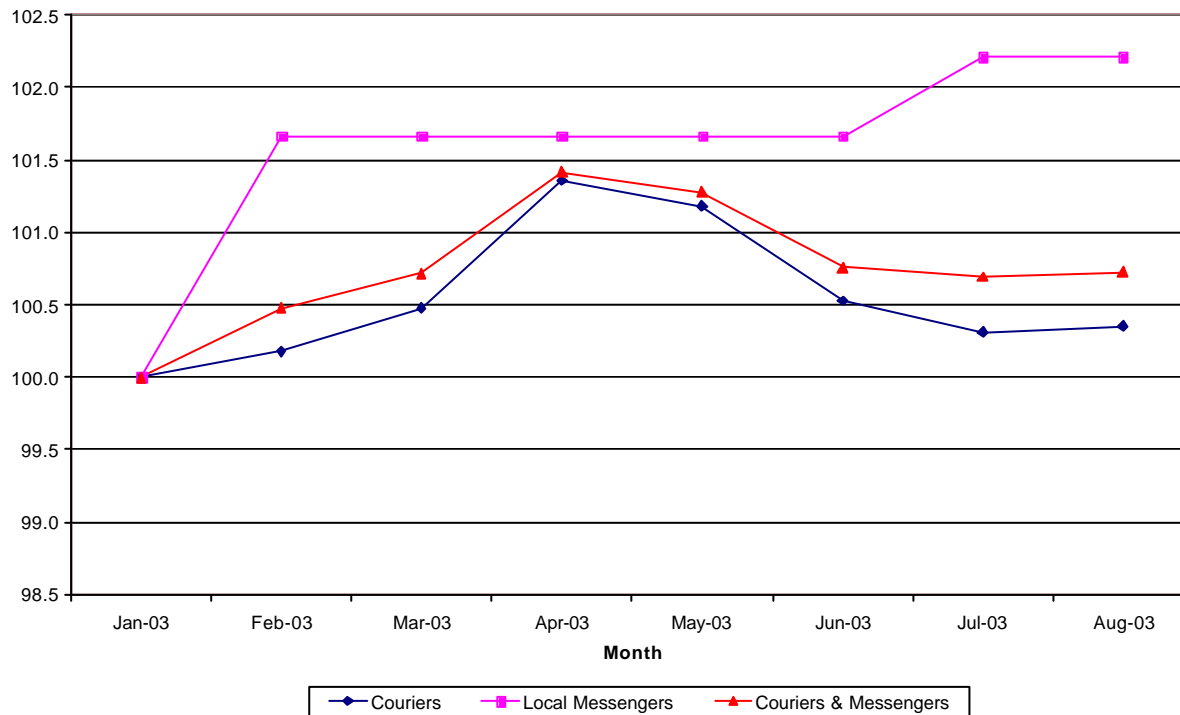
Methodology

- Weights – Local Messengers
 - Type of service → geomean
 - ↓
 - Companies within region → geomean
 - ↓
 - Region → TD 2000 survey



Results

Figure 1 - Courier and Messengers Services Price Indexes
(January 2003=100)



18th MEETING OF THE
VOORBURG GROUP - Tokyo, 2003



Quality Change

- Specification pricing where specifications are kept constant over time.
- Terms of service contract are monitored and adjusted for.

⇒ Quality ? a minor issue.



Price Measurement Challenges

- Account pricing
- More efficient data collection
- Improving sample for local messengers