

# 15<sup>th</sup> Meeting of the Ottawa Group

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### Session 9: Implementing scanner data

#### *Testing unit value data price indices*

**Li-Chun Zhang, University of Southampton and Statistics Norway**  
**Ingvild Johansen, Statistics Norway**  
**Ragnhild Nygaard, Statistics Norway**

Several index formulae have been proposed for scanner data in the recent literature. But there is currently a lack of consensus on how to evaluate them. We propose two overriding aspects of an index method, particularly important for the greater uptake of scanner data in practice: (a) it should accommodate available data of all items and not only the persistent ones over time, (b) it should as much as possible reduce the cost related to matching the actual items. Both point towards an index theory that extends beyond the traditional matched-model approach. In this paper, we present some work in two directions. First, we propose five formal tests explicitly formulated for a dynamic item universe, and compare theoretically several bilateral and multilateral indices in light of these tests, provided item-matching is unproblematic. Next, we outline an approach to segmented price indices, which can minimise the resource required for item-matching in practice, and illustrate the basic ideas using the Norwegian scanner data on food and non-alcoholic beverages. Future research should aim to develop shared explicit empirical criteria for well-behaving indices in practice.