

Google eyes online consumer index to track inflation

October 12 2010



US Internet titan Google is readying its own "Google Price Index" based on a vast database of online purchases, providing a daily measure of inflation, said a top company official quoted in the Financial Times.

US Internet titan Google is readying its own "Google Price Index" based on a vast database of online purchases, providing a daily measure of inflation, said a top company official quoted Tuesday in the Financial Times.

Google has not yet decided whether it will publish the index (GPI), which is still in development, the group's chief economist Hal Varian said at the National Association of Business Economists conference in Denver, Colorado.

Varian said the GPI indicates a "very clear deflationary trend" for goods

purchased online in just under a year of data gathering, a potentially worrying prospect for US officials.

The GPI, calculated differently from official statistics of [consumption](#) -- a key indicator of US economic growth -- as it only accounts for products sold on the Internet, but can be a much faster tool as results could be modelled at real-time speed.

The most recent official data from the Commerce Department was released at the beginning of October and showed [consumer spending](#) in August. Those figures showed spending rose 0.4 percent in August as [consumers](#) spent slightly more than expected for the second straight month.

(c) 2010 AFP

Citation: Google eyes online consumer index to track inflation (2010, October 12) retrieved 20 April 2024 from <https://phys.org/news/2010-10-google-eyes-online-consumer-index.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.