

Potential Usefulness of eBay Data for Measuring Quality Change

Ana Aizcorbe

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Measuring the Nation's Economy.

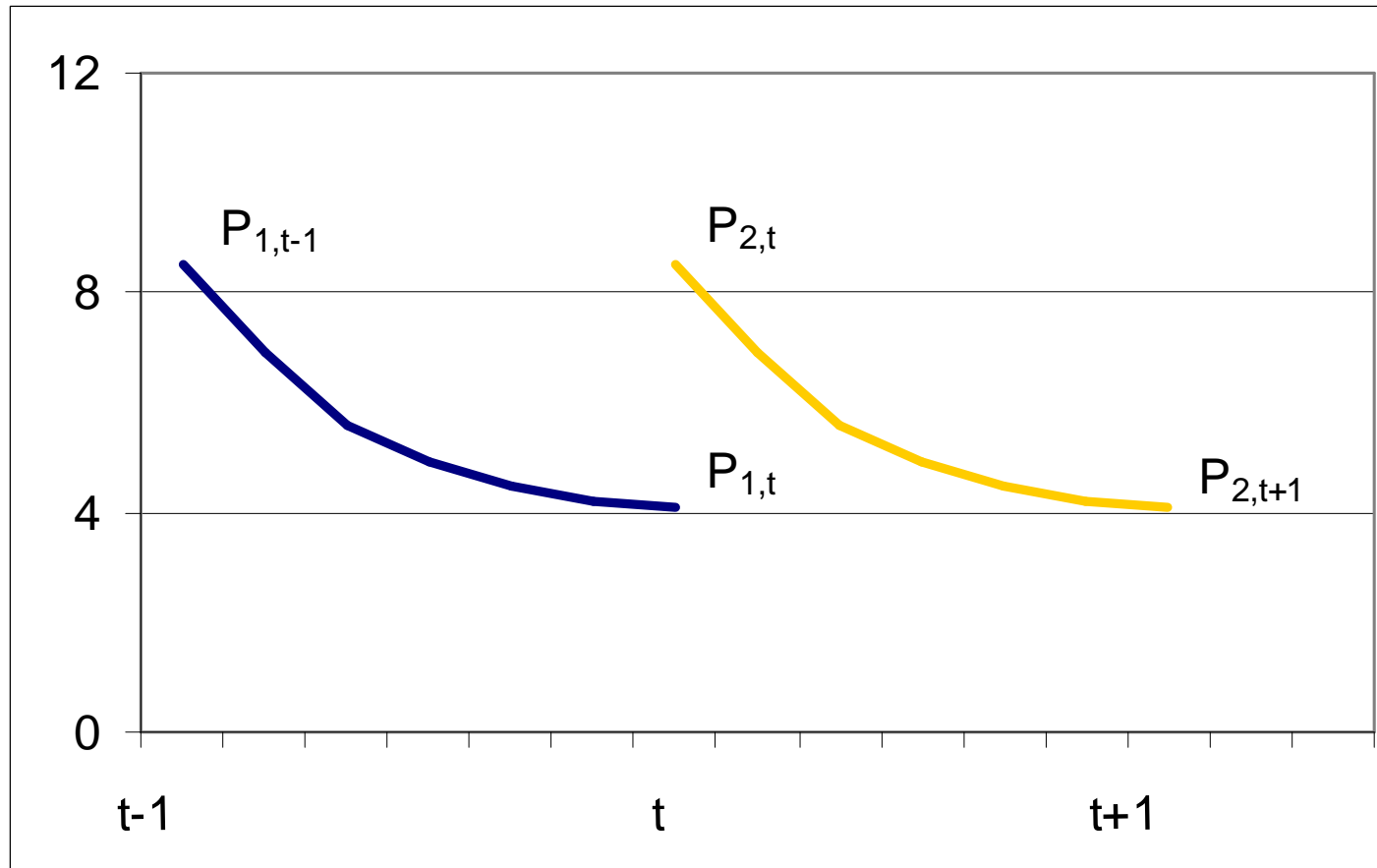


Outline of talk

- Focus on one fundamental problem in measurement -- Quality change
- Specifically, measuring quality change when consumers have different reservation prices for goods
- Little is known about reservation prices



The Problem: Implications of heterogeneity for measuring quality change



Standard approach attributes gap between prices at time t to quality change

This makes sense in a representative consumer setting, where the consumer buys both goods at time t

But, what if the consumers buying good 2 and good 1 are different people?



