



**26th Voorburg Group
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**Presentation on sector paper:
ISIC Revision 4 (2008) Division 81
Services to buildings and
landscape activities**

Content

Sources for the sector paper

Documentation (Progress report VBG-meeting 2010)

Data sources (Industry/Product classifications)

Key figures

Turnover statistics (STS/SBS)

Pricing methods (Contract pricing/Model pricing)

Quality adjustment

Sources for the sector paper

Voorburg group meeting 2010

- Mini presentations on turnover/output
- Mini presentations on corresponding SPPIs

Task Force in April, 2008

- Presentations on 812 'Cleaning activities' (NACE Rev. 2)

Papers from the Netherlands

- Spanjaard (2011) SPPI For Industrial Cleaning
- Circa (2006) NL report on cleaning activities SPPI

Documentation

Category	Industry-level prices calculated (Number of countries)	Industry-level turnover collected (Number of countries)
Countries developing or producing SPPIs (ISIC Rev. 4) / Turnover data		
Combined Facilities Support Services (8110)	2	15
General Cleaning of Buildings (8121)	18	17
Other Building and Ind. Cleaning (8129)	14	17
Landscape Care and Maintenance (8130)	1	15

Data sources – Industry classifications (1)

Services to buildings and landscape activities (ISIC Rev. 4)

N 811 - Combined facilities support activities

N 812 Cleaning activities

N 8121 - General
cleaning of buildings

N 8129 - Other building and
industrial cleaning activities

N 813 - Landscape care and maintenance service activities

Data sources – Industry classifications (2)

NACE Rev. 2

- A third four-digit level code: N 8129 Other cleaning activities (e.g. cleaning of trains, buses, planes, etc.)

ANZSIC 2006

- Building exterior cleaning, building interior cleaning, chimney cleaning and other (specialized) cleaning activities in one class (four-digit level)
- Two other classes represent building pest control services and gardening services (four-digit level)

NAICS 2007

- Exterminating and pest control services, janitorial services, landscaping services, carpet and upholstery cleaning services, other services to buildings and dwellings (six-digit level)

CPC Ver. 2

- There are three groups in division 85/94
- Cleaning services (group 853), other support services (group 859), sanitation and similar services (group 945)

CPA 2008

- There are three groups in division 81
- Combined facilities support services (group 811), cleaning services (group 812), landscape services (group 813)

NAPCS 1999

- Trilateral initiative of Canada, Mexico and the United States
- Products are grouped regardless of industry

Key figures of Division 81 (ISIC Rev. 4)

N 811 'Combined facilities support activities'

- Less important regarding number of enterprises and turnover
- Higher turnover significance in future?

N 812 'Cleaning activities'

- More establishments than in N 811 (e.g. Germany and Norway 2008)
- High turnover significance presently

N 813 'Landscape care and maintenance service activities'

- In Austria of least importance regarding number of enterprises and turnover

Restrictions

- N 813 'Landscape care and maintenance service activities' is mostly not available (ISIC Rev. 4)
- Lack of experience in observing turnover data on product level

Collection of turnover data

- SBS, STS, etc. (surveys)
- Accounts from tax authorities, company reports, VAT-registers, etc. (administrative data)

Other considerations

- Household related activities
- Extensive black economy in the cleaning service sector?

Turnover statistics (2)

Turnover data	Advantages	Disadvantages
Survey instruments	<p>Precise turnover data</p> <p>The desired periodicity can be defined</p> <p>Sample can vary in size</p> <p>Sample can vary in complexity</p>	<p>High costs</p> <p>Respondent burden is high</p>
Administrative data	<p>No additional burden on respondents</p> <p>Normally much cheaper than any survey</p>	<p>They can be less precise</p> <p>Revenues may include service categories not under examination</p> <p>Administrative data may not be available sub-annually</p> <p>Estimation procedures and data processing facilities may be necessary</p>

Pricing methods (Contract pricing)

Pros

- Real transaction prices are surveyed
- Prices are based on observed market transactions
- Contracts are available and provided by respondents

Cons

- Complicated task to manage all price determining factors
- Difficulty to determine service quality
- Service changes take place in practice but must not be expressed in contracts explicitly (Information asymmetry)

Pricing methods (Model pricing)

Pros

- Real transaction prices are surveyed
- Information asymmetry is of less relevance
- Service quality is determined by the model

Cons

- Service product is non-observable (virtual)
- Representative models have to be prepared by NSIs
- Price determining factors may change in the service industry but models remain unchanged

Contract pricing

Model pricing

Prices of repeated services

Hourly charge-out rates

List prices

- Difficulty to determine service quality
- No best practices for the different subsectors of services to buildings and landscape activities
- Service bundles versus single services
- Difficulty to determine the price for single services (service bundles)
- Pricing methods may depend on the service provider

Quality adjustment (1)

Price change/No change of price determining factors

- 'pure' price change
- Long term agreement with an automatic adjustment clause and unchanged services

No price change/Change of price determining factors

- Quality of the service gets better/worser
- Training the cleaning personnel, Ecolabel orientated cleaning, etc.?

Price change/Change of price determining factors

- 'pure' price change has to be determined
- Long term agreement with price changes and new products being introduced

Explicit quality adjustment methods

- Specifications of the repeated service change (frequency of window cleaning may be modified in a complex cleaning contract)
- e.g. expert judgement

Targeted mean imputation

- Substitution of an old contract
- New items enter the index

Cleaning and sustainability

- Is sustainability incorporated in the quality?

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Thank you!

Questions?