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The Impact of Gasoline Prices on Internet Purchases

Andrea Martens

Department of Agricultural and Consumer Economics

University of Illinois at Urbana-Champaign

321 Mumford Hall

1301 W. Gregory Drive

Urbana, IL 61801

Phone: (217) 333-0208

amartens@illinois.edu

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GASOLINE OBSERVER

Andrea Martens, University of Illinois at Urbana-Champaign, amartens@illinois.edu

The Impact of Gas Prices on Internet Purchases



In the first study of Internet purchases that measures transportation costs directly, researcher at UIUC finds that consumers do not prefer Internet purchases over in-store purchases when gasoline prices increase.

Policy Implications

- A carbon tax would not change consumers' driving behavior.
- Policy needs to be tailored according to demographic characteristics relating to time value

Data and Methodology

- NHTS Survey 2009 of 155,000 households
- Analyze how the number of Internet purchases in the last month depends on individuals' transportation costs, sales taxes, household and individual characteristics, and traditional shopping opportunities

Who purchases more online?

- Women
- People who work full-time
- People with small children

Measure of transportation costs

- Fuel efficiency of household cars
- Individual work commute distance
- OPIS Retail gas prices at the zip code level