

**Instituto Nacional de Estadística y Geografía
(INEGI)**

34th Meeting of the Voorburg Group on Service Statistics

**Session: Short term accommodation activities, ISIC 5510
(Turnover/output statistics)**

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Paris, France
September 30th – October 4th, 2019

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Short term accommodation services

Subsector 721 NAICS Mexico 2013

5510 ISIC Rev. 4

1. Descriptions and characteristics of the industry

1.1. Definition of service

According to the Mexican Tourism Secretary¹, the lodging (or accommodation) services are defined as services offered by hotels and specialized establishments to create the right conditions for a night or more of tourists or visitors.

By the other hand, North American Industrial Classification System, NAICS México 2013, defines the subsector 721 as economic units primarily engaged to provide temporal accommodation services in hotels, motels, hotels with casino, cabins, villas and similar. The most part, the guiding criterion to differentiate the branches of this sector was to consider the type of installation (hotels with or without facilities to provide other integrated services; lodging services in cabins, camps, pensions).

Service definition by activity class (6-digit industries)

721111 Hotels with other integrated services

Economic units primarily engaged in proportionate temporal lodging services in hotels with integrated services, whose register made with the same establishment, offer a range of services (restaurant, bar, nightclub, beauty spa, sky slope, golf camp, travel bureau). Includes: economic units primarily engaged in proportionate temporal lodging in timesharing mode, in hotels with integrated services such as, aquatic parks and spas registered with the same establishment.

721112 Hotel out of other integrated services

Economic units primarily engaged in proportionate temporal lodging service in hotels out of other integrated services (restaurant, bar, nightclub, beauty spa, golf camp, travel agency).

721113 Motels

Economic units primarily engaged in proportionate temporal lodging service in motels with or not, another integrated services, registered by the same establishment with a range of services (restaurant, bar, nightclub, beauty spa, sky slope, golf camp, travel agency).

721190 Cabins, villas and similar

Economic units primarily engaged in proportionate temporal lodging service in cabins, villas, bungalows and similar. It includes too: economic units dedicated principally to proportionate temporal lodging service by timesharing mode in cabins, villas, bungalows and similar; only young people camps, and typical houses that proportionate temporal accommodation services.

¹ SECTUR (by Spanish acronym) and data from DATATUR, system that collects processes and disseminates basic information of the tourism sector in Mexico.

According to NAICS, some differences are observed due to the trilateral agreement at Industry group level structure:

The subsector is organized into three groups: (1) traveler accommodation, (2) recreational accommodation, and (3) rooming and boarding houses, dormitories, and workers' camps. The Traveler Accommodation industry group includes establishments that primarily provide traditional types of lodging services. This group includes hotels, motels, and bed-and-breakfast inns. In addition to lodging, these establishments may provide a range of other services to their guests. The RV (Recreational Vehicle) Parks and Recreational Camps industry group includes establishments that operate lodging facilities primarily designed to accommodate outdoor enthusiasts. Included are travel trailer campsites, recreational vehicle parks, and outdoor adventure retreats. The Rooming and Boarding Houses, Dormitories, and Workers' Camps industry group includes establishments providing temporary or longer term accommodations, that for the period of occupancy, may serve as a principal residence.

7211 Traveler Accommodation

This industry group comprises establishments primarily engaged in providing short-term lodging in facilities, such as hotels, motels, casino hotels, and bed-and-breakfast inns. In addition to lodging, these establishments may provide a range of other services to their guests.

72111 Hotels (except Casino Hotels) and Motels

See industry description for 721110.

721110 Hotels (except Casino Hotels) and Motels

This industry comprises establishments primarily engaged in providing short-term lodging in facilities known as hotels, motor hotels, resort hotels, and motels. The establishments in this industry may offer food and beverage services, recreational services, conference rooms, convention services, laundry services, parking, and other services.

72119 Other Traveler Accommodation

This industry comprises establishments primarily engaged in providing short-term lodging (except hotels, motels, and casino hotels).

Illustrative Examples:

- Bed-and-breakfast inns
- Tourist homes
- Guest houses
- Youth hostels
- Housekeeping cabins and cottages

Classification issues

The categories that will be addressed in the topics of Production by the International Standard Industrial Classification of All Economic Activities (ISIC Rev. 4) and NAICS Mexico 2013, are the following:

Table 1.- Equivalence between NAICS Mexico 2013 and ISIC Rev. 4 for Temporary accommodation services

NAICS Mexico 2013		ISIC Rev. 4	
Code	Description	Code	Description
721111	Hotels with other integrated services	5510	Accommodation activities for short stays (Hotels with other integrated services)
721112	Hotels without other integrated services	5510	Accommodation activities for short stays (Hotels without other integrated services)
721113	Motels	5510	Accommodation activities for short stays (Motels)
721120	Hotels with casino	5510	Accommodation activities for short stays (Hotels with casino)
721190	Cabins, villas and similar	5510	Accommodation activities for short stays (cabins, villas and similar)

It is important to note that casinos are not legal activity in Mexico, therefore, there is no information available for the code 721120; the foregoing based on the Federal Law of Gambling and Raffles².

1.2. Market conditions and constrains

In order to highlight the importance of the different types of activity that offer temporary accommodation services with respect to the subsector 721 Temporary accommodation services, the information on the 2009 and 2014 Economic Censuses³ is consulted to indicate the number of establishments, total employed personnel and income for the supply of goods and services. The data is detailed below:

² <http://www.diputados.gob.mx/LeyesBiblio/pdf/109.pdf>

³INEGI. Censos Económicos 2014. Resultados definitivos/SAIC.
<http://www.beta.inegi.org.mx/app/saic/default.aspx>

Table 2. - Main indicators for Subsector 721 considering activity classes: 721111, 721112, 721113 and 721190 coming from Economic Censuses 2009-2014

NAICS Mexico 2013 Code	Establishments			Occupied Personnel ⁴			Incomes ⁵ (million mx pesos)		
	2009	2014	Five-year growth rate%	2009	2014	Five-year growth rate%	2009	2014	Five-year growth rate%
721 Temporary accommodation services	17,190	19,554	13.8	319,665	350,893	9.8	94,161.429	103,835.883	10.3
721111 Hotels with other integrated services	4,098	5,973	45.8	237,650	271,085	14.1	81,950.937	94,369.148	15.2
721112 Hotels without other integrated services	10,176	9,587	-5.8	55,251	45,863	-17.0	8,730.036	5,339.080	-38.8
721113 Motels	2,083	2,748	31.9	21,229	26,976	27.1	2,516.856	3,417.781	35.8
721190 Cabins, villas and similar	833	1,246	49.6	5,535	6,969	25.9	963.600	709.874	-26.3

According to the information in the data table, considering the different activity classes, it is evident that lodging in motels showed the greatest growth on average, taking into consideration the three categories (establishments, employment and incomes), with a 30% of growth, followed by Temporary accommodation in hotels with other integrated services, with 24% of growth on average. On the other hand, the lowest development is for hotels without other integrated services, which has shown a decrease in all categories.

Additionally, below the equivalence of table 2 is presented in million US dollars for its appreciation.

Table 2. - Main indicators for Subsector 721 considering activity classes: 721111, 721112, 721113 and 721190 coming from Economic Censuses 2009-2014

NAICS Mexico 2013 Code	Incomes (million us dollar)		
	2009	2014	Five-year growth rate%
721 Temporal accommodation services	8,453.842	8,133.146	-3.8
721111 Hotels with other integrated services	7,357.778	7,391.646	0.5
721112 Hotels without other integrated services	783.806	418.193	-46.6
721113 Motels	225.970	267.704	18.5
721190 Cabins, villas and similar	86.514	55.602	-35.7

⁴ It includes all the people who worked during the reference period depending contractually or not on the economic unit, subject to its direction and control.

⁵ It is the amount obtained by the economic unit during the reference period, for all those activities of production of goods, commercialization of goods and provision of services.

Table 3. - Percentage share of activities respect to the subsector 721

NAICS Mexico 2013 Code	Establishments		Occupied Personnel		Incomes	
	2009	2014	2009	2014	2009	2014
721111 Hotels with other integrated services	23.84%	30.55%	74.34%	77.26%	87.03%	90.88%
721112 Hotels without other integrated services	59.20%	49.03%	17.28%	13.07%	9.27%	5.14%
721113 Motels	12.12%	14.05%	6.64%	7.69%	2.67%	3.29%
721190 Cabins, villas and similar	4.85%	6.37%	1.73%	1.99%	1.02%	0.68%

Data table number 3, shows how subsector 721 is composed by the percentage participation of each activity class. The greatest participation is for hotels with other integrated services, with the best productivity and highest percentage of participation for employment and incomes. Followed by hotels without other integrated services, with the best participation on establishments' percentage. In third place we have Motels and last position is for Cabins, villas and similar, with lowest participation percentage.

Monthly Services Survey (MSS)

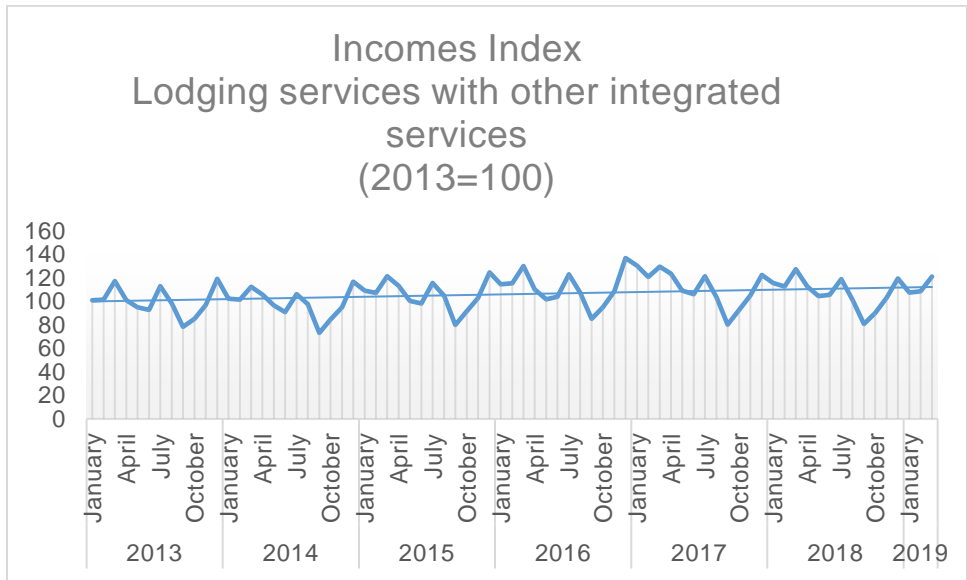
Following is the basic short-term statistics, generated by Instituto Nacional de Estadística y Geografía (INEGI by Spanish acronym) through the Monthly Services Survey, in relationship with occupied personnel and total incomes derived from supply of goods and services, all which for the activities before explained. It is important to highlight that this survey studies grouped NAICS codes by the next way:

1. - 7211 Hotel, motels and similar (it includes 721112, 721113 and 721190 codes. It excludes 721111 class)
2. - 721111 Hotels with other integrated services

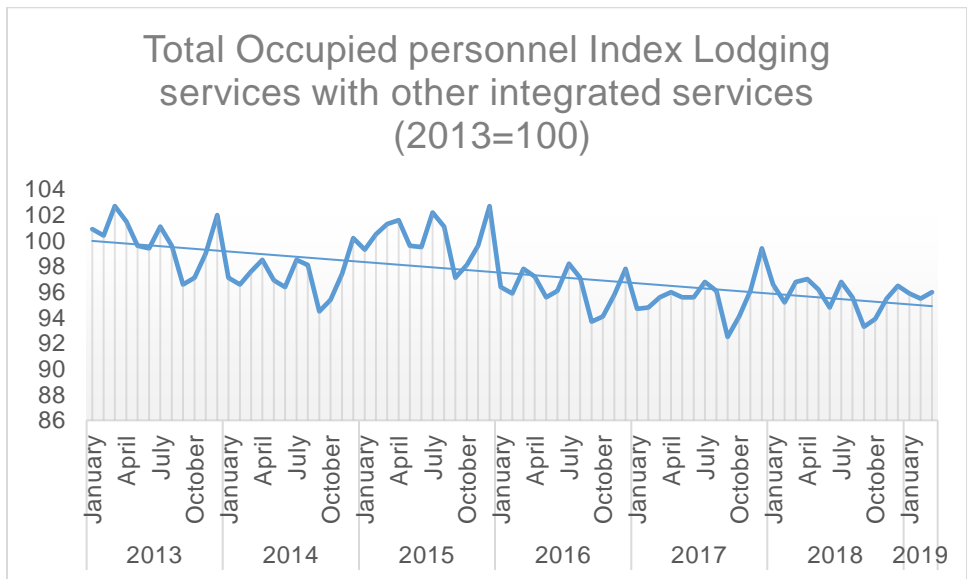
Generated incomes by temporal lodging services with other integrated services, shows a behavior where seasonality is evident over time, in which, the increases are strongly correlated with holiday periods.

This sector is strongly affected by external aspects such as: travel alerts, volatility in exchange rate; climatic aspects such as hurricanes, earthquakes, Sargasso⁶; politic aspects and other intern aspects such as insecurity in the country.

⁶ A reddish alga that expands through the beaches and damages not only the landscape, but also the marine species; the abundant presence of this alga on the coasts of the Caribbean is affecting tourism.



Respect to occupied personnel, this activity shows a downward trend, but also uniform along time as following graphic shows.



Annual Private Non-Financial Services Survey

Following data table contents some index generated from the Annual Private Non-Financial Services Survey, respect to lodging services with other integrated services and lodging services without other integrated services.

Table 4. - General Index of economic units 2016-2017

NAICS Mexico 2013 Code	Annual employment payroll (thousand mx pesos)		Average cost of supplied personnel (thousand mx pesos)		Total income per person employed (thousand mx pesos)		Proportion of remunerations in total income %		Proportion of total expenses in total incomes %	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
7211	56.9	56.4	97.2	97.2	180.0	182.4	26.8	26.8	58.3	55.6
721111	105.4	115.2	130.9	145.5	581.9	644.5	7.4	7.3	67.2	68.7

Source INEGI/EASPNF:

<https://www.inegi.org.mx/programas/easpnf/2012/default.html#Tabulados>

In all categories, activity class 721111 shows higher numbers, as well as higher growth, except for its profits, as explained below:

Annual payment to employment for code 7211 shows in average 56.65 thousand mx pesos, although 721111 shows 110.30 thousand mx pesos. A significant difference in both activities is average cost of outsourcing, since hotels without other integrated services number is 97.2 thousand mx pesos, while hotels with other integrated services is 138.20 thousand mx pesos.

Respect to total income per person employed, it has the biggest difference between codes 7211 with 181.2 thousand mx pesos compared with 663.2 thousand mx pesos from 721111.

Proportion between remunerations in total income has no change for both activities.

Finally, proportion of total expenses in total incomes shows the following behavior:

1. During 2016 NAICS code 7211 got a utility of 41.7%, nevertheless for 2017 it recorded an increase to 44.4%.
2. Hotels with other integrated services, shows a smaller number with 32.8% in 2016 and 31.3% in 2017.

Additionally, below the equivalence of table 4 is presented in dollars for a better appreciation.

NAICS Mexico 2013 Code	Annual payment to employment (us dollar)		Average cost of supplied personnel (us dollar)		Total income per person employed (us dollar)	
	2016	2017	2016	2017	2016	2017
7211	3,049.95	2,979.55	5,210.12	5,134.97	9,648.37	9,636.0
721111	5,649.65	6,085.89	7,016.50	7,686.61	31,191.03	34,048.28

Goods and services generated by the industry

Goods and services produced by the industry are usually the producing unit of consumers. Principal products according to North American Products Classification System (NAPCS Mexico, 2013) below:

1. - Temporal lodging services with other integrated services such as restaurant, bar, nightclub, laundry, beauty spa, golf camp, among others.
2. - Temporal lodging services in timeshare mode in hotels with other integrated services.
3. - Temporal lodging services in waterparks and spas (registered with the same social reason), like hotels with other integrated services.
4. - Temporal lodging services in motels with other integrated services.
5. - Temporal lodging services in motels without other integrated services.
6. - Temporal lodging services in timeshare mode in bungalows, cabins and villas.
7. - Temporal lodging services in bungalows, cabins and villas.
8. - Temporal lodging services in typical houses for traveler people.
9. - Temporal lodging service in hostels.

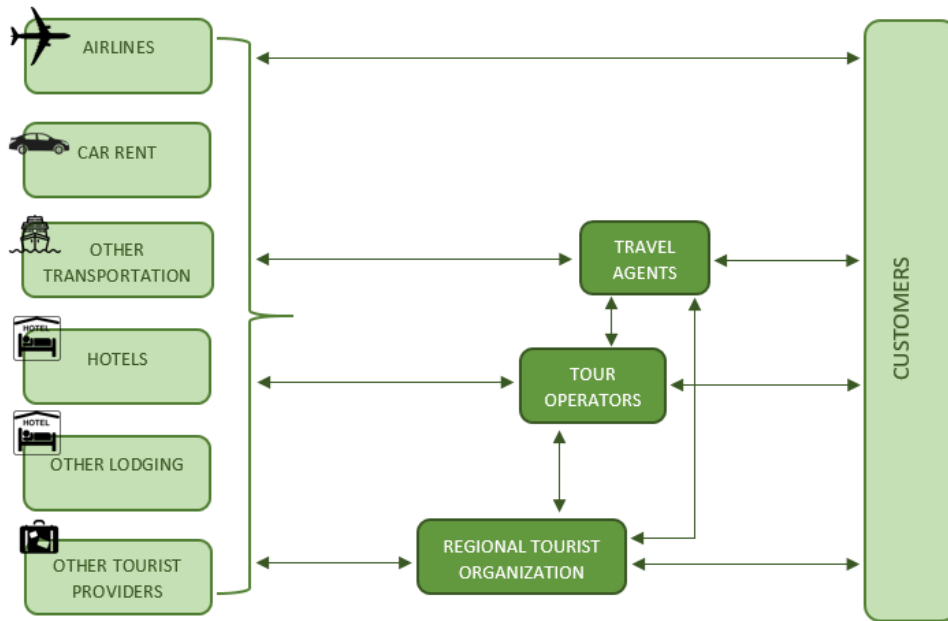
Central Product Classification (CPC, Version 2.1)

According to the Central Product Classification (CPC), the products originated by the industry shows like follow:

Division		Accommodation, food and beverage services		
63		services		
631		Accommodation services for visitors		
	6311	Room or unit accommodation services for visitors		
	63111	Room or unit accommodation services for visitors, with daily housekeeping services	63111	5510
	63112	Room or unit accommodation services for visitors, without daily housekeeping services	63112	5510
	63113	Room or unit accommodation services for visitors, in time-share properties	63113	5510
	63114	Accommodation services for visitors, in rooms for multiple occupancy	63114	5510

According to the impact of the information technology (IT), much of tourist consumers prefer to use an intermediary service to arrange the different related services with tourism, although it is evident the growth and increase of the IT in the industry will be shown later. The principal intermediary services are travel agencies, tour operators and local or regional tourism organizations.

DISTRIBUTION CHANNELS IN TOURISM



Based on the information in the diagram, relationship between supply and demand could be explained as follows: travel agents acts like an “explorer” that provides information, advice to the customers and is provider of the reservation service, decreasing to the traveler the time of searching for products and services that satisfy their travel needs.

Tour operators act as consolidators since they “pack” different components and sell just one bundled product.

Some regional tourist organizations act as intermediary distributing information and fliers of the tourist providers of the different regions to other regions tourist destiny providers.

The first role of each of these intermediaries is to make easier the buy process, whereby the information exchanges are key for this function. That’s why tourist providers must proportionate to each one of the intermediaries the information in correct format for assist them in sale process.

The mentioned organizations not only make easier the commercialization, but also are responsible of the complete process: product planning, contact personal training, training of entrepreneurs, common buys, financial management, quality control and others. So that, the information goes beyond of tourists and it introduces in product engineering.

Type of consumer of services

Goods and services produced by the industry are usually from a production unit of consumers or intermediaries (travel agencies, tour operators), that is to say:

B2B: (Business to Business), electronic commerce relationship between business. Defines the relationships that occur between companies through the internet. These relationships can have diverse applications ranging from the simple collaborative exchange of information to the closure of online business operations.

B2C: (Business to Consumer), electronic commerce service between business and consumer. They are virtual sites with the purpose of commerce in line the products and services of the company.

Industry regulation

1.-General Tourism Law

2.-Regulation of the Federal Tourism Law

3.-Tourism Official Rules

Tourism Secretary through the National Consultative Committee on Tourism Normalization, their Subcommittees and work groups, check, modify, issue the Mexican Tourism Official Rules. These rules have the principal purpose of the professionalization through quality and security standards, which enables to the Tourism Services Providers be more competitive, so the fulfillment of these guarantees a greater quality in provision of Tourist services. Below the related lodging Rules:

- **NOM-010-TUR-2001⁷**

It specifies about the requirements that must contain the contracts celebrated by the tourist services providers with the customers-tourists, such as the related with costs, lodging, plane tickets and others.

- **NOM-07-TUR-2002**

Is specifies the normative elements of the civil responsibility insurance that must contract the lodging services providers for the protection and security of their guests. This rule obligates to the hotels, motels and hostels proprietaries to celebrate an insurance contract of civil responsibility with an authorized insurance carrier by the Finance Secretary to compromise by paying of a premium, to compensate an injury or to pay a sum of money when an incident occurs that causes the death or impairment of the health of the users or the loss or destruction of their assets, derived from their activities.

The minimum amount of the insured sum must be that which results from multiplying 25% of the total number of rooms installed per establishment for 790 days of minimum wage, according to what was published by the Official Gazette of the Federation.

1.3 Specific characteristics of the industry

Lodging services are a fundamental part for tourism in Mexico, sector that during 2017 gave \$1,797,374 million mx pesos to the national economy, it represents 8.7% of Gross Domestic Product, according to Satellite Account of Tourism of Mexico reported by INEGI, the incomes derivatives from lodging services, represent the greatest contribution to Tourist Gross Domestic Product with 28.3% of the value in 2017.

The Tourism represents social, economic and environmental development of a country, it provides the possibility of applicate alternative economic models such as collaborative economy. According to the last Tourism World Organization barometer, Mexico has an important national position with the sixth place in international tourist arrivals and the fifteenth place in revenues from foreign currency from tourism, which in 2018 amounted to 22,440 million us dollars.

⁷ Official Mexican Standard, NOM by Spanish acronym

According to Statistical Compendium of Tourism in Mexico at the end of 2017, the number of hotel in the country was of 21,967 establishments with 794,581 rooms. The hotel infrastructure of Mexico is growing up, so that some hotel chains announced their developing plans.

The results of the hotel activity in tourist centers that are monitored by DataTur, throws that 82.8 million national and international tourists stayed in a hotel during 2018, 60.9 million (73.6%) national tourists and 21.9 million international tourists. Hotel occupation in this period was of 60.9%. The high figures of visitors let the hotels be the spinal column of tourism, is necessary for grow of the sector and its economic spill.

The hotel also provides employment opportunities. During 2017 the related activities with tourist reported around of 2.3 million employs, 9% of these were generated for some related of tourist lodging service.

Accommodation offer by state⁸

State	Establishments	Rooms
Total	21,967	794,581
Aguascalientes	185	6,909
Baja California	678	28,043
Baja California Sur	440	24,277
Campeche	307	8,583
Coahuila	503	14,684
Colima	244	8,272
Chiapas	1,002	21,912
Chihuahua	674	21,141
Ciudad de México ^{cl}	629	51,943
Durango	288	5,919
Guanajuato	890	29,904
Guerrero	658	31,046
Hidalgo ^{a/}	655	14,071
Jalisco	2,038	75,422
México	742	24,521
Michoacán	712	18,022
Morelos	549	13,271
Nayarit	780	34,745
Nuevo León	355	18,923

⁸ Tourism Mexico Statistical Compendium, 2017

State	Establishments	Rooms
Oaxaca	1,426	28,887
Puebla	970	25,877
Querétaro	526	15,253
Quintana Roo	1,067	100,986
San Luis Potosí	416	13,031
Sinaloa ^{b/}	466	20,942
Sonora	540	22,993
Tabasco	477	12,647
Tamaulipas	683	26,818
Tlaxcala	359	5,291
Veracruz	1,929	49,607
Yucatán	487	13,076
Zacatecas	292	7,565

p/ Preliminar.

a/ As of 2002, it integrates Camps, Furnished houses, not considered in previous years.

Due to processes of updating and purging inventories, the entity reports only hotels as of 2002,

b/ Excluding other modalities considered in previous and subsequent years.

Due to the decree by which various provisions of the Political Constitution of the United Mexican States are declared reformed and repealed in subject of the political reform of Mexico City, published on January 29, 2016,

the Federal District is replaced by Mexico City

c/ Without detriment to the comparability between periods.

New challenges of the hotel industry: Digital Economy, changes in the needs of travelers and alternative lodging

Electronic commerce

Travelers increasingly make greater use of information technologies to select their destinies, by the way electronic business have been growing their participation in sales of products and tourist services. Sectors as hotel services and the entertainment depends on mobile apps and collaborative economy services such as Uber, they obligate to digitize their process⁹.

According to Electronic Commerce Study on Travel, prepared by the Mexican Association of sells Online, principal sources to obtain information to travel for tourism or vacation motive are:

- ✓ Search engines
- ✓ Travel agencies on line
- ✓ Web airlines sites
- ✓ Web hotels sites
- ✓ Metasearch sites
- ✓ Social networks
- ✓ Alternative lodging sites

Principal products bought on line below:

- ✓ Lodging reservations
- ✓ National flight tickets
- ✓ International flight tickets
- ✓ Bus or train tickets
- ✓ Car rental
- ✓ Tourist packages

This study also indicates that 8 out of 10 consumers indicate that online booking simplifies the purchase process.

On the other hand, the most purchased on line during 2018 are transport services with a participation of 60%; although, the lodging services represent the 32%. The above agreed with the Electronic Commerce Study in Mexico 2018.

The new schemes under which the clients ask for information and buy goods and services have obligated to the hotel industry to modernize their production process, making them more and more digital.

⁹ <https://www.milenio.com/negocios/las-tic-en-mexico-creceran-mas-de-4-este-sexenio>

New products and services

1. - Intelligent hotels

This tendency is focus to offer experiences “free of human interaction” in the different hotel services. This way results normal to realize check-in to get in the room, to order food or make a reservation from your cellphone without having to contact, or interact with someone.

An example of intelligent hotels is in Singapore. The accommodation in that place increasingly adopt solutions ranging from automation of the provision of services to integrated mobile applications and virtual janitors; with these features, in Mexico the first hotel was opened in August of 2017¹⁰.

2. - Increases the interest of boutique hotel in Mexico and the world

Between the relevant distinctive characteristics of these establishments are the innovate technologic solutions, decoration, location and the reduced size, all that allows to react in an agile way to offer clients a more specialized and personalized service and attention. The Tourism Secretary, explain that boutique hotels are those aimed at travelers and have a tendency to consume specialized services; these lodging places have become very important thanks to a dependency in which traveler is more interested to pay for a place with a strong approach to nature, open spaces and historic rescued¹¹.

Changes in traveler’s needs

The hotel service is changing in the last years faster than never, trying to keep the speed of the evolution in preferences on the demand in this hyper connected era thanks to technology, and with more awareness towards ecology, in other aspects. The growing preferences of the travelers are more and more inclined to hotels with smaller rooms but more common zones to socialize, vegetarian food every time available, more environmental commitment and a technology allows from doing check-in until opening the doors.

So, this broad and more specific demand from modern travelers is driving many of the hoteliers to think the configurations in their rooms, with no standard rooms in the hotels, that means plan preset in past with a fixed proportion double rooms, queen, king and suits are now open to reinterpretation and reinvention.

Others have been creating concepts in rooms completely out of standard configuration, with thematic rooms, rooms with bunk beds, rooms designed for bigger groups and resort areas completely separated with just some of the design more and more frequently used.

¹⁰ Source: <https://www.bancomext.mx/mejora-tu-hotel/hoteles-inteligentes-una-tendencia-que-impactar%C3%A1-en-el-turismo>
<http://www.mexiconewsnetwork.com/es/noticias/lifestyle/inauguran-primer-hotel-inteligente-mexico/>

¹¹ <https://www.milenio.com/negocios/un-lustro-de-ensueno-para-hoteles-boutique>
Source: <https://www.bancomext.mx/mejora-tu-hotel/aumenta-inter%C3%A9s-por-hoteles-boutique-m%C3%A9xico>

“Industry is offering more types of rooms in a hotel; it allows that many people with different budgets or needs stay under the same roof”¹².

A Concept of room with tendency is the one with bunk beds, which could be very attractive for families traveling with kids, including big families traveling together or family meetings, which can be more profitable and in line with hostels.

Alternative lodging

An event more and more frequently presented in Mexico is the alternative lodging concept, brands as AIRBNB have redefined the concept of lodging and has become in the digital platform with best technology and communication in line to share goods and services in temporal or permanent way, between individual, for free or with a fee, doing making the occupation of real estate more efficient.

In México, official statistics of this economic activity are not available yet, but its presence between hotel sector is increasingly notorious. Above that, government has implemented some measures to charge taxes and to offer a right and equitable market.

According to an article in The Financial newspaper (Hotels, worried about the “boom” of Airbnb in Riviera Nayarit), the hoteliers from Riviera Nayarit, one of the tourist places with biggest growing in the last years, are worried about increase in the offer of lodging in digital platforms as Airbnb, warned the Visitors and Conventions Office Riviera Nayarit. “In Riviera Nayarit there are 16 thousand of hotel rooms and from Airbnb we calculate there is another number like that, the same offer in different conditions, without regulation.

Below advantages of a hotel and the AIRBNB digital platform¹³:

<h1 style="margin: 0;">HOTEL VS AIRBNB</h1> <p style="margin: 0;">Both are good option, depends on traveling decision</p>	
Advantage of staying in a hotel	Advantage of staying with Airbnb platform
Standardized experience with guests	Greater exchange of tips and organization of activities with the host
Fixed entry and exit times	Necessary to agree to the delivery of keys and schedules of entry and exit
Rent a room	Rents from a room, an apartment or even a house
There is cleaning service every day	There is no cleaning until you leave, you have to do it yourself or pay an extra fee
You have to rent different rooms for a large group	You can accommodate a group in the same reservation

¹² HNN David Bowd, CEO of Salt Hotels, owner and operator of The Asbury Park, New Jersey <https://www.reportur.com/mexico/2019/05/11/producto-hotelero-se-reinventa-toda-prisa-nuevos-conceptos/>

¹³ Source: <https://obrasweb.mx/inmobiliario/2018/07/23/las-cifras-de-airbnb-demuestran-sus-beneficios-mas-alla-de-polemicas>

2. - Turnover/output measurement

2.1 General Framework

The main objective of Service Surveys is to generate statistical information in timely and permanent way on economic activities of the services provided by the non-financial private sector, at national level, that allows users to understand and analyze trends on the short term and annual sector structure. INEGI conducts two statistical programs: Monthly Service Survey (MSS) and Annual Private Non-Financial Services Survey (APNFSS).

2.2 Measurement issues

Collection instruments of each program are integrated by the following variables:

Monthly variables

1. - Employment dependent of the social reason.
2. - Employment no dependent of the social reason.
3. - Total remunerations
4. - Goods and services consumption
5. - Expenses not derived from the activity
6. - Incomes from the supply of goods and services
7. - Income not derived from the activity

The information is published in weighted indexes.

Annual variables

1. - Employment dependent of the establishment (man and woman).
2. - Employment no dependent of the establishment (man and woman).
3. - Remunerations.
4. - Goods and services consumption.
5. - Tax, financial and donations expenses.
6. - Financial income, subsidies and donations.
7. - Fixed assets.

The information is published in absolute values at current pesos (thousands of pesos).

The main characteristics of the statistical design to offer information with representativeness at the national level are indicated below:

Probabilistic design

Confidence level: 95%

Rate of non-response: 15%

Relative error: 10%

Non-probabilistic design

Coverage of the design variable (incomes): ≤60%

Information main users:

- National Accounts System
- Tourism Secretary
- Central Bank of Mexico
- Labor and Social Security Secretary
- Communications and Transportation Secretary
- Mexican Institute of Transportation
- Academics and researchers, among others

2.3 Description of methods for measurement

The main concept for measure output are incomes, however the questionnaires applied, monthly and annual basis, contain other variables related, like the number of people employed, according to the work-contract and sex, salaries and operating expenses, among others.

Data on incomes is collected in a monthly and annual basis; output data are used by the National Accounts System (SNA) for calculations of GDP and other macroeconomic indicators.

Additionally, based on the basic statistics, monthly weighted indexes (base 2013=100) are calculated for incomes, personnel employed expenses and salaries, as well as a quarterly productivity index at sector level.

Index reflect growth in real terms, by which monetary values are deflated with SPPI at sector level.

3. - Evaluation of measurement

Due to high costs, that represents the recollection of data through Economic Censuses and sample surveys, it is necessary to evaluate new methods to get data, in that context, the use of administrative records, such as generated by Finance Secretary (tax records), Tourism Secretary, among others, is an option to complete service economic statistics.

Nevertheless, it is necessary to recognize that level of detail in the information offer by Census or Survey, is not possible from an administrative record, since obey different purposes. Until now, the information offer by INEGI has been relevant for the different and diverse information users.

Other important challenges for the measurement of the industry are the following:

- How to measure the alternative accommodation through digital platforms?
- How to measure the collaborative economy (peer to peer), in accommodation activities?
- Digital platforms, the impact of regulation
- Measure new products (goods and services)

4. - Conclusions

In Mexico, the temporal lodging industry is meaningful, so that it is necessary to have timely and relevant information. Given the above, there are some information sources from administrative units, associations, cameras, among others, that offer statistic data, necessary to the own sector and for the development of public policies according to the reality of the country and to support the development of the sector up to the expectations raised.

Additionally, the importance of generated statistics in addition to be relevant to principal users, is to identify new tendencies of sector as results of technologic changes, the identification of new agents in the market, to know new products or services that sector offer as result of changing demand of travelers or tourists.

Today, there are not enough economic statistics and data that characterize hosting services through digital platforms, such as AIRBNB among others. Given that, there are associations and cameras from hotel operators sector who have ask to Universities some research and studies financed by themselves, to get feedback about the impact both negative and positive, in relationship with alternative lodging. All this to get on the one hand, a concise panorama that shows the factors or aspects where to invest, restructure or lead the offer according to new tendencies of the market or sector (demand), and that way to invest with the assurance that this investment will be potentiated in a positive way, on the other hand, to know or support that require from municipally, state and federal authorities.

For all the above, it is not only important but necessary to generate in timely way the information that users are already demanding, with the aim of having the statistical elements or tools to make decisions that will lead them to adapt to the constants changes in the sector.

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