



SKIFT RECOVERY INDEX

WEEK OF JUNE 28

SKIFT RESEARCH TAKE



by + Skift Team
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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 28 to July 4. The total available dataset now spans from December 29th, 2019 to July 4th, 2020 (weeks 1 to 27).

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.

Hotel revenue management specialist [Duetto](#) has joined the Skift Recovery Index, providing hotel booking and cancellation data to further strengthen our lodging insights.

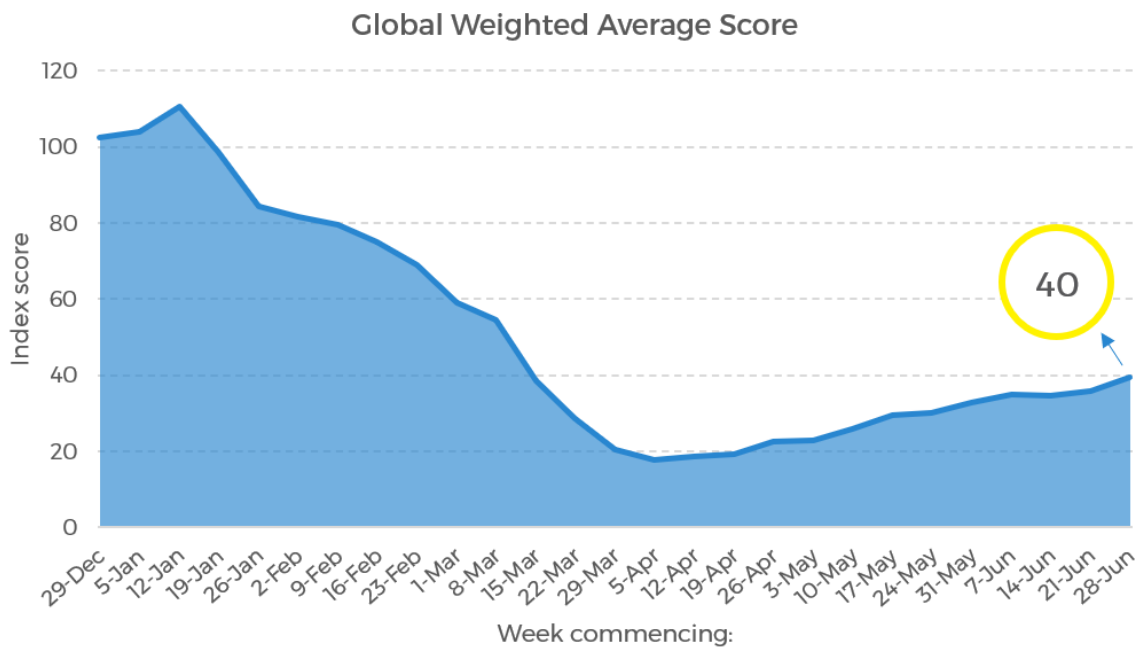
We also continue to work with [Amadeus](#), [Arrivalist](#), [Collinson](#), [Criteo](#), [Hotelbeds](#), [Key Data Dashboard](#), [OAG](#), [RateGain](#), [Shiji Group](#), [SimilarWeb](#), [SiteMinder](#), [Skyscanner](#), [Sojern](#), [Transparent](#), and [TrustYou](#) as data partners for the Skift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

We 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.

Finally Upward Movement in the SRI

After three weeks of minimal movement, the Skift Recovery Index has started to move up again. It currently stands at 40, representing a performance of 40% compared to the same time last year, and 22 points above the lowest point of 18 in early April.

Exhibit 1: The recovery index is on the move up again

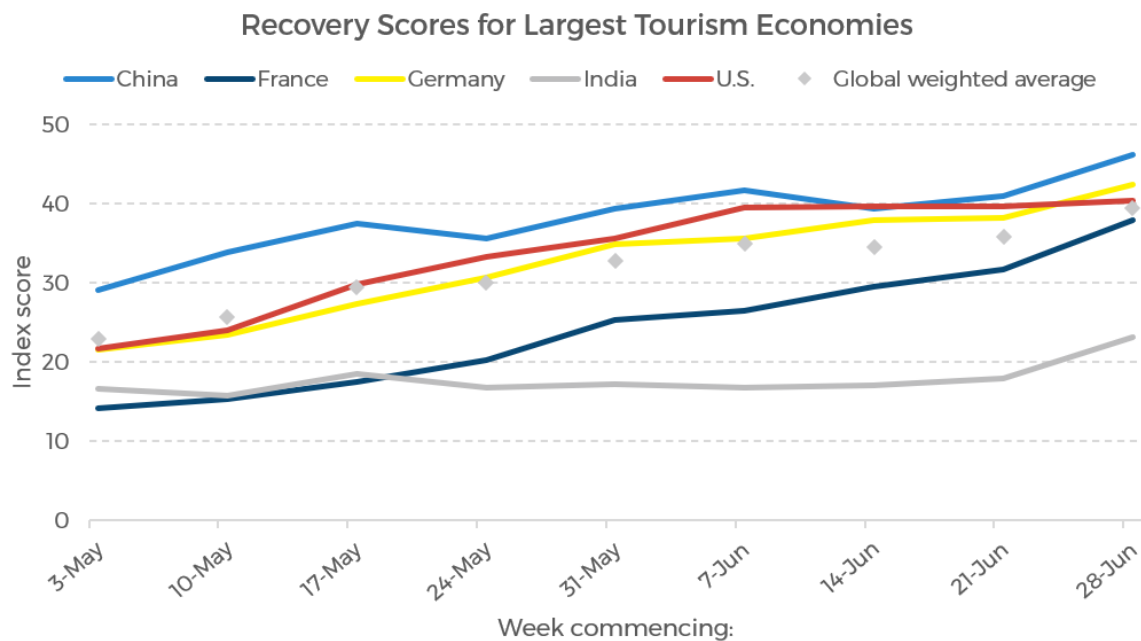


Source: Skift Research

This represents a 4-point growth compared to last week, and the two weeks before that. Over the past weeks, the recovery stalled largely by worsening conditions in the largest tourism economies, the U.S. and China, particularly. But China’s pace of recovery is increasing again.

In the U.S., meanwhile, recovery has completely flattened, despite an expected boost from the July 4th holiday. Clearly, worrying signs for the recovery ahead remain, and we will focus on the U.S. performance in this week’s analysis.

Exhibit 2: The U.S. now scores same as global average



Source: Skift Research

U.S. economy feels the coronavirus impact

The main red flag is of course the continuing outbreaks of new coronavirus cases. July 8 saw a new daily high of 60,021 new cases and 1,195 deaths according to John Hopkins University's coronavirus tracker. New case numbers are particularly high in Florida, Texas, Louisiana, Georgia, Arizona, and California.

This has already led to a reimposition of business lockdowns in some counties and states, which serve as a warning that the rest of the country could be revisiting its quarantine measures.

While most of our economic data is backwards looking, the damage caused by coronavirus lockdowns cannot be overstated. These shutdowns sent unemployment to the highest level since the great depression and caused our macro recovery component to plummet to a low of -35% in the first week of April. (That might not seem like a low figure compared to some travel-specific data, but keep in mind that this takes into account the full U.S. economy, both winners and losers).

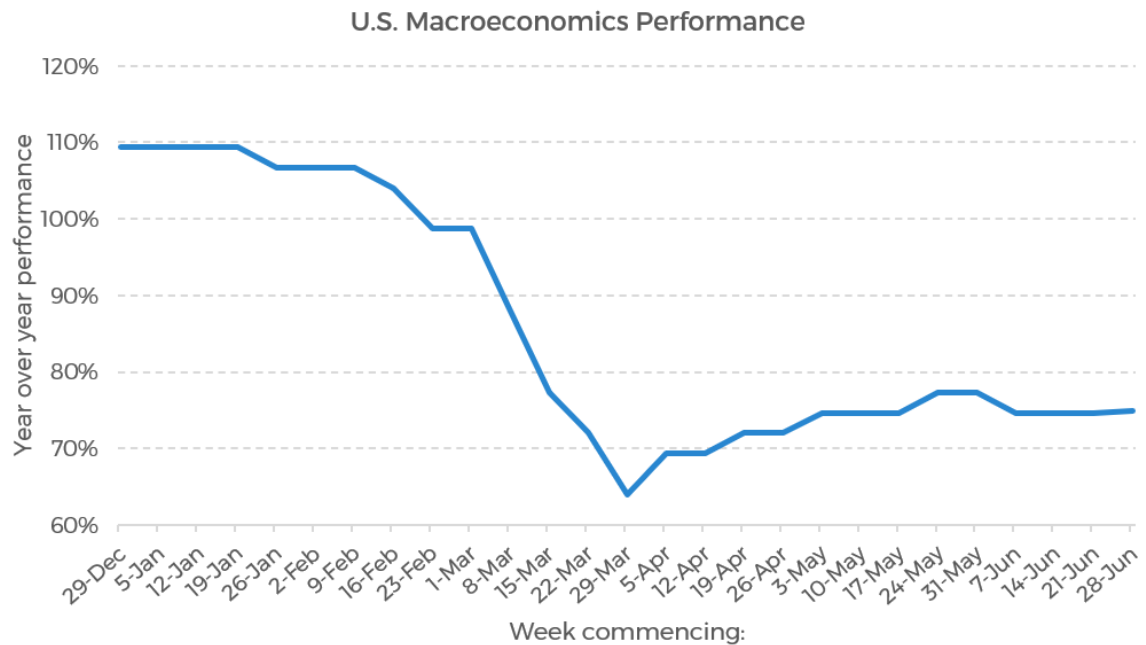
A surprising source of strength throughout all of this has been U.S. consumer confidence. The federal government intervened with massive stimulus, writing checks directly and boosting unemployment benefits. Plus, many consumers found themselves with significantly fewer expenses. The ironic result is that the aggregate savings rate in the U.S. has never been higher.

However these benefits, and other indirect ones such as [government subsidies for airline employment](#), are expiring at the end of the summer.

After an initial "V"-shaped recovery, the economic data has stalled since mid-May and the

country finds itself at a tipping point. There are still signs of optimism as Americans travel for July 4th, businesses adjust to working remotely, and cities like New York, formerly a hotspot, slowly re-open. But these new cases with their resulting lockdowns and expiring fiscal benefits put the country at risk of falling backwards into a deeper decline.

Exhibit 3: Macroeconomic indicators fell by more than 35% in March

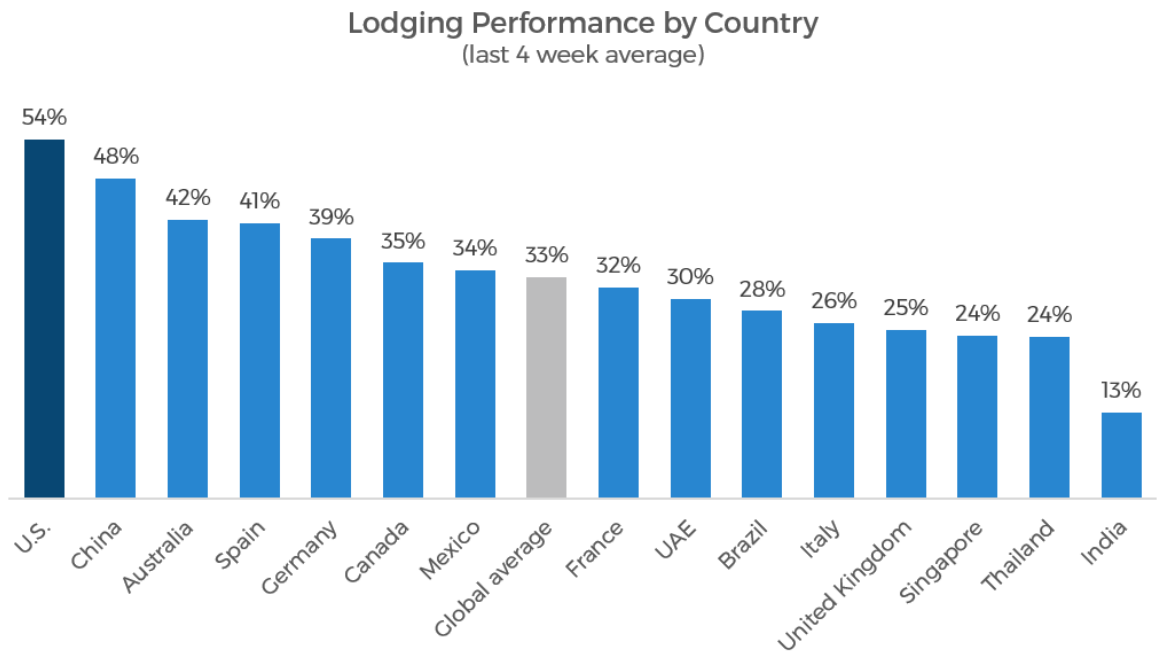


Source: Skift Research

U.S. lodging fares well

Lodging has so far been a strong performer in the U.S. recovery. The country scores highest of all countries over the past weeks in total lodging performance.

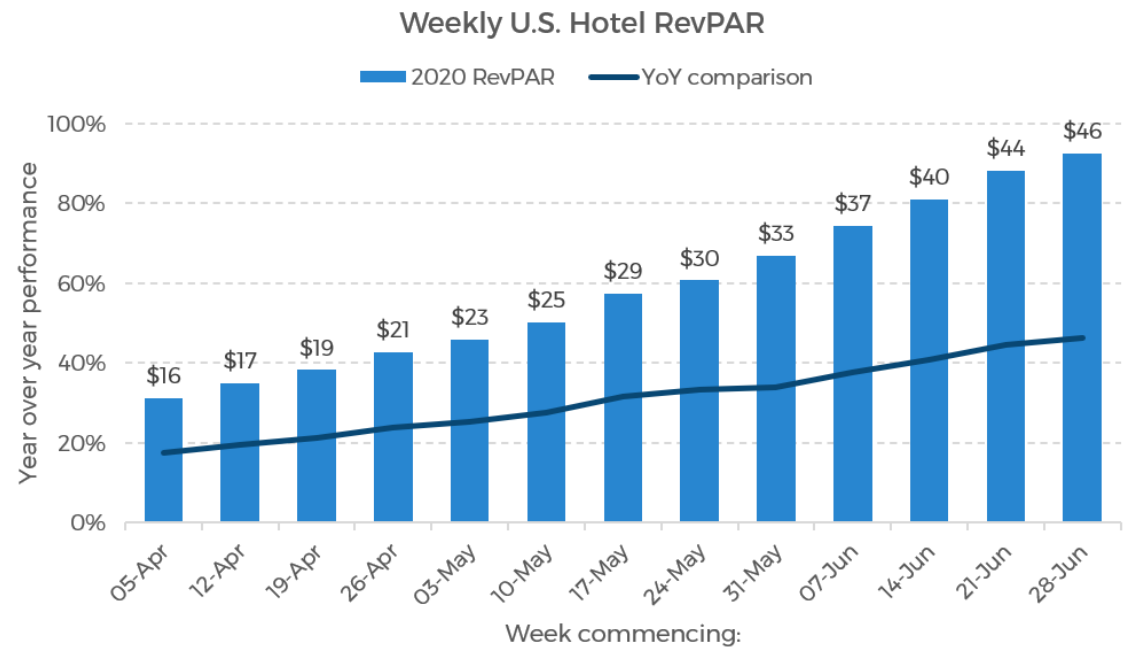
Exhibit 4: U.S. lodging performance over past four weeks is strong



Source: Skift Research

STR data on hotel revenue per available room (RevPAR) shows the weekly increase of this important hotel indicator, although the gap with 2019 levels is still large, and there seems to be a consensus amongst industry analysts that RevPAR could take a few years to bounce back to pre-coronavirus levels.

Exhibit 5: RevPAR still less than half at same time last year

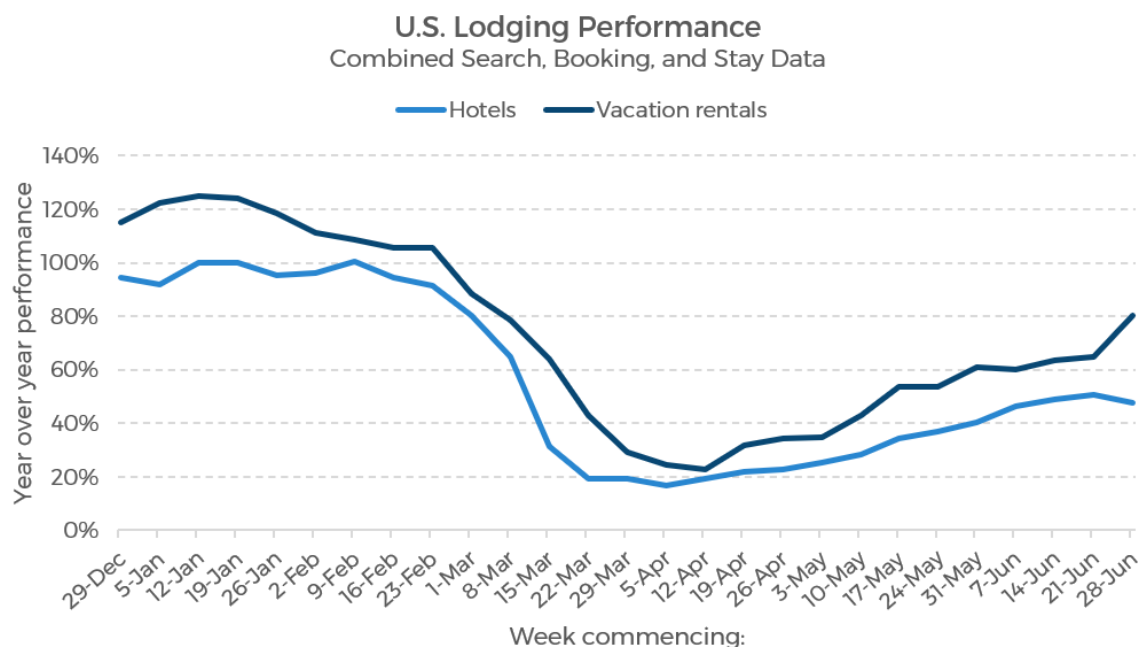


Source: STR

Despite improving performance, hotels have been outperformed consistently since the crisis started by vacation rentals. A look at the combined search, booking, and stay

indicators tracked in the index show that vacation rental performance was back to 80% of last year for the past week. Hotels trail, and while RevPAR continued to increase, hotel searches and future bookings were down in the week of June 28th.

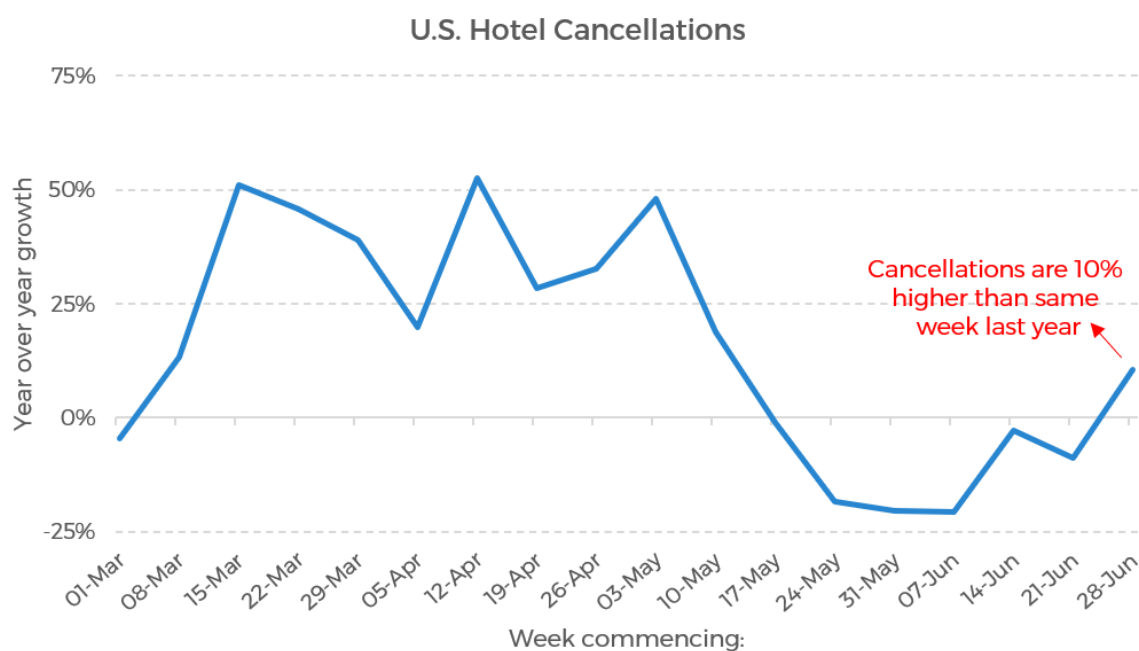
Exhibit 6: Vacation rentals boost overall lodging performance



Source: Skift Research

And there is further cause for caution. U.S. cancellations data from RateGain and Duetto shows that cancellation rates are creeping up again and are above 2019 levels for the week of June 28. Due to the lower amounts of bookings made over the past months, cancellations have generally been much lower over the past weeks as well. This trend has now reversed, and with that, the U.S. is the only country showing a significant rise in hotel cancellations. We should not write off the increase due to the holiday weekend, which naturally brings with it higher cancellations, but as coronavirus cases increase and more states start reintroducing restrictions, higher cancellations can reverse some of the gains the sector has made over the past weeks.

Exhibit 7: Hotel cancellations creep up again



Source: Skift Research

Air travel struggles

Unlike lodging, which is showing largely positive signs of recovery week over week, air travel has remained stagnant in the U.S.

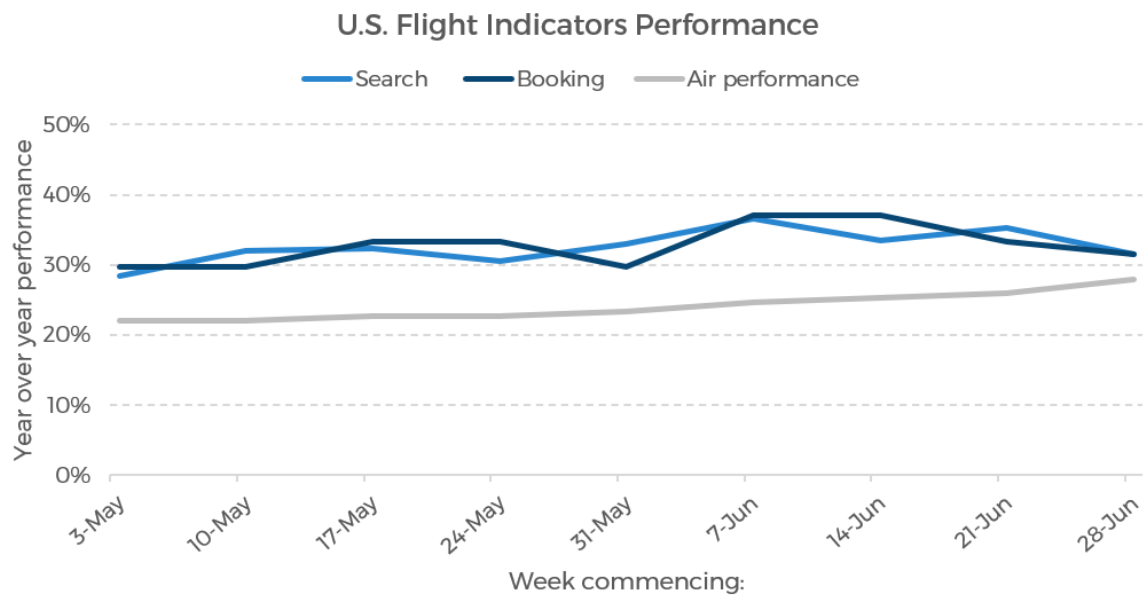
One of the most telling cases of where air travel is at the moment in the U.S. is the way United Airlines announced an increase in future capacity, and then slashed that extra capacity almost immediately due to lower than expected demand.

United [told its employees](#) this week that it will be flying 35% of last year's flights in August, which is down from the 40% number it announced a week earlier in its securities filing. The airline has said that business is worsening as more big cities are reinstating restrictions.

Insights from the recovery index show that searches and bookings by U.S. residents have indeed remained low, with a slight decline in past weeks. There are minor fluctuations as the political and epidemiological climate continues to change.

Actual air performance, which is a bucket that includes seat capacity, load factors, passenger kilometers, and TSA throughput at airports, is showing a gradual increase, but overall performance levels remain below 30% of the same time last year.

Exhibit 8: Air travel isn't seeing much growth yet



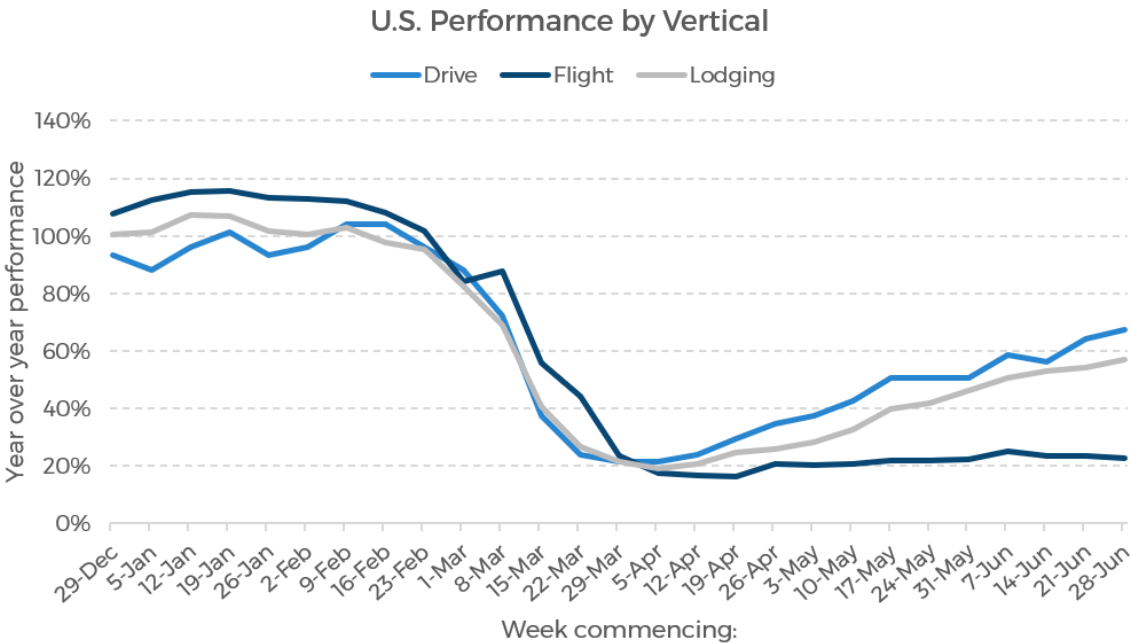
Source: Skift Research. "Search" and "Booking" includes searches/bookings by U.S. residents. "Air performance" includes seat capacity, load factor, passenger kilometers, and TSA throughput data.

Holiday weekend boosts drive performance

Arrivalist, which tracks car journeys made in the U.S., noticed a surge in car journeys over the Fourth of July weekend, with levels only 9% below the holiday weekend last year. While this provides a snapshot of performance under special circumstances, drive has indeed been a bright spark since the crisis hit.

We have been saying for a few weeks now that we would expect drive to fall if flight goes up, but there is no sign of that yet, which means that the gap between drive and flight continues to widen.

Exhibit 9: Drive continues to outperform other verticals



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.

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	20	21	22	23	24	25	26	27
Australia	20.7	23.5	25.1	29.7	28.8	30.3	30.4	34.3
Brazil	25.1	24.4	23.9	27.5	27.3	29.9	26.4	32.3
Canada	17.2	19.8	21.7	24.3	26.1	25.8	29.7	35.1
China	36	39.3	37.5	41.2	43.6	41	41.8	47.5
France	15.7	17.9	20.5	25.3	26.2	29.3	31.5	37.8
Germany	23.8	27.5	30.8	34.8	35.4	37.8	38.1	42.5
India	17.4	20.9	18.8	18.7	18.4	18.8	19.4	25.5
Italy	15.7	16.3	19.6	22.7	25.3	28	30.9	34.8
Mexico	27	28.9	26	28.7	31.4	31.4	33.5	34.3
Singapore	16.4	16.4	17.1	25.4	19.1	17.6	20.4	28.5
Spain	20	21.6	25.4	26.6	31.3	32.9	35.4	36.8
Thailand	21.4	22.4	23.2	25.9	25.7	26.6	28.8	31.9
U.S.	24.1	29.9	33.3	35.5	39.2	39.6	39.8	40.9
United Arab Emirates	21.3	22.9	21.4	24.9	24.2	25	28.1	34.2
United Kingdom	21.5	20.7	25.9	21.5	22.6	24.6	31.1	35.7

Destination Scores by Country

Country	20	21	22	23	24	25	26	27
Australia	22%	25%	25%	31%	30%	32%	33%	37%
Brazil	25%	23%	23%	27%	27%	30%	26%	34%
Canada	20%	20%	20%	23%	25%	27%	30%	35%
China	39%	42%	40%	44%	46%	43%	45%	51%
France	14%	16%	18%	22%	22%	25%	28%	34%
Germany	21%	25%	28%	32%	31%	33%	34%	38%
India	17%	21%	18%	18%	17%	18%	19%	26%
Italy	15%	17%	17%	19%	21%	23%	27%	30%
Mexico	28%	30%	27%	30%	32%	33%	35%	35%
Singapore	19%	20%	17%	27%	19%	19%	23%	31%
Spain	21%	22%	26%	26%	30%	32%	35%	36%
Thailand	19%	20%	20%	23%	22%	23%	25%	29%
U.S.	28%	33%	34%	37%	40%	41%	42%	44%
United Arab Emirates	20%	22%	20%	23%	22%	23%	26%	33%
United Kingdom	20%	18%	24%	18%	19%	21%	27%	33%

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	20	21	22	23	24	25	26	27
Australia	23%	24%	25%	26%	28%	29%	27%	28%
Brazil	26%	29%	27%	30%	29%	30%	29%	28%
Canada	26%	27%	28%	30%	32%	33%	34%	39%
China	28%	30%	30%	34%	36%	34%	33%	36%
France	25%	27%	32%	38%	42%	46%	46%	52%
Germany	32%	35%	39%	43%	47%	51%	51%	56%
India	18%	20%	20%	21%	22%	21%	22%	24%
Italy	26%	29%	33%	38%	42%	46%	47%	51%
Mexico	30%	31%	30%	32%	35%	34%	34%	38%
Singapore	18%	19%	18%	19%	19%	20%	20%	20%
Spain	24%	27%	32%	35%	38%	43%	43%	46%
Thailand	28%	31%	34%	36%	37%	38%	40%	40%
U.S.	32%	36%	36%	38%	42%	41%	42%	42%
United Arab Emirates	26%	26%	25%	32%	30%	32%	34%	37%
United Kingdom	26%	29%	31%	33%	34%	36%	44%	44%

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	20	21	22	23	24	25	26	27
Australia	72%	72%	72%	75%	72%	72%	72%	74%
Brazil	83%	83%	83%	83%	83%	83%	80%	81%
Canada	61%	61%	61%	64%	61%	61%	61%	62%
China	75%	75%	75%	75%	75%	75%	75%	77%
France	85%	85%	88%	88%	88%	88%	85%	86%
Germany	91%	91%	93%	96%	93%	93%	93%	94%
India	69%	69%	69%	72%	72%	72%	72%	72%
Italy	99%	99%	101%	101%	101%	101%	101%	101%
Mexico	91%	91%	91%	91%	91%	91%	91%	93%
Singapore	67%	69%	69%	69%	69%	69%	72%	73%
Spain	93%	93%	93%	96%	93%	96%	93%	94%
Thailand	77%	77%	77%	77%	77%	77%	75%	76%
U.S.	75%	75%	77%	77%	75%	75%	75%	75%
United Arab Emirates	88%	91%	88%	88%	88%	91%	88%	89%
United Kingdom	85%	88%	88%	88%	88%	88%	88%	87%

Macroeconomics is a subsection of Origin 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

Traveler Activity Scores by Country

Country	20	21	22	23	24	25	26	27
Australia	14%	16%	16%	17%	20%	21%	19%	20%
Brazil	16%	19%	18%	20%	19%	21%	20%	18%
Canada	20%	21%	22%	24%	27%	28%	29%	34%
China	19%	22%	22%	26%	29%	26%	26%	29%
France	14%	17%	23%	30%	34%	38%	38%	46%
Germany	21%	25%	29%	34%	39%	43%	44%	49%
India	8%	11%	11%	13%	13%	12%	13%	15%
Italy	13%	17%	21%	26%	32%	36%	38%	42%
Mexico	19%	21%	19%	22%	25%	24%	24%	28%
Singapore	9%	10%	10%	10%	10%	10%	10%	11%
Spain	12%	16%	21%	24%	28%	34%	34%	37%
Thailand	19%	23%	26%	28%	30%	31%	34%	34%
U.S.	25%	29%	29%	31%	36%	35%	36%	36%
United Arab Emirates	15%	15%	14%	21%	20%	22%	24%	28%
United Kingdom	16%	18%	21%	24%	24%	27%	36%	37%

Traveler Activity is a subsection of Origin Performance, and contributes 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	20	21	22	23	24	25	26	27
Australia	23%	27%	27%	38%	37%	40%	41%	50%
Brazil	23%	19%	18%	25%	25%	29%	22%	36%
Canada	20%	20%	20%	25%	27%	32%	36%	46%
China	37%	42%	38%	44%	48%	43%	44%	57%
France	12%	16%	17%	24%	24%	28%	33%	41%
Germany	19%	24%	29%	36%	35%	38%	38%	45%
India	10%	9%	8%	10%	9%	11%	12%	19%
Italy	10%	15%	12%	17%	20%	24%	29%	33%
Mexico	31%	34%	28%	30%	32%	33%	37%	36%
Singapore	17%	19%	12%	32%	17%	18%	24%	39%
Spain	25%	26%	28%	31%	38%	40%	43%	43%
Thailand	16%	16%	17%	21%	19%	22%	24%	31%
U.S.	32%	40%	42%	46%	51%	53%	54%	57%
United Arab Emirates	22%	25%	22%	25%	24%	25%	29%	41%
United Kingdom	19%	13%	23%	13%	16%	18%	28%	39%

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	20	21	22	23	24	25	26	27
Australia	23%	23%	23%	23%	23%	23%	23%	23%
Brazil	29%	29%	29%	29%	29%	29%	29%	29%
Canada	18%	18%	18%	19%	19%	18%	18%	19%
China	44%	46%	46%	46%	46%	48%	49%	47%
France	17%	17%	19%	19%	20%	21%	21%	24%
Germany	18%	18%	20%	19%	20%	20%	20%	22%
India	27%	38%	33%	28%	28%	28%	27%	36%
Italy	21%	21%	24%	21%	21%	21%	22%	25%
Mexico	26%	27%	27%	32%	33%	33%	33%	34%
Singapore	22%	23%	22%	22%	22%	22%	22%	22%
Spain	17%	18%	23%	20%	19%	21%	23%	26%
Thailand	24%	24%	24%	25%	26%	25%	26%	28%
U.S.	21%	21%	22%	22%	24%	23%	23%	24%
United Arab Emirates	15%	15%	15%	16%	16%	16%	19%	19%
United Kingdom	17%	19%	21%	17%	17%	17%	19%	19%

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	20	21	22	23	24	25	26	27
Australia	16%	19%	19%	19%	19%	19%	21%	23%
Brazil	13%	19%	21%	24%	29%	35%	40%	44%
Canada	37%	43%	40%	40%	45%	40%	51%	53%
China	16%	19%	19%	19%	19%	19%	21%	23%
France	16%	19%	21%	21%	27%	32%	35%	43%
Germany	72%	83%	85%	93%	93%	93%	99%	88%
India	16%	19%	19%	19%	19%	19%	21%	23%
Italy	13%	19%	21%	24%	29%	35%	40%	44%
Mexico	13%	19%	21%	24%	29%	35%	40%	44%
Singapore	16%	19%	19%	19%	19%	19%	21%	23%
Spain	13%	19%	21%	24%	29%	35%	40%	44%
Thailand	16%	19%	19%	19%	19%	19%	21%	23%
U.S.	43%	51%	51%	51%	59%	56%	64%	67%
United Arab Emirates	35%	40%	43%	45%	48%	48%	53%	54%
United Kingdom	56%	67%	69%	69%	72%	77%	80%	74%

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!