



SKIFT RECOVERY INDEX

WEEK OF JUNE 21

SKIFT RESEARCH TAKE



by + Skift Team
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skift.com

If you have any questions about the report
please contact research@skift.com

REPORT OVERVIEW

This report highlights the latest insights from the Skift Recovery Index, as we have added data for June 21 to June 27. The total available dataset now spans from December 29th, 2019 to June 27th, 2020 (weeks 1 to 26).

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.

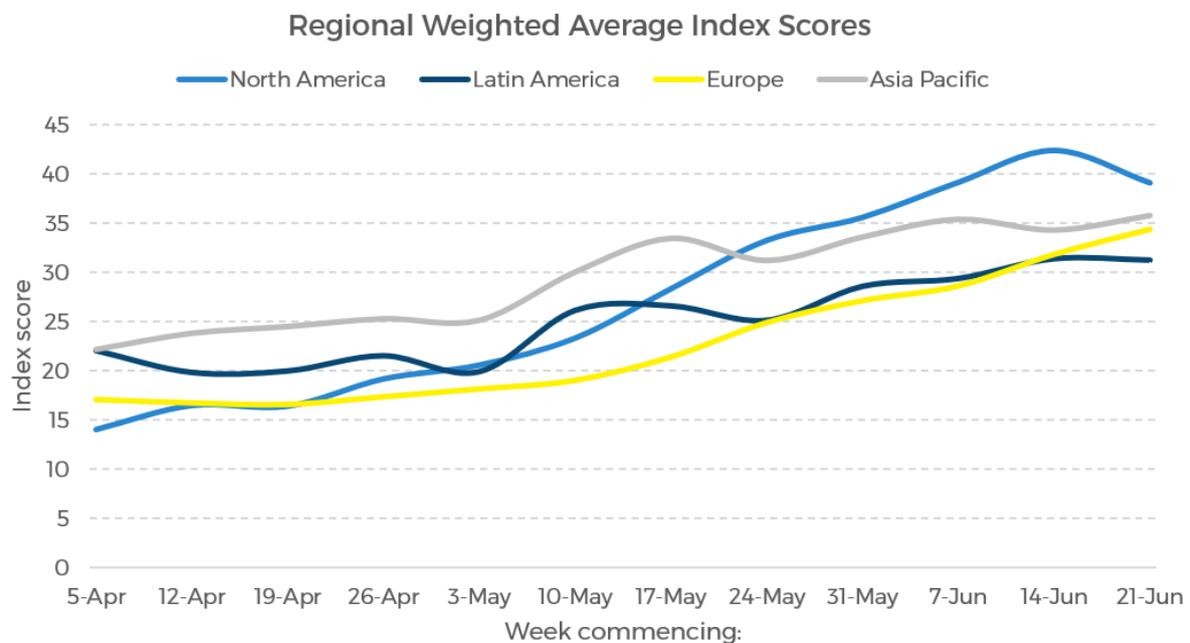
We are working with [Amadeus](#), [Arrivalist](#), [Collinson](#), [Criteo](#), [Hotelbeds](#), [Key Data Dashboard](#), [OAG](#), [RateGain](#), [Shiji Group](#), [SimilarWeb](#), [SiteMinder](#), [Skyscanner](#), [Sojern](#), [Transparent](#), and [TrustYou](#) as data partners for the Skift Recovery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

We continue to be open to add 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.

Europe leads the way

After a successful Skift Forum Europe on Tuesday (June 30), in this week's report we focus on Europe and its continuing recovery. The fact that the region continues to recover, at a relatively consistent pace, was never a given. But now the steady recovery makes the region stand apart from other regions and countries.

Exhibit 1: Although not scoring highest, Europe shows strong trajectory



Source: Skift Research

The peak of coronavirus cases and deaths hit Mexico and Brazil later than most other countries, and especially in Brazil the response has been slow. This has translated into fluctuating performances week over week for the travel industry.

The U.S. is clearly still in the midst of fighting the virus, with many states reinstating restrictions and the country registering over 50,000 new cases per day. Travel trends seem to closely mirror that. While the U.S. showed some of the highest scores in recent weeks, it is now declining significantly.

China, meanwhile, was forced to lock down Beijing as cases flared in the city, but is now starting to lift restrictions again as cases have dropped. India and Singapore continue to track as the lowest countries in our index, as their economies, and particularly tourism industries, have come to a near standstill.

In contrast, Europe is showing growth across the board with only Germany showing signs of stalling in the last week. This might be a foreboding for the rest of the region, as there are continuing local flare ups in for example Germany and the UK, and the future remains highly uncertain.

A country-by-country look at the recovery highlights how many are still in the midst of responding to the coronavirus, and while there is some recovery, performance often

fluctuates as rapidly as the health situation evolves.

Exhibit 2: Recovery is a mixed bag week-over-week

Country	Current score (w/c June 21)	Lowest score (since Jan 1)	Highest score (since April 5)	Week-over-week change						
				May 24	May 31	Jun 7	Jun 14	Jun 21		
Asia Pacific										
China	42	25	43	↓ -7%	↑ 7%	↑ 7%	↓ -4%	↑ 4%		
Australia	30	14	31	↑ 11%	↑ 20%	↓ -2%	↑ 8%	↓ -2%		
Thailand	27	15	27	↑ 4%	↑ 14%	↓ -1%	↑ 4%	↑ 8%		
India	18	15	19	↓ -10%	↑ 4%	↓ -3%	↓ 2%	↑ 5%		
Singapore	15	7	16	↓ -3%	↑ 4%	↓ -5%	↑ 0%	↑ 3%		
Europe										
Germany	39	17	39	↑ 11%	↑ 14%	↑ 1%	↑ 10%	↓ 0%		
Spain	37	17	37	↑ 19%	↑ 6%	↑ 14%	↑ 10%	↑ 8%		
France	33	14	33	↑ 15%	↑ 26%	↑ 3%	↑ 13%	↑ 8%		
Italy	31	12	31	↑ 11%	↑ 17%	↑ 10%	↑ 14%	↑ 9%		
UK	31	17	31	↑ 28%	↓ -18%	↑ 4%	↑ 11%	↑ 24%		
North America										
U.S.	39	14	43	↑ 18%	↑ 7%	↑ 10%	↑ 8%	↓ -8%		
Canada	30	12	30	↑ 9%	↑ 13%	↑ 7%	↓ 0%	↑ 14%		
Latin America										
Mexico	35	23	35	↓ -11%	↑ 12%	↑ 10%	↓ -1%	↑ 7%		
Brazil	30	17	31	↓ -2%	↑ 15%	↓ -1%	↑ 12%	↓ -5%		
Middle East										
UAE	30	17	30	↓ -5%	↑ 15%	↓ -5%	↑ 4%	↑ 14%		

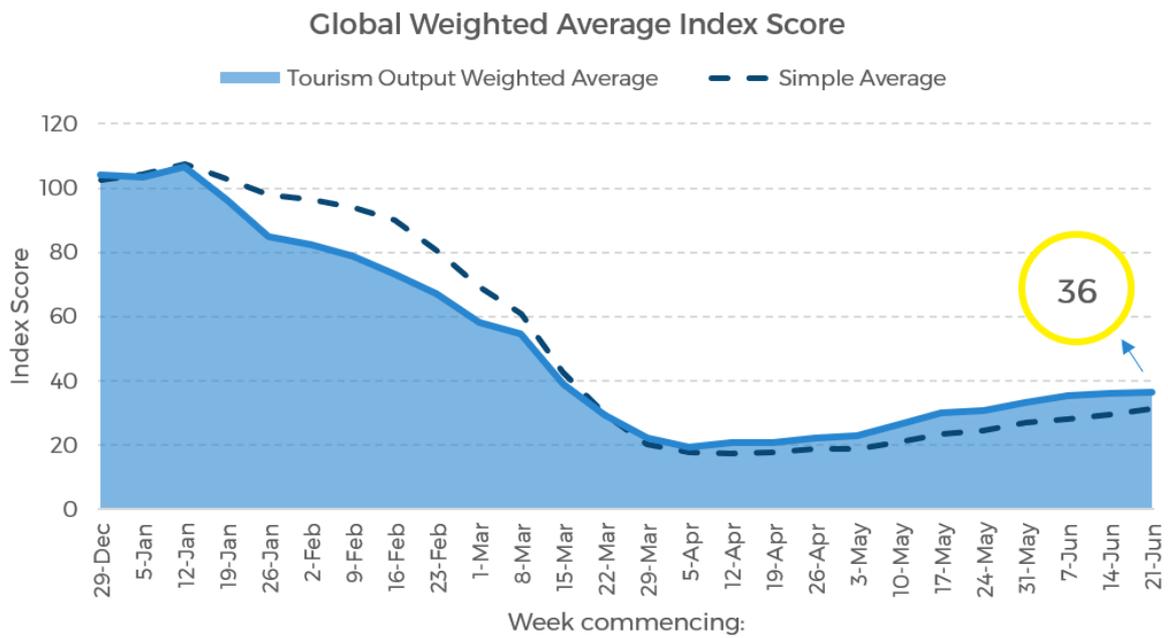
Source: Skift Research

Global performance stuck at 36%

When weighted based on tourism output (as we provide every week in these reports), we can see that the global index stands at 36, which is unchanged from the past two weeks. This represents a performance of 36% compared to the same time last year.

We have also provided a simple weighted average score (where every country is weighted equally), and here we are seeing some growth from 30 last week to 31 this week, highlighting that some smaller tourism economies, that contribute less to the overall score, are showing recovery, albeit from a lower base.

Exhibit 3: Global score weighted by tourism output and as simple average

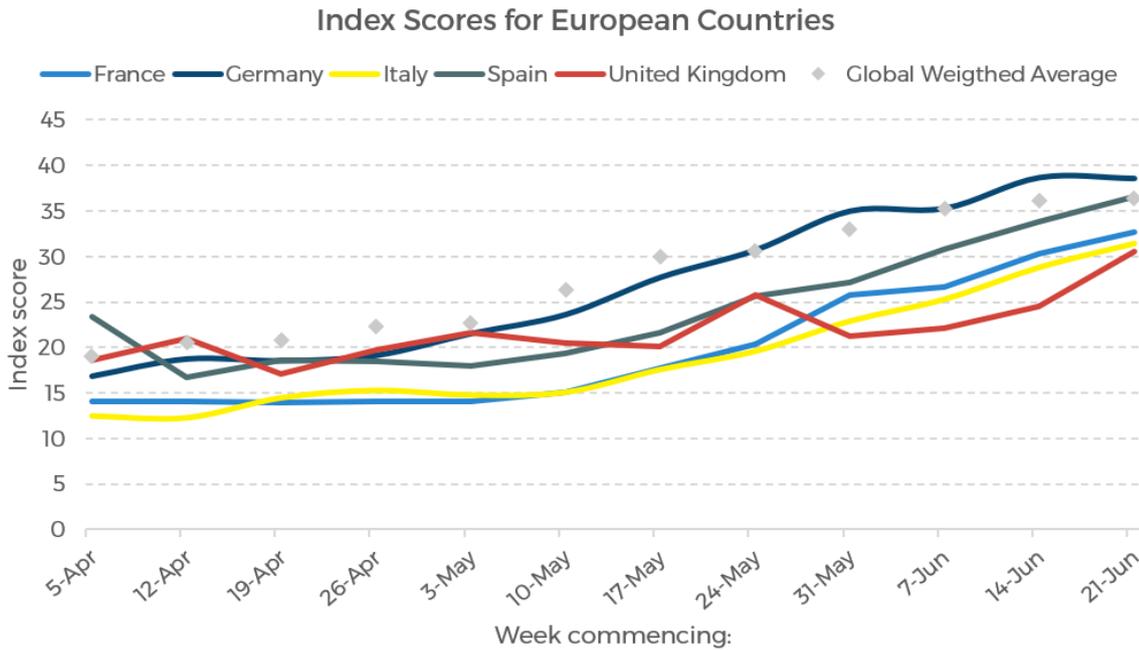


Source: Skift Research

UK seeing bump in performance

A week-by-week look at the performance in Europe shows that at its depths in early April, all five countries that we track in Europe were performing below the global average. Europe was hit hard. Today, especially Germany has moved ahead in the global recovery, and just in the last week, the United Kingdom has started opening up and is showing a strong uptick in demand.

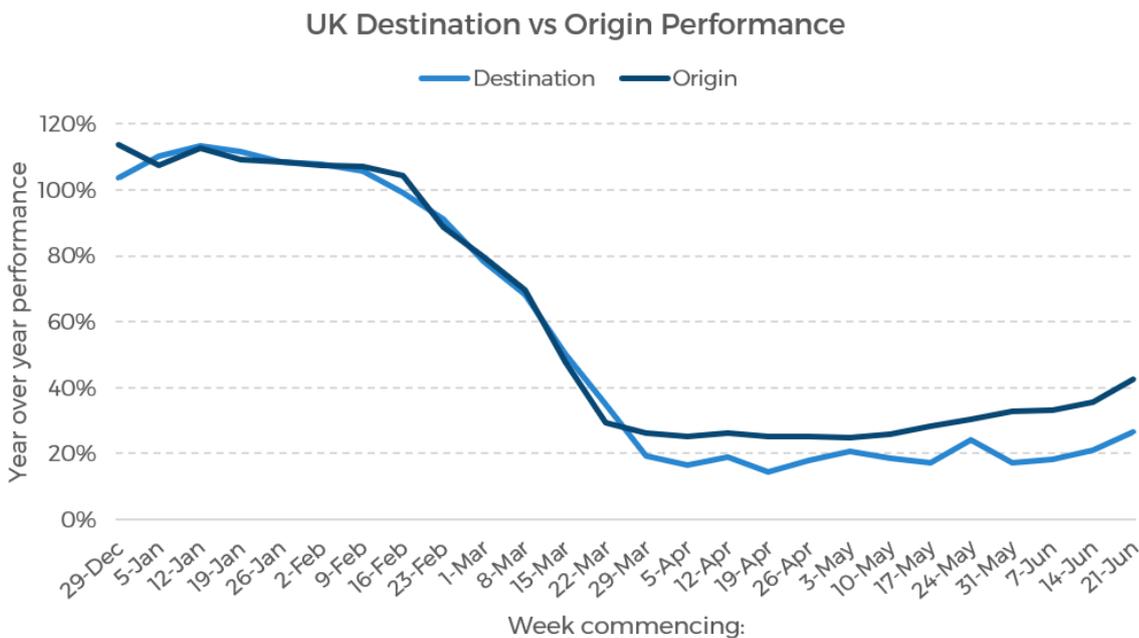
Exhibit 4: UK and Spain showing recent growth



Source: Skift Research

When splitting the UK performance by destination and origin indicators, it shows that the UK is performing better as an origin market than a destination market. This has been consistently the case since the downturn, highlighting the continuing interest of UK residents in travel. Now that borders are opening, this will be good news to tourism boards in countries highly reliant on British tourists, like in Spain, Italy, Greece, and Portugal.

Exhibit 5: UK residents are looking and booking

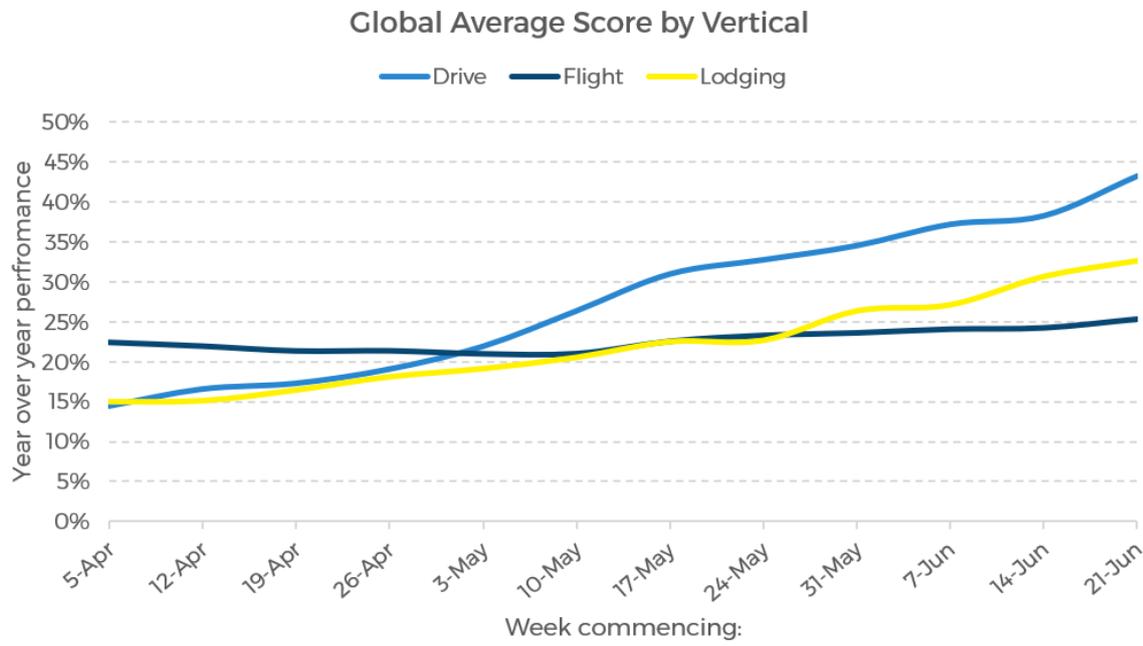


Source: Skift Research

Lodging Shows Mixed Signs

At a global level, the drive vertical continues to outperform lodging and flight, although flight is just starting to show a slight increase. This might accelerate as borders open, especially within the EU.

Exhibit 6: Car more likely mode of transport than flight



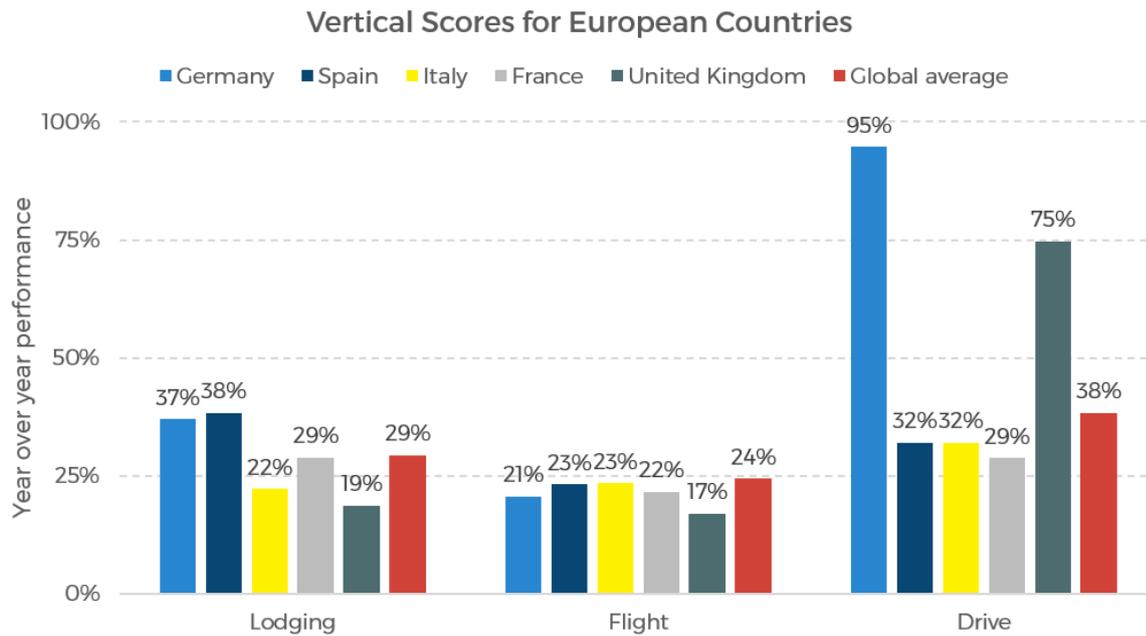
Source: Skift Research

When focusing on the performance in Europe, drive is clearly the stand-out performer, where in Germany and the UK car rental is almost back to 2019 levels.

However, we believe that there is a negative correlation between flight and drive, and hence as flying picks up with country borders reopening, it follows that drive will likely stall, and possibly even decline.

Lodging is a mixed bag, and this becomes even clearer when we split lodging performance between hotel and short-term rental indicators.

Exhibit 7: Drive at near-2019 levels in some countries



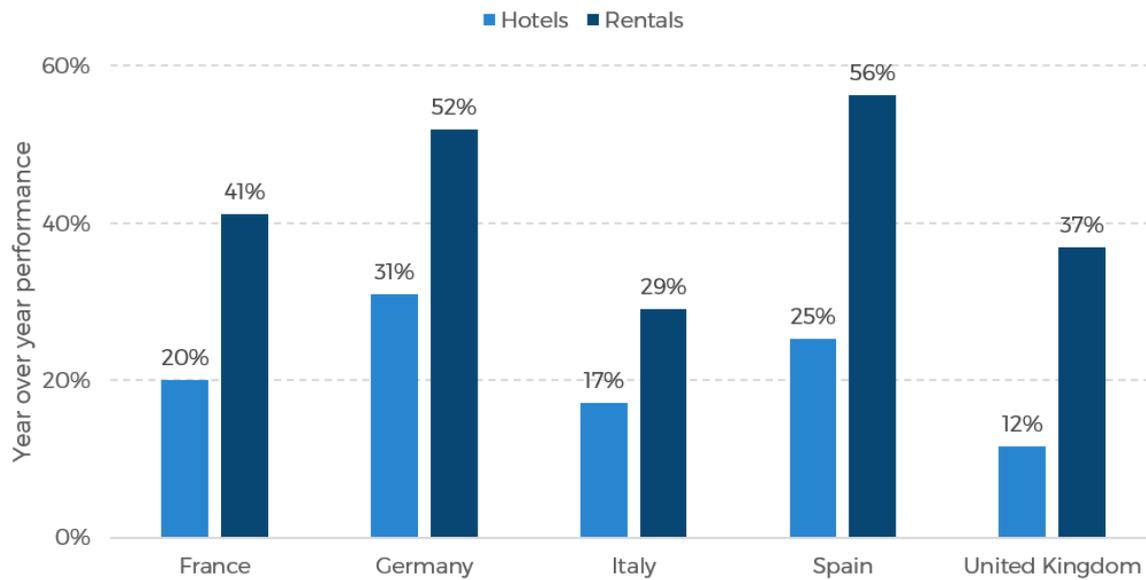
Source: Skift Research. Scores represent last 4 week averages.

In the five European countries we track, short-term rentals are consistently outperforming hotels. Whether this is a long-term shift towards rentals is impossible to say. The question was posed a few times during Skift Forum Europe to different speakers. As you would expect, Oyo Vacation Homes' outgoing CEO Tobias Wann said he's convinced that vacation rentals are a "far superior" product than other hospitality types right now.

Arjan Dijk, senior vice president and chief marketing officer at Booking.com, however, said he's "not buying it," noting that he does not believe that rentals will be more popular than hotels moving forward, a standpoint backed recently by Airbnb's CEO Brian Chesky.

Exhibit 8: Rentals have outperformed hotels in the recovery

Lodging Performance for European Countries



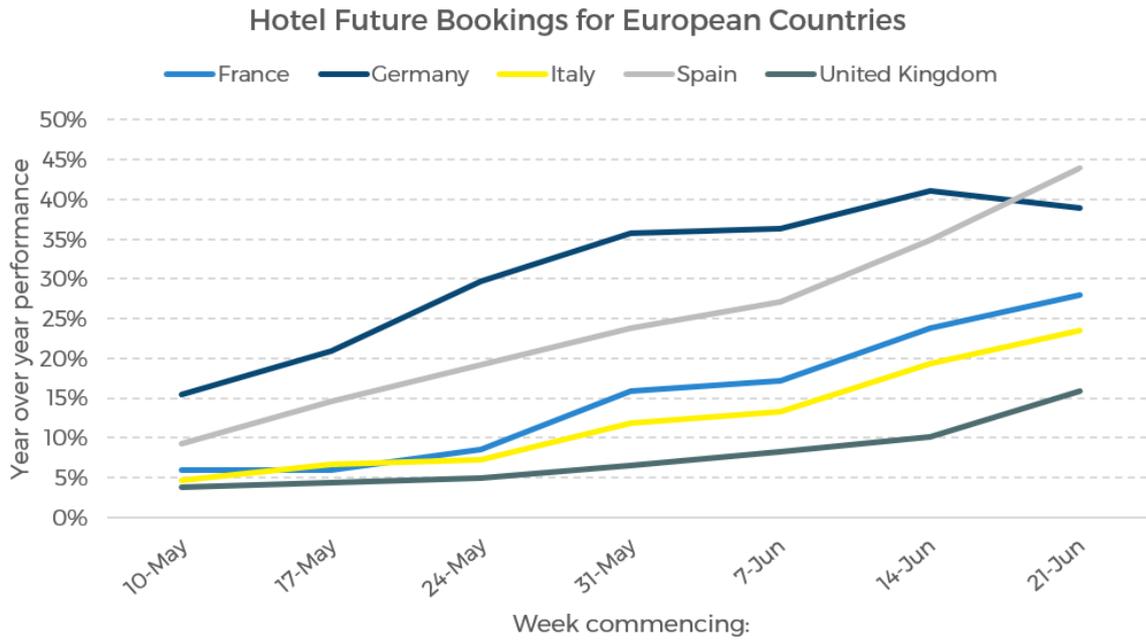
Source: Skift Research

This data is an aggregate of a host of different indicators from different partners to provide a “health score”, which includes searches, bookings, occupancy and RevPAR performance.

If we focus just on future bookings, and keep the split between hotels and vacation rentals we can see that rentals are tracking higher, and in some countries are edging closer to 2019 levels.

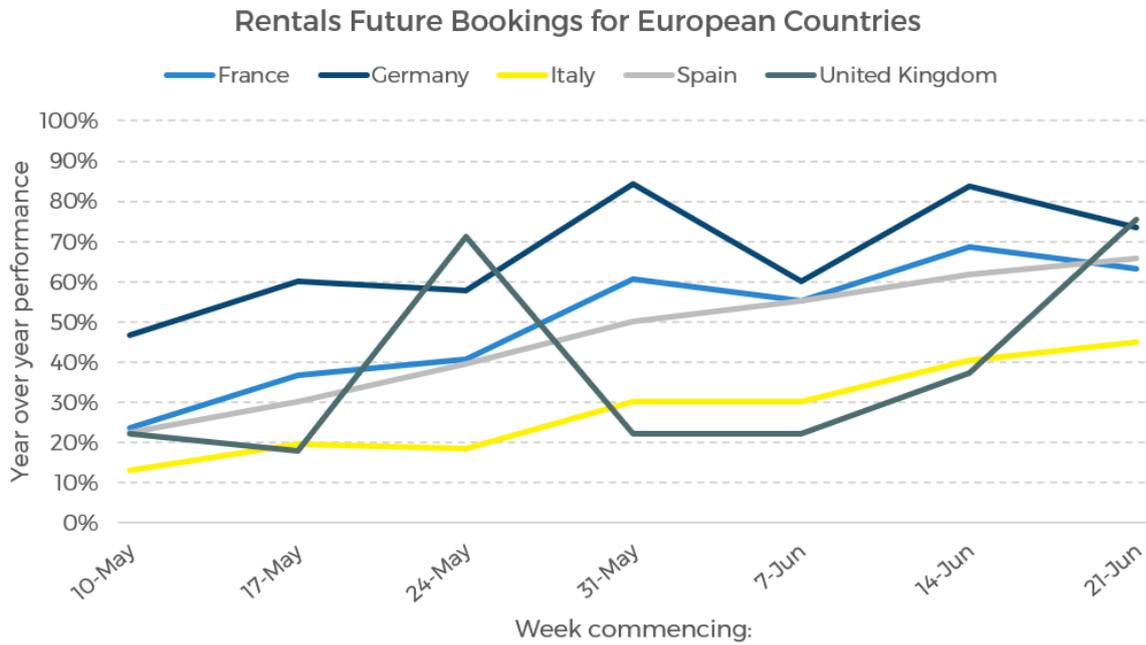
Hotels are growing more steadily in each country, but are nowhere above 50% of 2019 levels. The UK is tracking lowest, while showing the strongest performance in rentals. Spain has overtaken Germany as the best performer for future hotel bookings, with Germany faltering in both rentals and hotels last week.

Exhibit 9: Spain is pushing ahead in hotel bookings



Source: Skift Research

Exhibit 10: UK's rental bookings have shot up in past weeks



Source: Skift Research

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.

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.

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!