

# Statistics Bureau News Bulletin

Japan

27 November 2008

## Results of the 2007 National Survey of Prices - Online/mail-order prices -

The National Survey of Prices is a large-scale quinquennial survey. It aims to provide information on price differentials among outlets, brands and regions. This survey studies the prices of goods and services which are major objects of consumer spending, and the types and management style of retail outlets and diverse others which are the main factors that influence price decisions.

The 2007 survey was conducted in all cities with a population of 100,000 or more (263 cities) and 410 selected municipalities (cities, towns, and villages) of less than 100,000. The coverage of the survey included about 130,000 retail outlets, about 40,000 establishments engaged in service industries and about 2,200 establishments engaged in online/mail-order business. The survey was carried out as of 21 November, 2007, and one of the results for online/mail-order prices was released on 20 June, 2008.

As part of the National Survey of Prices, the Statistics Bureau of Japan (SBJ) conducted the survey on online/mail-order retail outlets, to clarify the situation concerning the price differential between prices for online/mail-order goods and those from ordinary retail outlets. In the previous survey, the coverage was only targeted at online/mail-order companies via the Internet, but this time, the coverage also included companies engaged in the online/mail-order business via other sales channels, including mail catalogs, TV, etc.

## Home electrical appliances and audio-video equipment were less expensive at online/mail-order companies than the retail outlets

Among the items for which 20 or more prices were collected from online/mail-order companies, the average online/mail-order prices of the home electrical appliances and audio-video equipment were lower than the average retail outlet prices. For plasma TV sets and DVD recorders in particular, the average online/mail-order prices were more than 10 percent lower than those of retail outlets. (Figure 1)

**Figure 1 The price differential between prices for online/mail-order goods and those from retail outlets**

Comparison between Online/mail order companies and Retail outlets

| Online/mail order price < 10% or more | Retail outlet price < Less than 10%  | Online/mail order price > 10% or more   | Retail outlet price > Less than 10%   |
|---------------------------------------|--|---|---|
| Plasma TV sets(A)<br>DVD recorders(A) | LCD TV sets(B)<br>Electric rice-cookers(D)<br>Electric rice-cookers(A)<br>LCD TV sets(C)<br>Women's T-shirts<br>LCD TV sets(D)<br>DVD recorders(B)<br>DVD recorders(C)<br>LCD TV sets(A) | Women's pants, 100% wool<br>Women's jackets<br>Women's sweaters<br>Non-glutinous rice, 5kg(D) | Handbags, domestic<br>Non-glutinous rice 5kg(B)<br>Men's suits<br>Non-glutinous rice, 2kg(A)<br>Non-glutinous rice, 5kg(A)<br>Men's shoes<br>Men's bags<br>Women's pants, denim<br>Sports shirts, blended fabric<br>Sports shirts, 100% cotton<br>Women's panties<br>Men's socks<br>Children's T shirts |

Note) Items for which less than 20 prices were collected from the online/mail order companies are excluded.

$$\text{The price differential} = \frac{\text{average online/mail order price} - \text{average retail outlet price}}{\text{average retail outlet price}} \times 100$$

If the price differential is negative, the online/mail order price is lower, and if the price differential is positive, the retail outlet sales price is lower.

The parenthetic letters represent the designated brands.

### Online/mail-order companies;

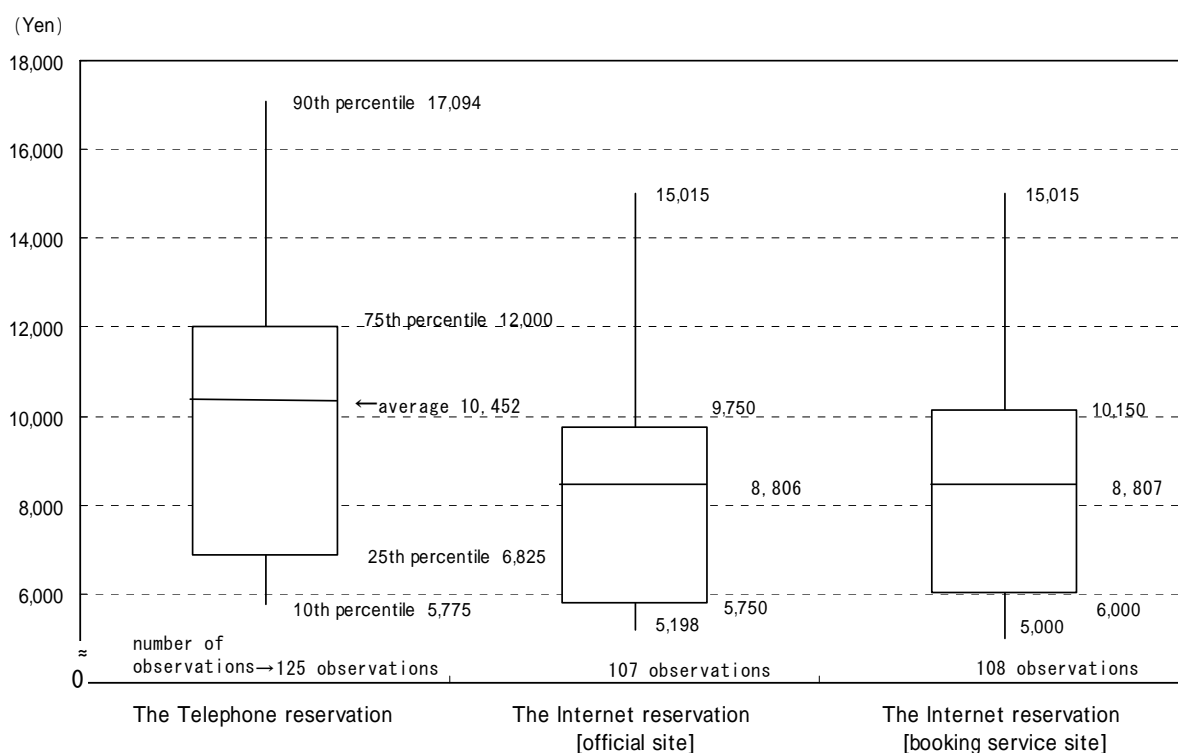
This category includes not only those companies specializing in the online/mail-order business but also those companies engaged in the online/mail-order business from their headquarters or one of their divisions.

## Accommodations of hotels were less expensive by internet reservations than by telephone reservations on average

The average rates for accommodation services per person for a group of two per night<sup>1)</sup> by the “Internet reservation [official site]” was ¥8,806, and that by the “Internet reservation [booking service site]” was ¥8,807. They were approximately 16% lower than the rate by “Telephone reservation” (¥10,452).

75 % of the internet reservation rates were lower than the average of the telephone reservation rates: 75th percentile for internet rate [official site] was ¥9,750, and that for internet rate [booking service site] was ¥10,150.

**Figure 2 The distribution of rates by type of reservation (Hotel, the night before a holiday)**



### Rates for accommodation services;

The rates were surveyed one or two weeks before the check-in date when staying on a weekday night (21 November 2007) and the night before a holiday (24 November 2007).

<sup>1)</sup> including tax and service charges excluding meals, the night before a holiday