



Article Title

THE EFFECT OF HOLIDAYS ON HOTEL DAILY REVENUE

Citation

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Abstract

The holiday effect phenomenon has been studied in industry sectors such as securities, retail, and so on. Literature is devoid of a purposeful study specific to the hospitality industry that evaluates the economic impact of holidays on the hotel industry. The purpose of this study was to examine the impact of holidays on hotel daily revenue. Using daily occupancy data of the U.S. lodging industry between January 2000 and February 2004, the study found a significant holiday effect prevalent in the hotel industry. Findings indicate that individual effects of holidays on hotel daily revenue differ significantly from one to another. In addition, some holidays have differential impacts depending on the day of the week on which they fall. Findings can be used to develop more targeted strategies by the lodging industry as a whole.

Conclusion

Some holidays show a significant influence on hotel revenue, but some do not. Martin Luther King's Day, Lincoln's Birthday, President's Day, St. Patrick's Day, Passover, Mother's Day, Father's Day, Columbus Day, Yom Kippur, Election Day, and Boxing Day did not have any significance influences on hotel daily revenue. Conversely, Valentine's Day, Armed Forces Day, and New Year's Eve may have significantly positive effects with findings indicating so in 2 years out of the 4 studied. Whereas New Year's Day, Good Friday, Easter, Memorial Day, Labor Day, Halloween, Hanukkah, Christmas Eve, and Christmas showed significantly negative effects on hotel revenue in least 2 years out of 4, the effect of Independence Day on hotel revenue seemed to depend on whether it fell on a weekday or weekend.