



Analysis by McKinsey and trivago: Corona is changing German travel habits

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- Booking requests have risen 65 percent in the first week of June compared to May
- An exclusive analysis of data by hotel price comparison site trivago shows that Germans are avoiding long-distance trips this year
- No more short breaks: vacations for longer periods are now the choice of preference
- Mountains over Mallorca: Austria prevailed over Italy and Spain as the top choice for trips abroad in May

DÜSSELDORF, GERMANY June 16, 2020 - The international travel warning ended for most European travelers in mid-June—and Germans are once again longing for a vacation. In the first week of June, search queries and vacation booking requests shot up by 50, respectively 65 percent compared to the May average. This follows on from late March/early April where queries had collapsed by 90 percent compared to the previous year. Particularly striking is that Germans are sacrificing short breaks rather than their main holiday. Interest in trips lasting more than seven days is growing far faster than short breaks: compared to 2019, there are far fewer searches for short breaks. Indeed, in the first week of June 2020, searches for longer trips (lasting 7 to 14 days) saw roughly 40 percent year-on-year increase. These are the results of a recent and exclusive analysis conducted by management consultancy McKinsey & Company using anonymized search query data from the hotel price comparison site trivago. General search requests were analyzed as well as booking queries or click-outs, where the user clicks on a link to a selected offer.

The search data and booking queries show that concerns over travel restrictions and the convenience of the travel destination now play a major role in travel planning. Public announcements on travel restrictions have a direct impact on search behavior, which is why destinations in Germany and neighboring countries are currently in such high demand. In May, 70 percent of German searches were for domestic destinations compared to only 46 percent in May 2019. By the first week of June, this had fallen to 62 percent.

Ease of planning and local offers influence choice of destination

"As expected, demand for vacations in natural surroundings and beautiful landscapes has significantly increased, while interest in city breaks has collapsed. This trend will likely continue for a long time even after Corona," according to Axel Hefer, CEO trivago.

A dashboard developed by McKinsey and trivago allows this data to be interpreted, trends to be determined in travel behavior, and success factors identified for travel firms. "People are now basing their choice of travel destination on completely different criteria than in the time before the coronavirus pandemic," says Jürgen Schröder, Senior Partner at McKinsey & Company. "Not only do pragmatic considerations play a role such as the convenience of traveling to a location, but also the potential experience at the destination itself. People wonder, for example: What will I be able to do there? How will it work?"

Axel Hefer, CEO trivago: "Interestingly, the duration of vacations being searched for has also increased. People seem to feel much safer journeying in their own cars, so it's hardly surprising that shorter trips are less favored."

The German coast is the new top destination of Germans

The German destinations on the North Sea and Baltic Sea are the winners in this crisis: With 14 percent of all search queries, Mecklenburg-Western Pomerania has seen twice as much interest during the crisis (April through June) as before the crisis (7 percent). Interest in Schleswig-Holstein has also nearly doubled from 6 percent to 11 percent. According to Jürgen Schröder: "Low numbers of virus cases and ease of accessibility with a car play a big role. Also, holidaymakers don't want to miss out on their preferred type of vacation, which makes the German coast a good alternative to a Mediterranean holiday." Compared to before the crisis, interest in the top city breaks of Berlin, Hamburg, and Munich has fallen by around 40 percent.

Demand for holiday apartments has also grown by more than 65 percent since the crisis. "Vacations in a holiday apartment are less affected by the travel restrictions than, for example, vacations in a hotel complex. They come closest to replicating that pre-corona vacation feeling," says trivago boss Axel Hefer.

Trips abroad are mostly being postponed to the end of the year

The data shows that the popularity of a destination pre-corona still plays a big role, and Germans are staying true to their traditionally favored travel destinations of Austria, Spain, Italy, the USA, and the Netherlands. With 14 percent of all booking queries for foreign trips, Austria doubled its share between April and June compared to the previous year (7 percent), even overtaking the pre-crisis top destination of Spain. The analysis shows that while Germans continue to look for foreign destinations, actual booking queries tend to be for neighboring countries.

Equally, many Germans are deciding to postpone their travel plans to later in the year. Although as in the previous year, domestic trips are mainly planned for the summer months, the data analysis shows a clear trend of international trips being postponed to later in the year and early 2021.

The travel industry needs to respond quickly to changing customer expectations

According to McKinsey consultant Schröder, the various players in the travel industry including tourism associations, event organizers and hotels face

completely new challenges: “They need to ensure that demand and expectations for a destination match the realities and opportunities available at that destination. If this is not the case, measures need to be taken to ensure travelers still enjoy a good experience. Hotels, for example, need to know when capacities can be ramped up or need to be scaled down.” Axel Hefer adds: “Tourism agencies need to weigh up the risks of opening attractions and the danger of a new COVID outbreak. Questions and answers are changing daily, and plenty of flexibility is called for.”

The analysis of the search queries offers an overview of the factors that are most important to Germans who want to travel:

- Travel restrictions: Which destinations are currently open for travel?
- Convenience: Which destinations can currently be reached safely, e.g., by car, availability of alternative transport, and other restrictions such as compulsory face-mask regulations on airplanes, and so on.
- Travel sentiment: Given the current situation, which regions will offer the best vacation experience, e.g., number of COVID-19 cases, local healthcare system, etc.
- Attractiveness: Given the current restrictions, how attractive is the destination, e.g., opening hours of key attractions, restaurant opening times, availability of accommodation, etc.

About trivago

trivago is a leading global hotel search platform focused on reshaping the way travelers search for and compare hotels and alternative accommodations. Incorporated in 2005 in Düsseldorf, Germany, the platform allows travelers to make informed decisions by personalizing their hotel search and providing them access to a deep supply of hotel information and prices. trivago enables its advertisers to grow their businesses by providing access to a broad audience of travelers via its websites and apps. As of March 31, 2020, trivago has established 54 localized platforms connected to over 4.5 million hotels and alternative accommodations, in over 190 countries.

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