



SKIFT RECOVERY INDEX

WEEK OF JULY 12

SKIFT RESEARCH TAKE



by + Skift Team
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REPORT OVERVIEW

This report highlights the latest insights from the Skift Recovery Index, as we have added data for July 12 to July 18. The total available dataset now spans from December 29th, 2019 to July 18th, 2020 (weeks 1 to 29).

The Skift Recovery Index is a real-time measure of where the travel industry at large — and the core verticals within it — stands in recovering from the COVID-19 pandemic. It provides the travel industry with a powerful tool for strategic planning, of utmost importance in this uncertain business climate.

We are working with [Amadeus](#), [Arrivalist](#), [Collinson](#), [Criteo](#), [Duetto](#), [Hotelbeds](#), [Key Data Dashboard](#), [OAG](#), [RateGain](#), [Shiji Group](#), [SimilarWeb](#), [SiteMinder](#), [Skyscanner](#), [Sojern](#), [Transparent](#), and [TrustYou](#) as data partners for the Skift Recovery Index.

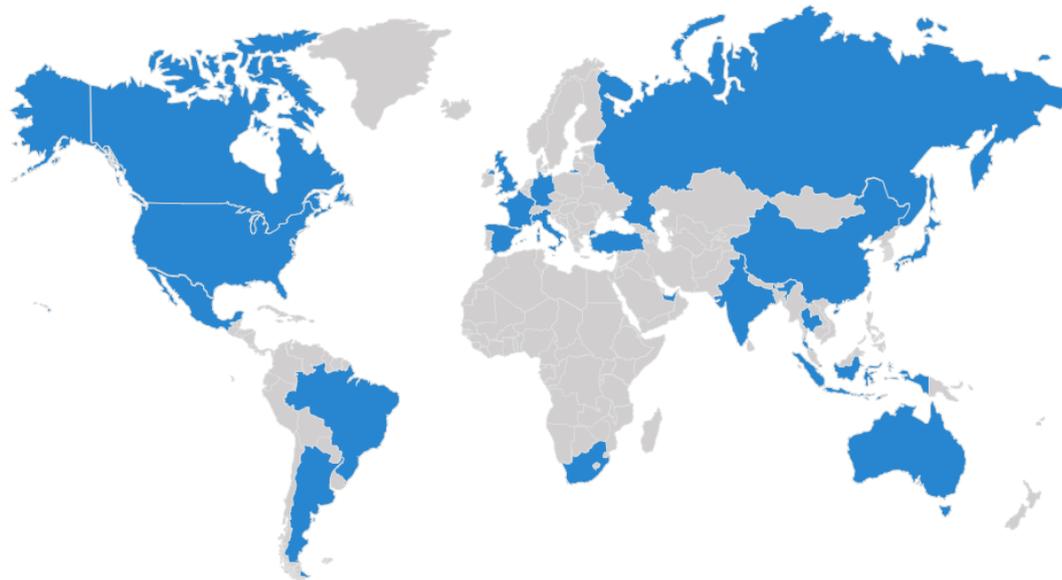
We remain open to adding additional partners, especially in the drive (car rental) and tours and activities space. Please get in touch at research@skift.com if you'd like to contribute.

Expanded Global Coverage

This is an exciting week for the Skift Recovery Index as we continue to expand its coverage. We have worked with our data partners to increase the number of countries from 15 to 22, adding Argentina, Hong Kong, Indonesia, Japan, Russia, South Africa, and Turkey to the list. In addition to improving the global index scores, the addition helps travel businesses within these countries see more nuanced local recovery trends.

The addition of these seven countries means that we now cover 62% of inbound receipts, and 67% of outbound expenditure. The economies of the 22 countries total over 78% of global GDP in 2019.

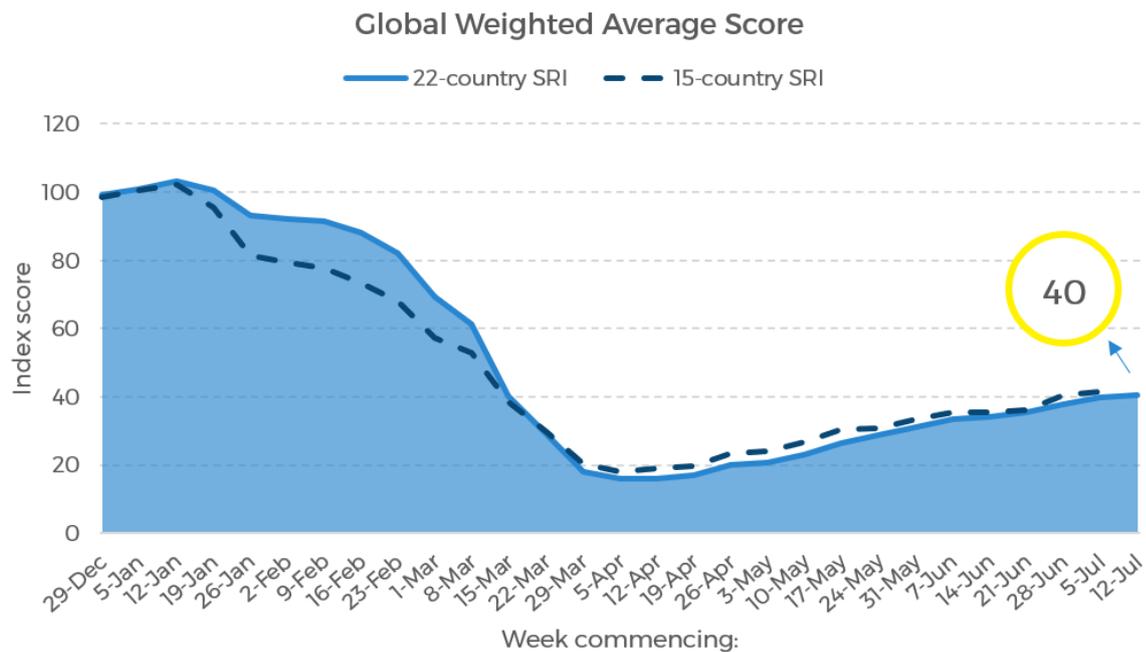
Exhibit 1: Expanded 22-country coverage



Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Mexico, Russia, Singapore, South Africa, Spain, Thailand, Turkey, U.S., United Arab Emirates, UK

While the seven new countries have added 11% of global inbound receipts to our coverage, the impact on the current Skift Recovery Index score is minimal, highlighting that while there are certainly nuances between countries, each and every country is struggling with the current COVID crisis. In the early weeks of 2020, the added countries push the overall score up by reducing the impact of an early-declining China on the score, but since the trough in early April, the additional countries have minimal impact on the overall score.

Exhibit 2: The global SRI score remains at 40



Source: Skift Research

The restated Skift Recovery Index now stands at 40, representing a travel industry performance of 40% compared to the same time last year. The w/c July 5 score was 42 with our 15-country coverage, but with the addition of the seven countries was revised to 40.

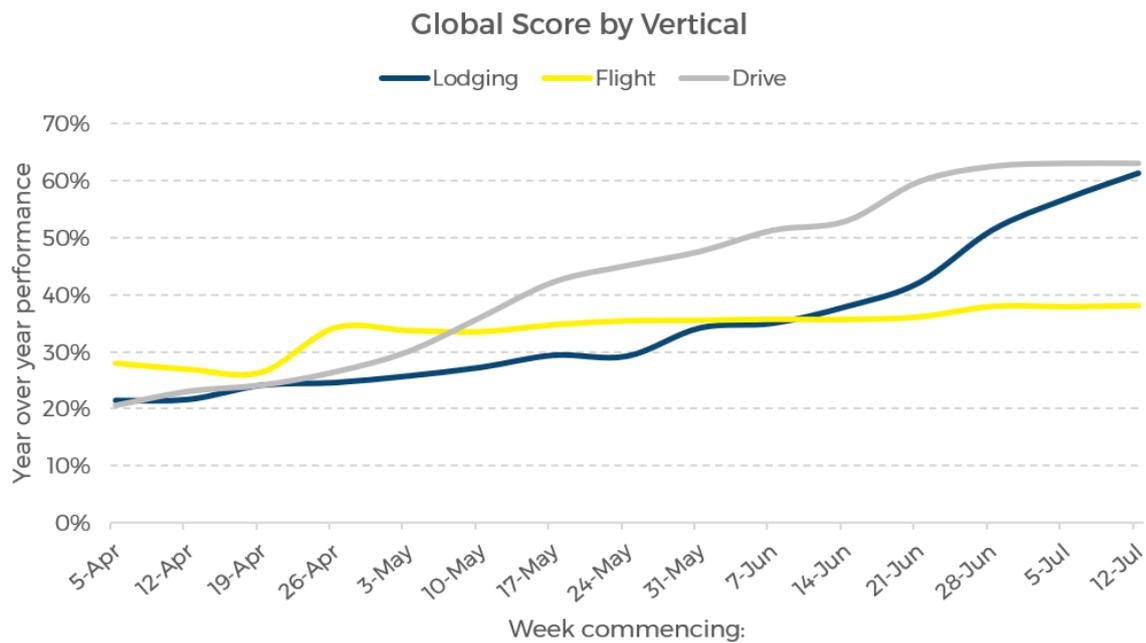
It took the industry just over two months to drop from 90% performance to 16% at its lowest. It has now been in recovery for almost four months, but has only clawed back about 25% in that time.

Performance in lodging (hotels and short-term rentals) is improving, and with the summer season officially started, we will expect this trend to continue as long as coronavirus cases are kept in check in major destinations. This is far from a given.

Flight is seeing some positive movement, but it's all very slow going as travelers remain predisposed to choosing the car over flying for the moment. As Q2 earnings are starting to be released, indications are of a beleaguered airline industry.

American Airlines saw revenues decline by 86%, resulting in a \$3.1 billion loss in EBITDA (earnings before interest, taxes, depreciation, and amortization). Southwest Airlines - a strong performer in our recently launched [Skift Health Score](#) - also saw revenues dropping by 83%, while United Airlines execs said the company was burning through \$40 million cash per day in the second quarter.

Exhibit 3: Lodging vertical continues climb



Source: Skift Research

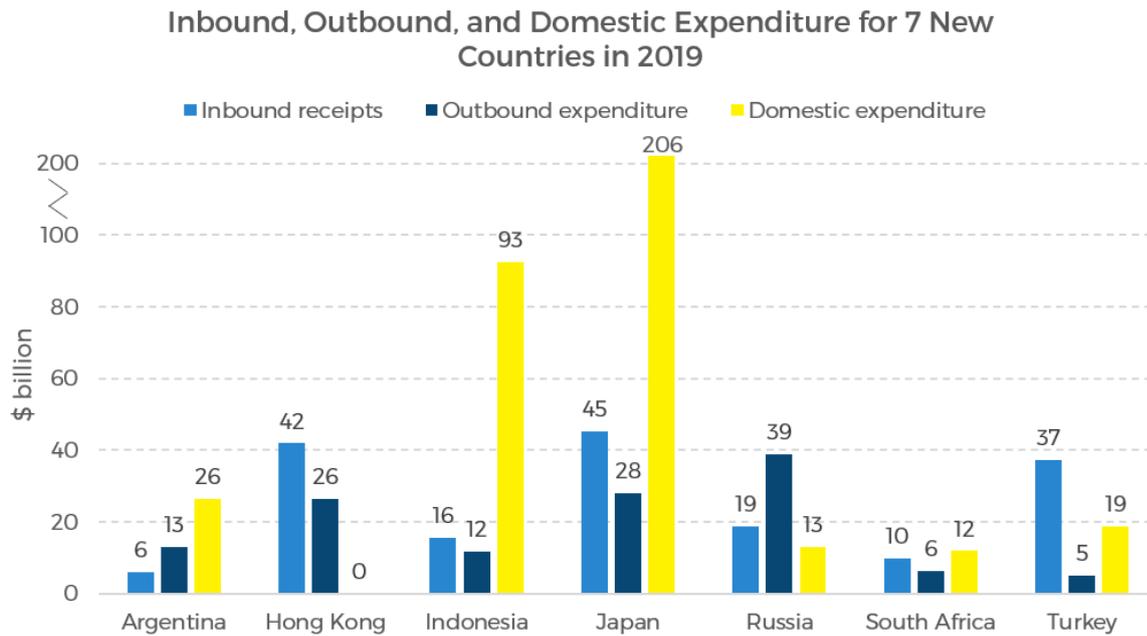
Performance in Newly Added Countries

As a way of introducing the seven additional countries, we will briefly run through the performance of these countries, highlighting the current situation and setting out their strengths and weaknesses.

When looking at the makeup of the tourism economies of the seven countries, the strength of Japan's domestic market jumps out immediately. Russia is the largest outbound market of these countries, while Japan and Hong Kong are the largest destinations.

Turkey is another major destination, particularly for European and Russian travelers, and as it has only a small domestic and even smaller outbound market, it will struggle if it cannot receive foreign travelers. Turkey is not included on the list released on July 16 by the European Union of countries for which restrictions should be lifted. However, the UK has taken a different view, and its residents are exempt from having to quarantine when returning from a visit to Turkey.

Exhibit 4: Make up of tourism economies



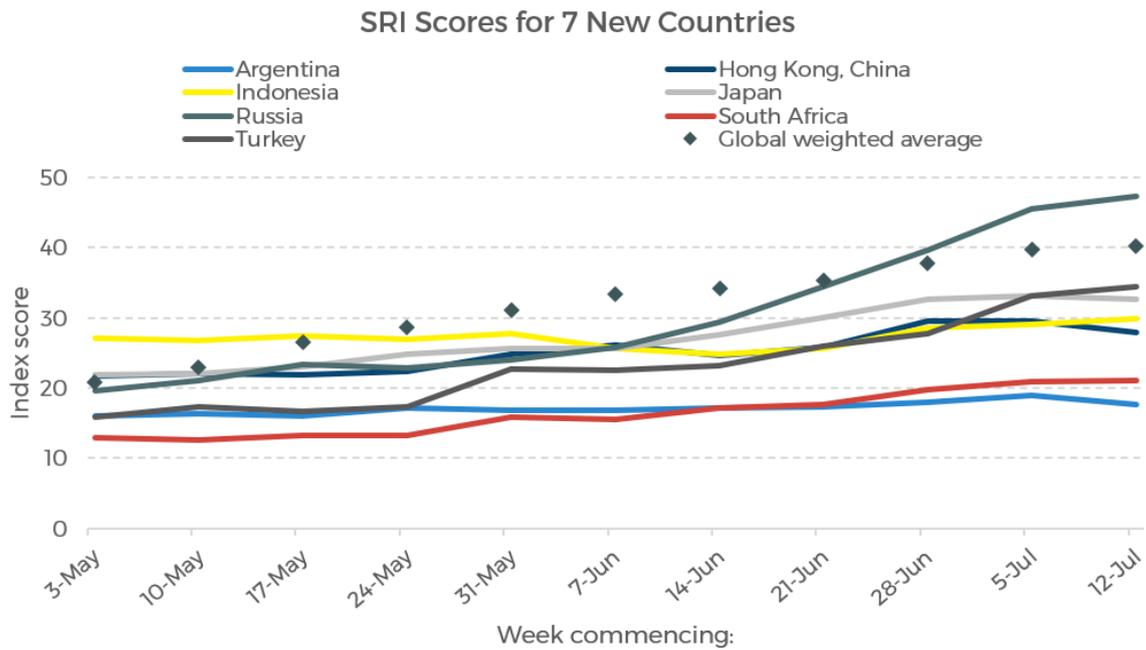
Source: Skift Research from UNWTO, The World Bank, NTTO, BEA, USTA, and own estimates

In the index, Turkey has seen an improving performance since the country started reopening borders on June 12. Russia, which started easing restrictions around the same time, but continues to have restrictions on international arrivals, has seen similar growth.

At the other end of the spectrum, Argentina and South Africa performance has flatlined. Argentina, [already in a weak and precarious economic position](#) before the current crisis hit, is struggling to restart its economy and tourism sector. The country remains in lockdown until at least August 2, and airlines are not allowed to sell tickets for international flights until September 1 as per the latest advice.

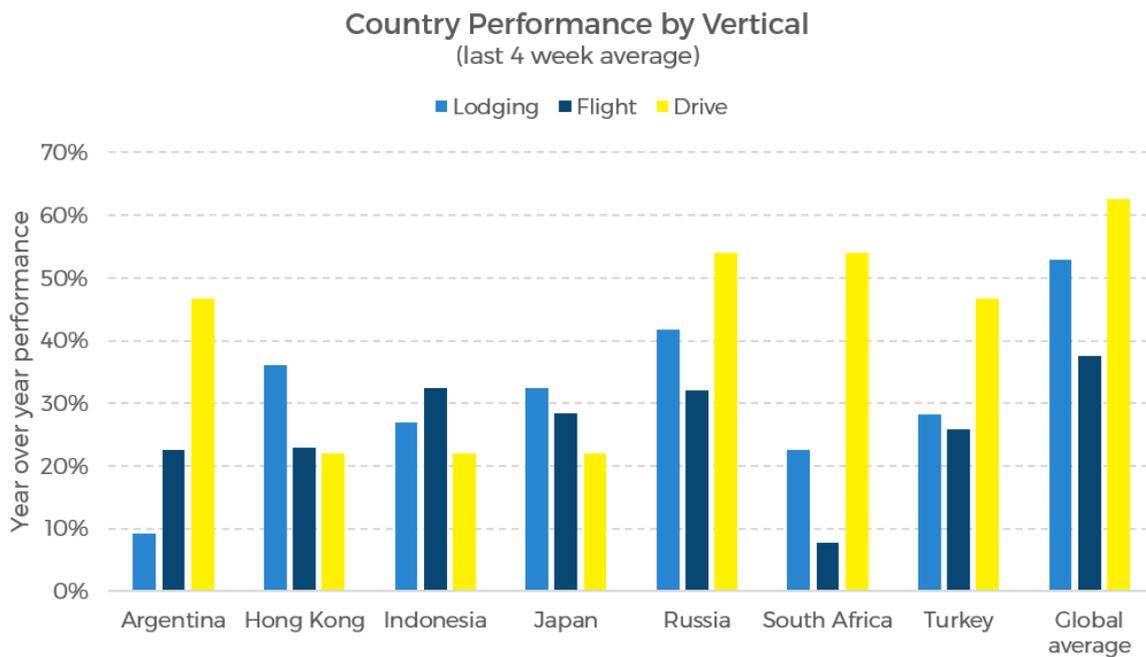
South Africa also remains in lockdown, with international flight prohibited, and only limited internal travel allowed. Hotels remain open, but short-term rentals are currently barred from operating. As restrictions are lifted in South Africa and Argentina in the coming months, the tourism sector will hope that it can kick start its domestic tourism offering which has benefitted the recovery in other countries.

Exhibit 5: Russia is a strong performer, Argentina lagging



Source: Skift Research

Exhibit 6: Drive performs strong in most countries



Source: Skift Research

Other Highlights From This Week

The U.S. and China continued to track above the global average, but both have seen no further recovery in the past week. China is stuck at 45% for three weeks now, while the U.S. is stuck at 43% for two weeks.

Europe, meanwhile, is continuing its upward move. All countries registered positive

performances, although COVID cases are increasing in some countries, which might have an impact over the coming weeks. In Western Europe, Germany performed best, now standing at an overall performance of 46% compared to the same time last year. The United Kingdom, with 36%, is the weakest performer in Europe.

Thailand made a significant jump from 34% to 38% performance, as particularly hotel booking data is showing strong pickup. Hotel search data by Thai residents is likewise picking up, indicating that domestic travel might rescue some of the country's lost income.

Exhibit 7: Bookings for Thai hotels are performing strong



Source: Skift Research

The United Arab Emirates moved above the global average for the first time, and now sits at 42% performance. Hotel bookings to the country are picking up, as is seat capacity on flights, indicating an increase in demand.

Russia has one of the highest “traveler activity” scores, a bucket that includes resident search and booking behavior. The country recorded a score of 49%, which means a strong appetite for travel under current circumstances. This indication is backed by seat capacity data rising to 66% year-over-year performance in week 29, the w/c July 12. Airport lounge visitation data from Collinson is likewise high at 37% of prior year performance, which is much higher than elsewhere with many lounges shut at present. Andy Besant, director of travel experiences at Collinson told us that Russia accounted for 12% of global lounge visits in 2019, but this has increased to 47% between April and June 2020.

DATA PARTNERS

We would like to thank the following partners who are collaborating with Skift Research by providing their data which shapes the Skift Recovery Index.

AMADEUS is a global travel technology leader that delivers the most trusted, critical systems across the travel industry to airlines, airports, hotels, travel agents, and car rental and railway providers. Amadeus is providing insight on travel search trends and behavior for the Skift Recovery Index.

ARRIVALIST uses mobile location datasets to provide actionable insights on consumer behavior, competitive share, media effectiveness, and market trends, and has been [tracking driving behavior](#) of U.S. residents, which we have included in the Index.

COLLINSON is a global travel services business, creating traveler experiences, loyalty strategy and programs, travel insurance, and travel and medical assistance. Priority Pass is operated by Collinson and provides frequent travelers access to over 1,300 lounges, with Collinson providing aggregated customer lounge visit data for the index.

CRITEO is a global technology company powering the world's marketers with trusted and impactful advertising. The company provides indexed data from various OTA, airline, and car rental partners. Criteo provides data for airline and car rental web traffic and sales.

DUETTO delivers a suite of cloud applications to simplify hospitality revenue decisions and allow hoteliers to work smarter, increasing organizational efficiency, revenue, and profitability. More than 4,000 hotel and casino resort properties in more than 60 countries have partnered to use Duetto's applications. Duetto provides hotel bookings and cancellations data.

HOTELBEDS provides over 180,000 hotels across the globe with access to high-value, complementary distribution channels that do not compete with the hotelier's direct distribution strategy. The company provides data on hotel bookings and source market performance.

KEY DATA DASHBOARD is a provider of real-time, direct-source vacation rental data for the short-term rental sector, aggregating data sourced directly from more than 30+ reservation systems of 700+ professional property managers around the world. Key Data provides bookings, RevPAR and cancellations data for the Skift Recovery Index.

OAG collects and analyzes data about every journey, every booking, every take-off and landing, departure, and delay, totalling over 110,000 flights, 100,000 schedule changes daily and over 4 million flight status updates. OAG provides flight capacity data for the Skift Recovery Index.

RATEGAIN helps travel and hospitality companies with cognitive revenue management, smart e-distribution, and brand engagement. RateGain supports over 250,000 hotel properties globally by providing 240 billion rate and availability updates, and powering over

30 million bookings. For the Index, RateGain provides hotel bookings and cancellation data.

SHIJI GROUP provides software solutions and services for the hospitality, food service, retail, and entertainment industries, serving over 74,000 hotels, 200,000 restaurants and 600,000 retail outlets across the world. Shiji Group provides China hotel bookings and room night data for the Skift Recovery Index.

SIMILARWEB gathers digital data from multiple sources, including first-party direct measurement, public data sources, anonymous behavioral data, and external partners. For the Index, SimilarWeb provides unique visitor data to the top 10 travel websites per country.

SITEMINDER works with over 35,000 hotels as their guest acquisition platform to generate in excess of 100 million reservations worth over US\$35 billion in revenue for hotels each year. SiteMinder provides hotel booking data for the Skift Recovery Index, pulled from its [World Hotel Index](#).

SKYSCANNER has 100 million peak monthly active users, over 100 million app downloads, and more than 1,200 partners across flights, hotels, car rental, and more. Skyscanner's [Travel Insight](#) product helps companies guide their COVID-19 recovery plans, and the company contributes flight search data from Travel Insight for the Skift Recovery Index.

SOJERN provides digital marketing solutions for the travel industry, helping to drive direct demand for more than 10,000 hotels, attractions, tourism boards, and travel marketers. Sojern contributes flight and hotel search data for the Skift Recovery Index.

TRANSPARENT provides business intelligence serving the vacation rental industry, including insights around supply growth, demand patterns, rate changes, and property manager activities. Transparent contributes occupancy and bookings data for the Skift Recovery Index. The company draws on data from the 34 million vacation rental listings they track worldwide, in every geography.

TRUSTYOU provides a guest feedback platform that makes listening to customers easy, powerful, and actionable. In response to the current crisis, TrustYou has put together a [Travel Health Index](#), using hotel reviews managed through its platform as a proxy for hotel occupancy. TrustYou's Travel Health Index is integrated in the Skift Recovery Index.

We would welcome more partners who want to join this effort, especially in the drive (car rental) and tours and activities space. Please [get in touch](#) to talk about a possible collaboration.

DATA TABLES

Total Skift Recovery Index (SRI) Score by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	17.1	16.9	16.8	17.2	17.4	18	19	17.6
Australia	24.5	29.3	28.2	29.7	29.8	34	34.4	32.9
Brazil	23.3	26.9	26.5	29.2	26.2	33.1	36.6	39.5
Canada	21	23.5	25	24.4	28.3	32.3	35.9	36.8
China	36	39.7	41.7	40	41.2	45.5	45.4	45.4
France	19.3	23.5	24.8	28.1	30.2	35.5	38.7	40.3
Germany	29.9	33.8	34.4	37	37.3	40.9	43.2	45.6
Hong Kong, China	22.3	24.8	26.1	24.7	25.8	29.6	29.6	28
India	19	18.7	18.4	19	20	25.6	25.2	25.3
Indonesia	26.9	27.8	25.7	24.9	25.7	28.5	29.1	29.8
Italy	18.1	20.9	23.5	26.1	28.9	32.4	35.5	37.4
Japan	24.8	25.6	25.6	27.6	30.1	32.7	33.1	32.7
Mexico	26.1	29	31.7	32	34.1	34.2	35.9	42
Russia	22.9	24	25.8	29.4	34.5	39.6	45.6	47.4
Singapore	16	16.5	15.9	16.3	17.6	20.7	21.3	23.8
South Africa	13.2	15.8	15.5	17.2	17.6	19.7	20.9	21
Spain	24.6	25.5	30.3	31.8	34.3	35.4	37.8	40.7
Thailand	23.2	26.8	26.4	27.5	31.3	34.6	33.7	38
Turkey	17.4	22.7	22.5	23.2	25.9	27.7	33.2	34.4
U.S.	32.8	35.1	39	39.4	39.6	40.7	42.9	42.5

Destination Scores by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	16%	15%	15%	16%	16%	17%	17%	16%
Australia	25%	30%	30%	31%	32%	37%	38%	36%
Brazil	22%	27%	26%	29%	26%	35%	38%	42%
Canada	20%	23%	24%	26%	29%	34%	37%	39%
China	41%	45%	47%	45%	46%	52%	52%	53%
France	17%	21%	21%	24%	27%	33%	37%	39%
Germany	28%	31%	31%	33%	33%	37%	41%	44%
Hong Kong, China	23%	26%	27%	25%	26%	31%	32%	30%
India	19%	18%	17%	18%	19%	27%	26%	27%
Indonesia	28%	29%	26%	25%	26%	29%	30%	31%
Italy	16%	18%	20%	22%	25%	29%	32%	35%
Japan	22%	24%	23%	24%	27%	31%	32%	31%
Mexico	28%	31%	33%	34%	36%	35%	36%	43%
Russia	21%	21%	23%	26%	31%	36%	42%	45%
Singapore	16%	16%	15%	15%	17%	21%	22%	24%
South Africa	11%	13%	13%	15%	15%	18%	20%	20%
Spain	25%	26%	30%	31%	35%	36%	38%	42%
Thailand	20%	23%	22%	23%	25%	30%	30%	32%
Turkey	14%	19%	19%	20%	23%	25%	31%	34%
U.S.	34%	37%	40%	41%	42%	44%	46%	45%

Destination Performance indicators contribute 75% to the total score. The scores in this table have been adjusted to 100% to give a better insight into performance

Origin Scores by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	20%	21%	22%	22%	21%	21%	26%	22%
Australia	24%	26%	27%	28%	27%	27%	27%	26%
Brazil	26%	28%	27%	29%	27%	28%	31%	32%
Canada	26%	28%	30%	30%	31%	32%	34%	34%
China	22%	25%	26%	26%	26%	27%	26%	23%
France	30%	35%	39%	43%	43%	46%	47%	46%
Germany	37%	42%	46%	50%	50%	51%	51%	52%
Hong Kong, China	19%	20%	23%	23%	24%	24%	22%	22%
India	20%	21%	22%	22%	22%	22%	22%	22%
Indonesia	24%	26%	25%	25%	25%	26%	26%	28%
Italy	29%	34%	39%	42%	43%	44%	47%	48%
Japan	32%	31%	34%	37%	40%	38%	37%	37%
Mexico	30%	33%	36%	35%	35%	38%	40%	45%
Russia	28%	32%	36%	40%	44%	52%	56%	55%
Singapore	18%	18%	18%	19%	19%	20%	19%	22%
South Africa	20%	23%	22%	24%	24%	26%	25%	24%
Spain	30%	33%	36%	41%	41%	42%	43%	43%
Thailand	34%	39%	40%	40%	49%	48%	45%	57%
Turkey	28%	35%	33%	33%	34%	36%	40%	35%
U.S.	35%	37%	41%	40%	42%	41%	40%	40%

Origin Performance indicators contribute 25% to the total score. The scores in this table have been adjusted to 100% to give a better insight into performance

Macroeconomics Scores by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	77%	83%	75%	75%	72%	69%	72%	75%
Australia	72%	75%	72%	72%	72%	75%	75%	75%
Brazil	83%	83%	83%	83%	80%	80%	80%	80%
Canada	61%	64%	61%	61%	61%	61%	61%	61%
China	75%	75%	75%	75%	75%	77%	77%	77%
France	88%	88%	88%	88%	85%	85%	85%	85%
Germany	93%	96%	93%	93%	93%	93%	93%	93%
Hong Kong, China	64%	67%	64%	64%	64%	64%	64%	64%
India	69%	72%	72%	72%	72%	72%	72%	72%
Indonesia	93%	93%	93%	91%	91%	91%	91%	91%
Italy	101%	101%	101%	101%	101%	101%	101%	99%
Japan	93%	96%	96%	96%	96%	93%	93%	96%
Mexico	91%	91%	91%	91%	91%	93%	93%	93%
Russia	85%	85%	85%	85%	85%	85%	85%	85%
Singapore	69%	69%	69%	69%	72%	72%	72%	72%
South Africa	75%	75%	75%	75%	75%	75%	77%	77%
Spain	93%	96%	93%	96%	93%	93%	93%	93%
Thailand	77%	77%	77%	77%	75%	77%	77%	77%
Turkey	96%	96%	96%	96%	96%	93%	93%	93%
U.S.	77%	77%	75%	75%	75%	75%	75%	75%

Macroeconomics are a subsection of Origin Performance, and contribute 3.75% to the total score. The scores in this table have been adjusted to 100% to give a better insight into performance

Traveler Activity Scores by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	9%	10%	12%	13%	12%	13%	17%	14%
Australia	16%	17%	19%	20%	18%	19%	18%	17%
Brazil	16%	18%	17%	20%	18%	18%	23%	23%
Canada	20%	22%	24%	24%	25%	27%	29%	29%
China	13%	16%	17%	17%	18%	18%	16%	14%
France	20%	25%	30%	36%	36%	39%	40%	40%
Germany	27%	32%	37%	42%	42%	43%	43%	44%
Hong Kong, China	11%	13%	15%	16%	17%	17%	14%	14%
India	11%	12%	13%	13%	14%	14%	14%	13%
Indonesia	12%	14%	14%	13%	14%	15%	15%	16%
Italy	16%	22%	28%	32%	33%	33%	38%	38%
Japan	21%	20%	23%	27%	30%	28%	27%	27%
Mexico	19%	23%	25%	25%	25%	28%	31%	37%
Russia	18%	22%	27%	32%	38%	46%	51%	49%
Singapore	8%	9%	9%	10%	10%	10%	9%	14%
South Africa	10%	14%	13%	15%	15%	16%	16%	16%
Spain	19%	22%	26%	32%	32%	33%	34%	33%
Thailand	26%	32%	33%	34%	44%	43%	39%	53%
Turkey	16%	24%	22%	22%	24%	26%	31%	25%
U.S.	28%	30%	35%	34%	36%	35%	34%	34%

Traveler Activity are a subsection of Origin Performance, and contribute 21.25% to the total score. The scores in this table have been adjusted to 100% to give a better insight into performance

Lodging Scores by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	9%	10%	9%	10%	11%	8%	10%	9%
Australia	27%	37%	36%	39%	40%	49%	51%	48%
Brazil	18%	25%	24%	29%	22%	39%	44%	51%
Canada	20%	24%	26%	31%	35%	43%	49%	52%
China	39%	46%	50%	45%	46%	57%	60%	61%
France	16%	23%	22%	27%	31%	39%	45%	47%
Germany	28%	35%	33%	36%	37%	44%	50%	55%
Hong Kong, China	23%	28%	30%	27%	29%	38%	40%	37%
India	8%	10%	10%	11%	13%	20%	24%	25%
Indonesia	22%	20%	19%	20%	22%	28%	29%	29%
Italy	10%	16%	18%	21%	27%	31%	35%	39%
Japan	19%	21%	20%	23%	26%	34%	35%	35%
Mexico	29%	30%	32%	34%	37%	35%	37%	48%
Russia	14%	14%	15%	20%	29%	37%	48%	53%
Singapore	10%	11%	9%	11%	14%	20%	23%	28%
South Africa	11%	14%	12%	15%	17%	22%	25%	26%
Spain	27%	30%	37%	38%	42%	42%	45%	51%
Thailand	17%	22%	20%	23%	25%	33%	33%	36%
Turkey	11%	16%	15%	16%	21%	22%	32%	37%
U.S.	41%	46%	50%	53%	54%	57%	61%	59%

Lodging is a subsection of Destination Performance, and contributes 41.25% to the total score. The scores in this table have been adjusted to 100% to give a better insight into performance

Flight Scores by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	25%	22%	22%	21%	21%	26%	23%	21%
Australia	23%	23%	23%	23%	23%	23%	23%	22%
Brazil	29%	29%	29%	29%	29%	29%	29%	30%
Canada	18%	19%	19%	18%	18%	19%	20%	20%
China	46%	46%	46%	48%	49%	47%	45%	46%
France	19%	19%	20%	21%	21%	24%	25%	26%
Germany	20%	19%	20%	20%	20%	22%	23%	23%
Hong Kong, China	25%	24%	24%	24%	24%	23%	23%	22%
India	33%	28%	28%	28%	27%	36%	30%	29%
Indonesia	37%	41%	36%	33%	32%	32%	32%	34%
Italy	24%	21%	21%	21%	22%	25%	27%	27%
Japan	28%	28%	28%	28%	29%	28%	28%	28%
Mexico	27%	32%	33%	33%	33%	34%	34%	35%
Russia	28%	29%	30%	30%	31%	32%	32%	33%
Singapore	22%	22%	22%	22%	22%	22%	21%	20%
South Africa	7%	9%	10%	11%	8%	8%	7%	7%
Spain	23%	20%	19%	21%	23%	26%	27%	28%
Thailand	24%	25%	26%	25%	26%	28%	28%	28%
Turkey	17%	22%	24%	23%	23%	26%	27%	28%
U.S.	22%	22%	24%	23%	23%	24%	24%	24%

Flight is a subsection of Destination Performance, and contributes 30% to the total score. The scores in this table have been adjusted to 100% to give a better insight into performance

Drive Scores by Country

Country/Week	22	23	24	25	26	27	28	29
Argentina	21%	24%	29%	35%	40%	45%	51%	51%
Australia	19%	19%	19%	19%	21%	24%	21%	21%
Brazil	21%	24%	29%	35%	40%	45%	51%	51%
Canada	40%	40%	45%	40%	51%	53%	48%	45%
China	19%	19%	19%	19%	21%	24%	21%	21%
France	21%	21%	27%	32%	35%	43%	56%	51%
Germany	85%	93%	93%	93%	99%	88%	80%	85%
Hong Kong, China	19%	19%	19%	19%	21%	24%	21%	21%
India	19%	19%	19%	19%	21%	24%	21%	21%
Indonesia	19%	19%	19%	19%	21%	24%	21%	21%
Italy	21%	24%	29%	35%	40%	45%	51%	51%
Japan	19%	19%	19%	19%	21%	24%	21%	21%
Mexico	21%	24%	29%	35%	40%	45%	51%	51%
Russia	43%	45%	48%	48%	53%	53%	53%	56%
Singapore	19%	19%	19%	19%	21%	24%	21%	21%
South Africa	43%	45%	48%	48%	53%	53%	53%	56%
Spain	21%	24%	29%	35%	40%	45%	51%	51%
Thailand	19%	19%	19%	19%	21%	24%	21%	21%
Turkey	21%	24%	29%	35%	40%	45%	51%	51%
U.S.	51%	51%	59%	56%	64%	67%	59%	59%

Drive is a subsection of Destination Performance, and contributes 3.75% to the total score. The scores in this table have been adjusted to 100% to give a better insight into performance

ABOUT SKIFT

Skift is the largest intelligence platform in travel, providing media, insights and marketing to key industry sectors.

THE SKIFT RESEARCH DIFFERENCE

Skift Research is the official research arm of Skift. Our reporting combines:

- Skift's extensive industry experience
- Rigorous financial & quantitative analysis
- Qualitative insights from top executives at nearly every major travel company

We conduct primary research, summarize our findings through desk analysis, and present them back to you in a digestible format which you can take to your team, partners, and clients to understand the market and make decisions.

Using our proprietary blend of qualitative and quantitative analysis, Skift Research closes the information gap faced by businesses today.

Contact us at research@skift.com!