



trivago Data Reveals Americans' Appetite for Travel Strongly Correlated with COVID-19 Case Numbers

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- For U.S. travelers, Mexico remains No.1 international destination
- Florida remains most popular domestic destination, but interest has fallen significantly in the first week of July
- Total search volume in the U.S. saw a slow recovery to 39% of January level in mid-June, but fell again in July to 29% of beginning of year value
- During the peak of the crisis in April, U.S. domestic searches fell to just 11% of January level, while click-outs decreased by nearly 91 percent
- At the end of June U.S. in-state travel increased by approximately 13% over January

DÜSSELDORF, GERMANY July 8, 2020 – As U.S. state borders begin to reopen and cities relax coronavirus pandemic restrictions, Americans are looking forward to the possibility of a summer vacation. As of mid-June searches for accommodations stood at 39% of January 2020 volume, but that number fell to 29% in early July as COVID-19 cases began to rise. Meanwhile, the total click-outs has steadily recovered and, since mid-May, exceeds 2019 levels. The signs of recovery are a welcome indicator following a nearly 90% collapse in search volume in April.

These results come from a recent analysis conducted by management consultancy McKinsey & Company using anonymized search query data from hotel price comparison site trivago. McKinsey evaluated general search requests and booking queries measured by click-outs, where the user clicks on a link to a selected offer, using data from January 2019 to July 5, 2020. This analysis found that concerns over travel restrictions, distance and crowding will play a major role in travel planning for the near term and likely longer. The findings show that Americans' travel appetite is strongly correlated with COVID-19 case numbers. As cases rise, searches for vacation accommodations decline.

Based on this analysis, a dashboard was developed to interpret this data and identify travel behavior trends and critical success factors for travel brands.

Domestic destinations remain popular

The U.S. travel appetite for domestic destinations versus overseas locations was already high prior to the outbreak of the coronavirus, averaging 70% to 80% of search volume. Since June, that figure has increased to more than 90%. Additionally, more Americans are traveling within their home states. Compared to late June 2019, the share of U.S. travel within state of origin (intra-state) is 13% higher this year.

"Demand for locations that are familiar and closer to home are on the rise. This trend will likely continue post-pandemic," according to Axel Hefer, CEO trivago. "Outside of travel restrictions, regional travel offers more control at an affordable price, while still providing a chance to get away. Because restrictions still vary based on jurisdiction, it makes sense that we see an increase in intra-state travel."

"Especially in the U.S., it is important to look at individual developments on a state level. The market strongly focuses on domestic travel, and we can see that travel recovery behavior varies by state, especially because demand highly depends on the local epidemiological situation. Understanding daily regional developments is key for industry participants to succeed," says Nina Wittkamp, Associate Partner and travel expert at McKinsey & Company.

The top five domestic destinations for U.S. travelers has remained largely consistent since the start of the COVID-19 crisis. Florida is the most popular place, followed by California, Texas and Nevada. South Carolina has replaced New York State in the top five. Overall, the significant increase of COVID-19 cases in the past three weeks has reversed the recovery trend in travel searches, especially in the Southern states. When analyzing trends in Arizona, South Carolina, Florida, and Texas, click-out development strongly correlates with COVID-19 outbreaks. After the first wave in March, the number of click-outs started to increase. However, with the significant rise of new cases starting in June, the click-outs fell again in those states, with decreases ranging from 30% to 53% compared to mid-June.

Proximity equals popularity for international destinations

Data analysis also found that the popularity of a destination before the pandemic still plays a big role, and Americans are staying true to their traditional international travel destinations of Mexico and Canada. Pre-pandemic search data showed the United Kingdom as the third most popular locale based on searches and click-outs followed by Italy, France, and Spain. However, as lockdown measures were implemented, the Dominican Republic moved up to replace the UK. In the first week of July the top five international destinations based on click-outs are, Mexico, the Dominican Republic, Canada, Puerto Rico, and Cuba.

The Dominican Republic Puerto Rico and Cuba gained significantly in preference. While those countries accounted for approximately 7% of all search queries between January and July 2019, they made up 13% of all searches between April and the first week of July 2020. The data indicates a desire to travel to destinations with high proximity to the continental United States. Compared to last year, the total distance traveled decreased by 37%, indicating a bigger shift toward domestic travel.

Preference for longer trips

Interestingly, trips of 7-plus days took longer to be affected and were less severely impacted overall than shorter trips. However, data shows that trips

of more than 14 days did not recover as quickly as shorter trips. By mid-June, planning for longer trips returned to 39% of January volume, but has since dipped to 32% of the January level. Search volume for trips up to six days decreased by 90% compared to the beginning of the year. In the first week of July 2020, searches for shorter trips (1-6 days) were back at 37% of the January level.

"Given the shift to traveling more by car, longer trips are more desirable for obvious reasons," said Hefer. "We expect that this will continue; longer trips where travelers can spend more time to experience their holiday but stay closer to home."

Changing customer expectations will drive change for the industry

According to McKinsey consultant Wittkamp, the travel industry – including tourism associations, event organizers, hotels and tourist attractions -- faces completely new challenges: "They need to ensure that demand and expectations for a destination match the realities and opportunities available. 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."

Hefer adds: "Tourism agencies need to weigh the risks of opening attractions against the danger of a new COVID-19 outbreak. Questions and answers are changing daily, requiring greater flexibility."

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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Forward looking statements

This press release contains certain forward-looking statements. Words, and variations of words such as "believe," "expect," "plan," "continue," "will," "should," and similar expressions are intended to identify our forward-looking statements. These forward-looking statements involve risks and uncertainties, many of which are beyond our control, and important factors that could cause actual events and results to differ materially from those in the forward-looking statements. For additional information factors that could affect our forward-looking statements, see our risk factors, as they may be amended from time to time, set forth in our public filings with the Securities and Exchange Commission. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation.

