

Introduction – Marketing of statistics

Upon the invitation of the Government of the Republic of Hungary the Seminar on Provision of Statistical Services was held at Budapest from 11 to 15 March 1991. It was one in a series of periodic Seminars – which are being held every five years – for heads of statistical offices of ECE member countries. This Seminar's discussion focused on three topics:

1. Services required by different user groups;
2. Adaptation of statistical services to requirements;
3. Marketing of statistical services.

Accordingly, this issue of the Statistical Journal is divided into three parts containing the main documents upon which the discussions were based.

1. Services required by different user groups

1.1. The statistical system and its structure

The statistical system and the way it is used largely depends on the organization of government. For example, statistical services in transition countries have undergone profound changes as a result of growing democratization and the introduction of market economies. In the past, the basic function of official statistics in the majority of the transition countries was to measure the fulfilment of central plans, and statistics were mainly produced for government purposes. Now statistical offices there are being faced with a host of new requests. While some reflect changing government priorities, others reveal the requirements of new users. A priority task is to determine demand and to optimize data collection, processing, and dissemination procedures with the available resources. The public image of a statistical office is closely related to its satisfaction of users' needs and to its capacity for anticipating future needs.

1.2. The expectations of users of statistics and ways to meet them

To be responsive, statistical offices must know their clients and adjust products and services. For example, the classical printed publication is now supplemented often by various forms of modern technology. Users increasingly ask for "tailor-made" information, and intermediary agents have a role to play here. They may have advantages over statistical offices in offering special services. For example, they can provide additional analysis, present data in more user-friendly forms, or

offer their own software. That is, their services are not necessarily in competition with the services offered by statistical offices.

For example, VIDEOTEX is a cheap and popular way of satisfying the data needs of many users. Improving such services through the introduction of interactive arrangements might further increase their use.

One of the challenges of statistical services is the anticipation of data needs. Meeting this requirement is of particular importance in a climate of decreasing resources for statistics. Statisticians have to be aware of emerging social and economic conditions. Surveys are undertaken to identify trends in the evolution of social conditions. These must be maintained even under severe budgetary constraints. Part of this strategy is to use findings of these surveys in dialogue with government aiming at a clarification of user needs.

In a situation of scarce resources, efficiency becomes very topical. It is argued that because statistical offices have different kinds of clients with various objectives – using more or less sophisticated methods – a user classification would be an important tool for setting priorities.

1.3. Statistics as a general versus a target-group-specific information service

The heterogeneity of target groups has to be taken into account when deciding on contents and forms of supply of statistical data. Most countries distinguish between five broad user groups. The economic sector (enterprises, associations, trade unions, etc.), public administration (parliament and different agencies, regional and local governments), science (universities, research institutions and individual researchers), information suppliers (the media, data hosts, and consulting agencies) and the public.

Information demands within groups may vary considerably. For example, large, medium-sized, and small enterprises do not make the same use of statistical data. On the whole, it appears that the relevance of statistics and the frequency with which they are used are closely connected with the size of the enterprise. As smaller enterprises place higher demands on the presentation and explanation of data, suitable printed products are more appropriate for them. The use of databases and diskettes is, however, likely to increase also in smaller enterprises as a result of the growing availability of microcomputers.

As public administrations observe and analyse current developments in society, the supply of statistical data to them is of particular importance. However, it is not sufficient to keep a wide range of data available. It is necessary to actively acquaint members of parliament and various administrations with the data and their best use. Several statistical offices have established support measures and advisory services for administrative users.

The supply of statistics to the science community is done under favourable conditions in most countries. That provides the basis for research which often benefits, directly or indirectly, statistical institutes. Another aspect of cooperation with the scientific community is the introduction of students to official statistics. That allows them to become familiar with the use of statistics.

For the general public, the media are the most common suppliers of statistical information. The image the media have of official statistics is therefore of considerable concern. In general, the media need *ad hoc* and topical data. The presentation of data in the media often show them in a new context. While the needs of the average citizen may not be easy to define in detail, it is clear that the presentation of statistics for this target group has special demands. The data should be easy to understand, which often means the extensive use of graphs and figures.

Close contacts with user groups are important for the provision of tailor-made services and for identifying statistical needs. However, the needs of future generations may also have to be anticipated. This raises the question of how statistical offices should plan for the long term. Some forecasts could perhaps be made from extrapolation of past trends, but statistical fashions and new technological development have clearly changed and are likely to continue to do so.

The preservation of individual data rather than aggregates would allow future generations to make their own aggregations for the topics they are interested in pursuing. Statistical offices also should consider, as far as possible, the needs of generations not yet born. Another matter is whether resources can be made available for this type of research.

The contribution of *Appel* describes a survey on the acceptance of official statistics among its users and shows that there is a need for a continuous press and public-relation work to enhance communication between suppliers and clients. *Goedegebuure* and *Overgaag* portray a typology of statistics based on user groups, reasons for use, and methods employed by the different groups. *Szilágyi* and *Vadnai* illustrate how this challenge is to be treated in so-called transition countries.

2. Adaptation of statistical services to requirements

This item can be explored in three ways. First, and most prominently, the level and intensity of the input of the important user groups into the programme decisions of statistical offices has to be considered. Related questions can be reviewed under the theme of autonomy of the statistical institution. Second, the extent to which the current transition economies can profit from the relevant experiences of traditional market economies is a subject worth discussing. Finally, technical solutions can be investigated to match statistical services and requirements.

2.1. Autonomy of statistical offices

The level of autonomy or independence of a statistical office can be looked at from two broad perspectives. In an international context, the contemporary integration processes in Europe factually lead to some reduction in the autonomy of national institutions for the benefit of the creation of supranational structures. Furthermore, the ongoing transition process towards market economies appears to entail a necessity to adapt existing international standards to the national statistical systems concerned, as this strategy might help to shorten the transition period.

The national perspective of the issue can be approached from three angles. First, the importance of autonomy for the operation of a statistical office is to be reviewed. Second, the possibilities of a statistical office ensuring its independence in actual administrative frameworks is to be evaluated. Third, successful national measures have been taken to reach and maintain an adequate level of autonomy. For example, the national statistical office could become a public enterprise. Its main objective could be to supply, on a competitive basis, government administrations and the public as a whole with statistics. The staff of the office would no longer be composed of civil servants.

Autonomy of the statistical office is widely seen as the most important starting point for achieving a public image of credibility. Credibility is in turn instrumental for securing sufficient support for the office's operations and financing. It is one of the strategic targets of the management of a statistical service, and requires permanent attention. Autonomy is a way of keeping the statistical service accountable to the public.

This principle may conflict with the fact that statistical offices are also embedded in national network of administrative institutions. The character of this administrative frame varies between countries, sometimes considerably. Consequently, the preservation of autonomy of statistical offices takes different forms from country to country, and no blueprint exists that can be used by all.

The need for autonomy on one hand, and pressure to integrate the statistical service into the national administrative context on the other is the very reason for special measures to protect the independence of the office. The effectiveness of the measures depends to a large extent on the existence of appropriate laws. The fixing of prerogatives in written laws is of secondary importance only, while the transparency of existing administrative hierarchies appears to be most important.

Another general aspect of the network of administrative relations concerns the institution to which the statistical offices would most conveniently be attached. Its direct attachment to Parliament may be advisable for some reasons, while others could favour a less prominent link to primarily political institutions. Some offices are attached to the offices of heads of government, while others come under ministries. Irrespective of the type of affiliation, the creation of privileged user groups should be avoided to the maximum possible extent. The exceptions to this rule refer to a very small number of cases whereby privileges are granted to top executive levels of government in very well-defined circumstances, and this is made known to the public. Such arrangements typically mean making especially important statistical information available to these users a few hours before its public release.

Among numerous measures taken to enhance the autonomy of the service, the announcement of release dates for certain statistics receives special attention in several countries. Such practice can help avoid the impression that certain political sides are favoured by dates of publication. In general, the role of the media in conveying statistical information appears to be of high importance. As a result, all statistical offices make special efforts to sustain a dialogue with the media, which demonstrate the independence of the office and gives information on the proper interpretation of statistical data.

2.2. *Special circumstances in economies in transition*

It is very important to establish or re-establish credibility and public support for statistical offices in transition countries. The need for increased public trust coincides with the need to change statistical production considerably. Time is short, and although established international statistical standards are a convenient starting point for new production processes, they require adaptation to national circumstances.

The independence of statistical services is the result of a long process, in which progress is usually made step by step, sometimes after painful experiences. Once it is achieved, it takes permanent attention to maintain independence. The legal framework and administrative setup for statistical offices may be more or less conducive to attaining the objective, but the optimal solution is to be determined from within each national context.

Brackstone shows which mechanisms a statistical office can set up to analyse users' needs in order to meet their requirements. *Bader* describes how new conditions may influence a statistical service. *Rørstad* illustrates the impact of workstations on the statistician's work. *Pepelea* and *Dimitrescu* present some specificities of regional statistical services during transition.

3. Marketing of statistical services

The marketing of statistical products can be discussed at various levels. Time and space can be devoted to the question of the relationship between the statistical service as a public function and the introduction of a market orientation. At a second level, the complementarity between the production function of a statistical office and its service function can be considered, including possibilities for their synchronized development in transition countries. Third, the tasks associated with marketing activities and the major difficulties in tackling them can be delineated. Finally, the costing and pricing of statistical products or services can be addressed.

3.1. *Market orientation of a public service*

A core question is whether a pronounced market orientation introduces undue constraints on the ease with which statistics can be obtained by the public. It can be argued that provision of available statistics to the public is of such overriding importance that any potential impediment through, for example, marketing of statistical products should be avoided. One can also defend the opinion that the generation of revenues for statistical services would permit the compilation of statistical information that otherwise might not be forthcoming, and that an enhanced market orientation would be a powerful instrument for adapting statistics to user needs.

Thus, the introduction of a market orientation can help a statistical service to accomplish its production function. In particular, the catering involved in a devel-

oped service function increases contacts with users and hence knowledge about their information needs. Adequate pricing of statistical products can lead to a more effective distribution of statistics, and they may be better adapted to user requirements. Other benefits include an increase in the use of the stock of statistical data, new dissemination modes, and an enhanced image of the office, which in turn improves the effectiveness of data collection.

3.2. Production and service functions

A distinction ought to be made between the internal organization of statistical offices for the purpose of generating statistics ('production function') and the provision of services to users ('service function'). Over time, many statistical offices have strengthened their service functions. Placing service in the centre of the corporate culture has not only demanded that an organization become more flexible and more user-oriented, but also that it change attitude of its staff, including management. This implies that marketing ought to be taken into account during production. Production staff are required to pay greater attention to customer feedback and to product development. For some offices, the transformation into a service-oriented organization meant that the organizational structure had to be modified to reduce the number of hierarchical levels and relations.

Development of the service function can also enhance the willingness of the economic sector to respond to statistical enquiries. Dwindling response rates could be a sign of insufficient communication with suppliers who are also users of data. A first step in strengthening the service function is that the statistical office becomes better acquainted with its users. Statistical offices, to an increasing extent, are finding themselves in a competitive situation in the general information market, and that intensifies the need to develop services.

In a statistical office, marketing does not only mean 'promotion' but should be interpreted much more widely and involve all activities concerned with the identification and satisfaction of users' needs. For instance, market analysis should make it possible to discover gaps in statistical information and accessibility, needs for development and repackaging of statistical products, and ways to orient dissemination towards different market segments and promotion of available products.

Marketing experience exists in some transition countries. It is mostly in the area of printed publications. Statistical offices often face the problem of how best to combine production and service. The offices concerned look upon the improvement of production as their most important concern. At the same time, by creating the conditions for an improved public image and by developing new and adequate statistics, they are preparing the ground for the introduction of a comprehensive marketing policy. The preparation of sales publications from the very beginning of the new production programme is a major step towards a full development of the service function.

3.3. Measures of marketing

The full development of the service function implies the need to assess the requirements of the market, develop suitable products corresponding to demands, circulate these products, and promote their dissemination. Efficient marketing includes measures in all four areas. It is not surprising that the implementation of this broad concept of marketing has repercussions for the organization and operation of the statistical office.

In a narrower sense, marketing means the promotion of sales. Promotion of statistical products is done not only to cover costs but also to maximize the use of available information. Press releases or similar publications may assist promotion. They announce which statistical information has become available since the previous release. The style of such publications is preferably journalistic, and some contain analytical highlights and graphs. This type of promotion is very popular with the media and, at the same time, informs users of available statistics in a timely manner. Brochures for broader distribution and audiences are used by some statistical offices to market some products. They may illustrate the usefulness of statistical data through carefully chosen examples. The marketing of data through electronic means is also widespread and covers on-line data banks (located at the statistical office or marketed through a secondary distributor), data tapes, Videotex, diskettes, and CD-ROMs.

Costing and pricing of statistical products may be done through a number of ways. In pricing printed publications, the general rule is that the costs of data collection and compilation are not included. Prices cover only printing, distribution, and sales-promotion, and sometimes overhead costs. Profit margins may be included if the market permits. However, profits (or losses) generally occur as a result of unexpected sales numbers. Even in this basic calculation, which does not take into account total costs, "profits" are extremely rare.

For electronic products, pricing is much more difficult and often involves sharing income between the statistical office and secondary distributors. Again, pricing is not based on full cost calculations. A different scale is used for special computer services such as tailor-made tabulations and sample surveys, for which the clients often are billed at "out-of-pocket" cost plus overhead, which can be as high as 40 percent. Considerable revenues are derived in some countries from selling address lists of companies. The prices requested for this type of service usually follow a sliding scale according to the volume of information.

The pricing of a product is often related to the type of customer. For instance, discounted prices are common for educational institutions and a distinction is sometimes made between data for general users and data for businesses. Further, on the topic of pricing of printed material, it appears that the flexibility statistical offices have in choosing their printing houses and the arrangements they have with them, vary considerably between countries.

Whatever a statistical office plans to sell, it is worthwhile to undertake extensive market analyses to assess the volume of demand and to ensure that the final product is shaped to suit the greatest number of potential users.

Fellegi describes in his contribution new marketing initiatives to maintain the integrity of the statistical service even in times of severe budget reductions. *Leihonen* makes a plea for a new “market-oriented statistician” – someone who is not only a professional but also to some extent a salesman. *Wright* provides an overview of dissemination practices in the United Kingdom. *Zeisset* reports on how an economic census can be marketed to improve the response rate and to get answers in time. *Peeva* presents new trends in Bulgarian State Statistics and describes the influence of workstations on the production and dissemination of statistics. Finally, *Rivet* summarises an overview of practices in ECE member countries on costing and pricing of statistical products.

Statistical Division, Economic Commission for Europe