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Topic: Building and maintaining relationships

TO CHARGE OR NOT TO CHARGE – THAT’S THE QUESTION

Paper submitted by UNECE¹

I. INTRODUCTION

1. Statistical agencies are mainly funded by state budgets. A well working statistical system is often perceived as one of the basic structures in any modern and developed society. If decision makers in public administration do not have statistical information at their disposal, decisions will be made based on perceptions, feelings and sentiments. All decision makers are individuals with an accumulated set of experience, close advisors and selected specialists they rely on. Statistics helps to make the decisions more fact based, less feeling-based. Decisions based on statistical information tend to be more successful as they are more evidence-based and thus balanced, reflecting different sides of the matter.

2. The same goes for the other side of the public decision making process – the political and popular control on public decision making. In order to extend efficient control on public decisions decision makers, politicians, parties and citizens need access to information on the development trends and on the results of the ongoing political practices and orientations. Criticism is efficient and successful when it bases its arguments on facts and figures – it is through facts and figures, not so much through sole presentation of opinions that change occurs, opinions get winged and new development phases open up.

3. For these reasons a modern and developed society cannot work well without good access to basic statistical information. For these reasons basic services of statistical agencies are seen as an infrastructural element of a modern and democratic society, just as rule of law, literacy, basic communication systems or security. This is also the background for the demand on impartiality of statistics. The first principle of the UN Fundamental Principles of Statistics states that “statistics...are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens’ entitlement to public information”.

II. PUBLIC GOOD SERVICES AND THE DANGER OF DEGENERATION

4. In this sense statisticians, describing the main results of their work in the terms of a public good are right. Consequently, concerning chargeability a simple answer seems to be at hand: all statistical services should be free of charge.

5. But in real life things are more complicated. Everybody of us know numerous examples of public services being ineffective, insufficient, dull and unattractive, complicated to access and not reflecting the need structures even of basic users. What is the guarantee for having continuous development initiatives, if all services are free of charge?

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6. One could naturally say that an enlightened leadership of the National Statistical Office is the guarantee and safeguard for continuous development. Often this is the case, sometimes this is sufficient – but often it works only for a fairly short period of time. Human beings are human beings and what was fresh, modern or even radical yesterday is often in need of updating and obsolete today. In-built incentives for development are needed and, as practice shows, this is not often the case in public services.

7. When statistical offices receive critical feedback on non-chargeable services, it is quite easy – and fully human and understandable - to refer to lack of budget resources or something else, not depending on the office itself.

III. CHARGEABLE SERVICES AND THE CONTINUOUS PRESSURE TO PERFORM BETTER

8. With chargeable services this is not that easy. When something is wrong, bad or not nice, paying customers are sure to react. A possible reference to force majeure really has to be force majeure. Providing chargeable services presuppose a promise of the service to be effected, otherwise the base of chargeability will disappear and a basis for compensation or redemption automatically occurs. The pressure to perform perfectly clearly grows as non-delivery or partial delivery failures have direct consequences.

9. As the operating environment of statistical offices changes over time, the need structures of the users of statistical services change as well. Printed publications consisting of tables only are compensated with user friendly databases. Huge matrixes of spatial information are compensated by Geographic Information Services. It is necessary to monitor the popularity (or non-popularity) of different statistical services and publications – otherwise the service palette of an NSO will grow to be an incomprehensive jungle in which neither users nor service providers will find what they need.

10. In this monitoring work chargeability of value-added services can be a good criteria for selecting which services should be continued, which should possibly be cut down or changed into more highly charged special services. Many of the services provided by the NSO free of charge or only at nominal prices are often ordered just by tradition. The worst marketing campaign I have ever performed in the field of statistics was a campaign where the campaign material was attached to the soft covered thin table publications of Statistics Finland in 1993. The response rate was ridiculously low, 0.02 %, when the normal response rate of direct marketing campaigns varied between 2 – 8 %.

11. The reason for the failure was probably that the soft covered thin table publications were considered of no value to be even looked inside by the majority of the organizations ordering them.

12. Let's take an example from the other end. In telemarketing the chargeable Statistical Yearbook of Statistics Finland in the years 2003-2005 it was possible to come up to response rates around 12 – 18 % among annual subscribers and also to make a change from an annual subscription to a standing order.

13. The explanation of the differences in the response rates of the two campaigns is simple. For the passive contacting materials within publications perceived as low-value or non-value products there was no trigger for the potential customer to react. The active telephone contact related to an already positively perceived chargeable service product triggered a much better response among users – the users knew that the product has a surplus value in their activities and made the purchase decision.

IV. STATISTICS FINLAND – A GOOD EXAMPLE OF A COMBINED APPROACH

14. In 1988 all printed publications of Statistics Finland were made chargeable. Among statisticians there was a strong fear for the orders and print runs to go steeply down with the chargeability. However, the opposite was what really happened. With the chargeability the NSO the marketing activities of Statistics Finland surged and pretty numerous efforts were made to make the publications and other service products well known among the potential clientele. As a result the chargeability multiplied the distribution of the previously non-chargeable publications in the course of five years to the triple and more.

15. Not only the chargeability and the growth of marketing efforts related to it were the reason for the growth of the number of disseminated statistical materials. The chargeability had also forced the NSO to more intensively listen to the needs and proposals of customers and potential customers at exhibitions and fairs, meetings and seminars, training sessions on statistical literacy and other occasions where the users now could make their voice better heard. As a result of this the content of the publications developed from consisting of simple tables into more interesting thematic publications with interesting visual presentations and more analytical and describing content.

16. This development process also made it easier to understand the emerging new needs which made it necessary to renew the electronic services of the NSO. In 2002 the NSO made the decision that internet will be the main delivery channel of official statistical information of Statistics Finland. In 2003 a decision was made to perceive customer relations management as a strategic task of the NSO.

17. The service palette, consisting of a combination of non-chargeable basic services and chargeable value-added services has proven to be efficient. The chargeable part of the services provides good information on the real popularity or non-popularity of the value-and unfortunately the work on developing customer relations, developing new service concepts, developing user friendly service products is usually severely underfinanced.

18. If you are serious in developing user friendly services, you will have to make investments in thinking, learning, developing, experimenting and testing, in possibly needed new software and equipment, in structuring and co-ordinating. Work has to be done on identification of user and customer groups, developing service concepts, developing good services reflecting these service concepts and making use of modern possibilities of visualisation, GIS and customizing the numeric information. Work has to be done in developing accessibility in an easily understandable and user friendly way for all identified categories of users as well as in the providing of proactive information to existing and potential users about the existence of the developed information services. To have success this has to be done efficiently and systematically having different forms of more detailed interaction with different users and user groups for developing the services. This also includes organizing feedback and systematic research on the developing need structures of users and potential users of statistical information.

19. All this does not take place if resources are not available. The flexibility in resources that comes with revenues from chargeable services should not be underestimated, even though the collection of revenues is not the as basic an argument for chargeability of value-added services as better information on user need structures for allocation of development resources.

20. At the same time basic statistical services should be available free of charge on the web and through well-structured media releases. The media releases are well structured provide the users with visual materials and links into a deeper insight of the statistical services. They can be ordered and obtained by any organization or individual, not only the media.

V. CONCLUSIONS

21. The conclusion of this presentation is that a combined approach to chargeability is the best one. Basic statistical services should be free of charge. If all statistical services would be free of charge, the incitement for providing special and customized services would be undermined as their providing would in no way be rewarded. An atmosphere of reluctance for active adoption to the variety of needs of users and customers would soon cut off a main source for product and service development.

22. A second conclusion is that continuous observation of the border between chargeable and non-chargeable services should be made. The border is on the move over time. Technological development makes it possible to enlarge the non-chargeable sphere of statistical services as statistical agencies through the experience gained in building and developing chargeable services enlarge their know-how and the efficiency in the production methods. In this way a continuous development and renewal process in the service ability takes place as new challenges in the chargeable services field are already knocking at the door.
