SPPI for Hotels in Sweden

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25th Voorburg Group Meeting
Vienna, Austria
September 21, 2010
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Definition of the sector

- According to NACE Rev. 2 and SNI 2007

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<th>NACE Rev. 2 SNI 2007</th>
<th>Industry Description</th>
<th>Turnover</th>
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<td>Hotels and similar accommodation</td>
<td>27.1 MSEK</td>
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<td>55.101</td>
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Background to the Swedish SPPI for Hotels

- The first market to be measured in the Swedish SPPI, starting 1995
- A review was done in 2001
  - Changed from list prices to unit value
  - No separation between single and double rooms
- In the chart on the next page we can clearly see that the changes had an impact on the index
SPPI for Hotels (2005=100)

- 55.1A Hotel rooms, weekdays
- 55.1B Hotel rooms, weekends
- 55.1C Conference days
Price collection

- We currently ask for three different categories:
  - Weekdays
  - Weekends
  - Conference days

- Prices are collected quarterly, but reported as the average monthly invoiced price per occupied room
- Sample size: 40
- The non-response is low
Reasons for a new review

- Long time since last review (9 years)
- Large price fluctuations
- Concerns regarding the sample process
- Examine possibility to use data from other surveys
Questions for the 2010 review

- Is it possible to merge the 3 hotel surveys at Statistics Sweden? (SPPI, CPI & Accommodation statistics)
- Why is the sample for the CPI and the SPPI joined?
- Is the average invoiced price the same as the Average Room Rate (ARR)?
- Is ARR good for measuring price developments?
- What does the National Accounts want?
What is the Accommodation statistics?

- A monthly census with around 2000 hotels
- They collect the hotels total accommodation revenue and number of occupied rooms
- Revenue/Rooms = Average Room Rate (ARR)
- Collects number of occupied rooms divided by:
  - Business guests
  - Private guests
  - Conference guests
- This data is used as weights in the SPPI (between weekdays, weekends and conference)
Findings

- Type of guest is a significant price determining factor
- Business representatives recommended a split-up between business and private guests instead of weekdays and weekends
- NA compares SPPI and CPI (weekends compared to private guests)
- NA would also rather want business and private guests in the SPPI
Results

- Business and private guests (instead of weekdays and weekends) from 2011
- Report quarterly prices instead of monthly
- The sample is no longer joined with the CPI
- A cut off limit of 10 employees is introduced