



EPIISODE 1



2020 OUTLOOK:
Travel Recovery Trends to Watch

June 4, 2020

Presenters

MODERATING



Peter Kane

Director, Marketing Strategy,
Content and Brand



Glenn Branscomb

Project Leader



Chuck Thackston

Managing Director
of Data Science



Rick Seaney

Chief Executive Officer



Economic & Consumer Sentiment Trends

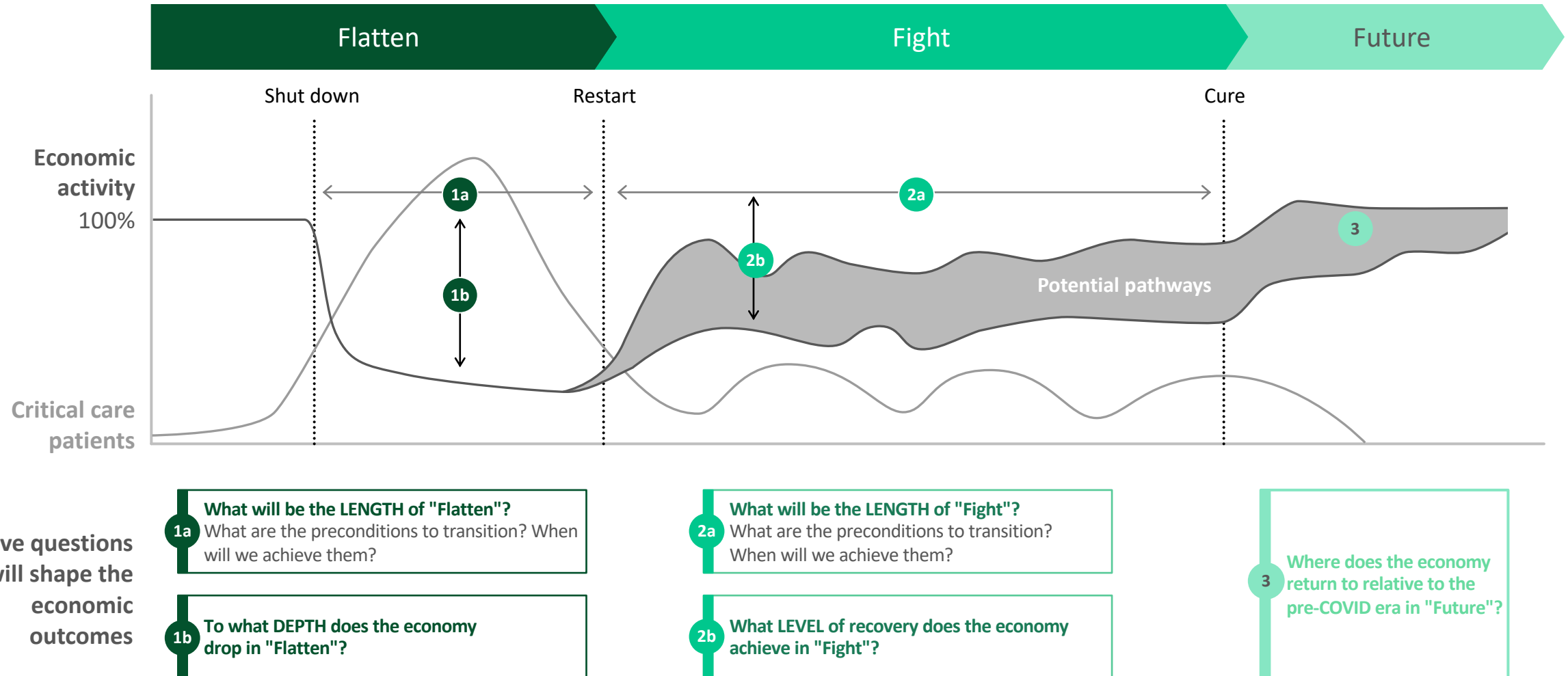
Legal context

- *The situation surrounding COVID-19 is dynamic and rapidly evolving, on a daily basis. Although we have taken great care prior to producing this report, it represents BCG's view at a particular point in time. This report is **not** intended to: (i) constitute medical or safety advice, nor be a substitute for the same; nor (ii) be seen as a formal endorsement or recommendation of a particular response. As such you are advised to make your own assessment as to the appropriate course of action to take, using this report as guidance. Please carefully consider local laws and guidance in your area, particularly the most recent advice issued by your local (and national) health authorities, before making any decision.*

3 distinct phases to COVID-19

Scenarios and outcomes driven by five key questions

Illustrative

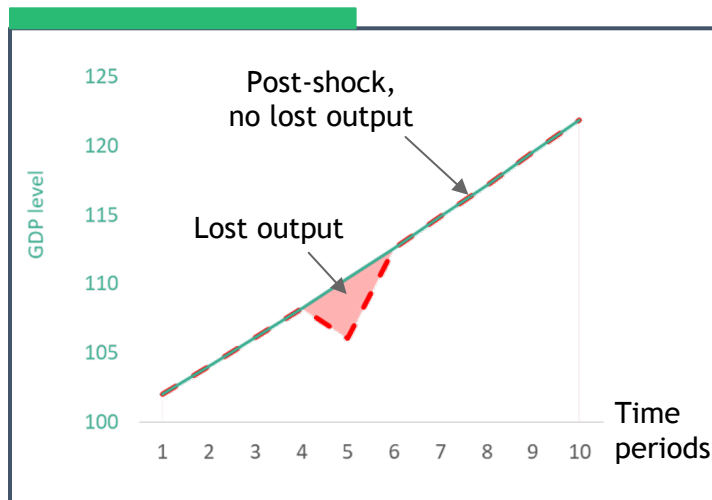


Our macro-economists think U is now the main risk for the overall economy

Illustrative

V - at least this

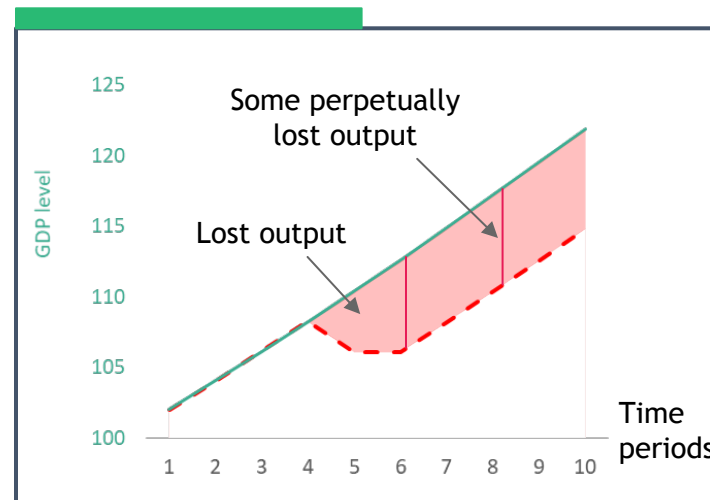
Severe shock, but can bounce back to prior growth path



- V shape leaves de minimis impact on the present value of future output

U - the main risk

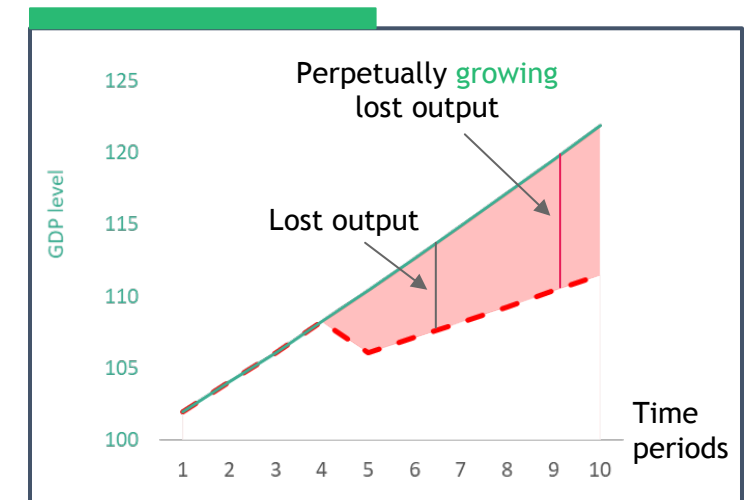
Significant and perpetually lost value



- One-off damage to economy's supply side (labor, capital, productivity) leads to more and perpetual loss of present value of future output

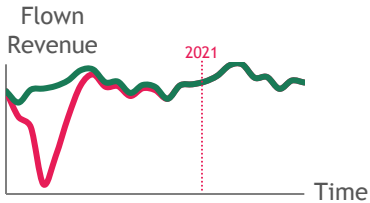
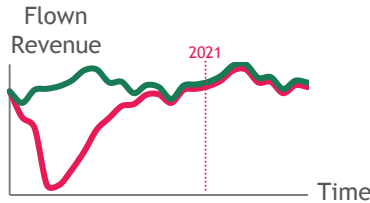
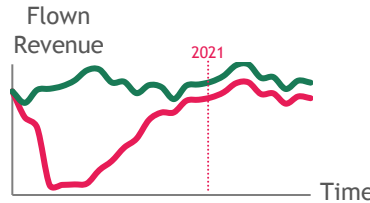
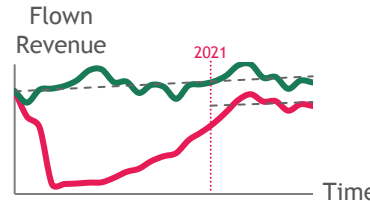
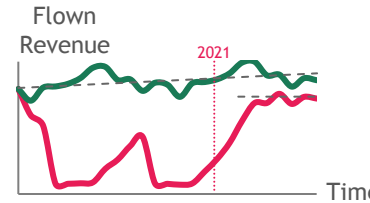
L - still unlikely

Significant and perpetually growing lost value



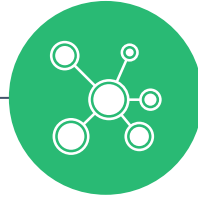
- Recurring or irreparable damage to economy's supply side leads to perpetually growing loss of present value of future output
- Hence: Lower industry growth rate than prior to crisis

However, the airline industry's recovery is likely to be much more gradual

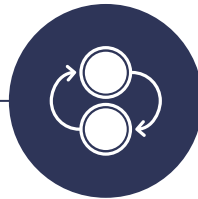
					
Scenario	V-shape	U-shape	Prolonged U-shape	L-shape	W-shape
Likelihood	Very unlikely	Very unlikely	High likelihood	High likelihood	Medium likelihood
Return to 2019 level ¹	<ul style="list-style-type: none"> ~6 months 	<ul style="list-style-type: none"> ~10-18 months 	<ul style="list-style-type: none"> ~24 months 	<ul style="list-style-type: none"> ~48+ months 	<ul style="list-style-type: none"> ~48+ months
Virus severity and spread	<ul style="list-style-type: none"> Quick containment (rapid drop in new cases and deaths) 	<ul style="list-style-type: none"> Gradual decrease in rate of new cases and deaths 	<ul style="list-style-type: none"> Slow, gradual decrease in rate of new cases and deaths 	<ul style="list-style-type: none"> Slow, gradual decrease in rate of new cases and deaths 	<ul style="list-style-type: none"> Spread of virus decreases but then rapidly increases (new strain)
Government action for citizens	<ul style="list-style-type: none"> Successful containment; relax policies and reassure public 	<ul style="list-style-type: none"> Lockdown for ~2 months; borders gradually reopen 	<ul style="list-style-type: none"> Lockdown for several months; travel discouraged; borders reopen slowly 	<ul style="list-style-type: none"> Lockdown policies in place and limitation on non-essential travel for rest of 2020 	<ul style="list-style-type: none"> Policies relaxed then rapidly reinstated at sign of resurgence
Consumer sentiment and behaviors	<ul style="list-style-type: none"> Leisure and business traffic bounce back quickly Consumer confidence recovers quickly No structural change to behavior 	<ul style="list-style-type: none"> Consumer confidence returns quickly Business and short-haul leisure travel first, followed by long-haul leisure Travel distributors ramp up operations 	<ul style="list-style-type: none"> Consumer confidence does return - slowly Businesses restrict business travel temporarily Economic recession Travel distributor failures 	<ul style="list-style-type: none"> Leisure travel reduced by fear & sustainability issues New ways of working persist; permanent drop in group and large meetings Economic depression Widespread failures in travel distribution 	<ul style="list-style-type: none"> Confidence returns only to be hit once more, for a more prolonged period, as safety concerns persist

1. Return to 2019 level is the first month of a forwarding looking twelve month rolling window where monthly average RPKs are at or above 2019 monthly average RPKs; Source: BCG analysis

Potential implications for travel suppliers



Will certain **geographies** be impacted more than others (e.g., heavily leisure international destinations)?



How will consumer shopping behavior change (e.g., effectiveness of loyalty programs, product preferences)?



How will **travel suppliers** respond?

- Changes to network strategy, fleet, brand architecture
- Approach to 3rd party distribution and commissions

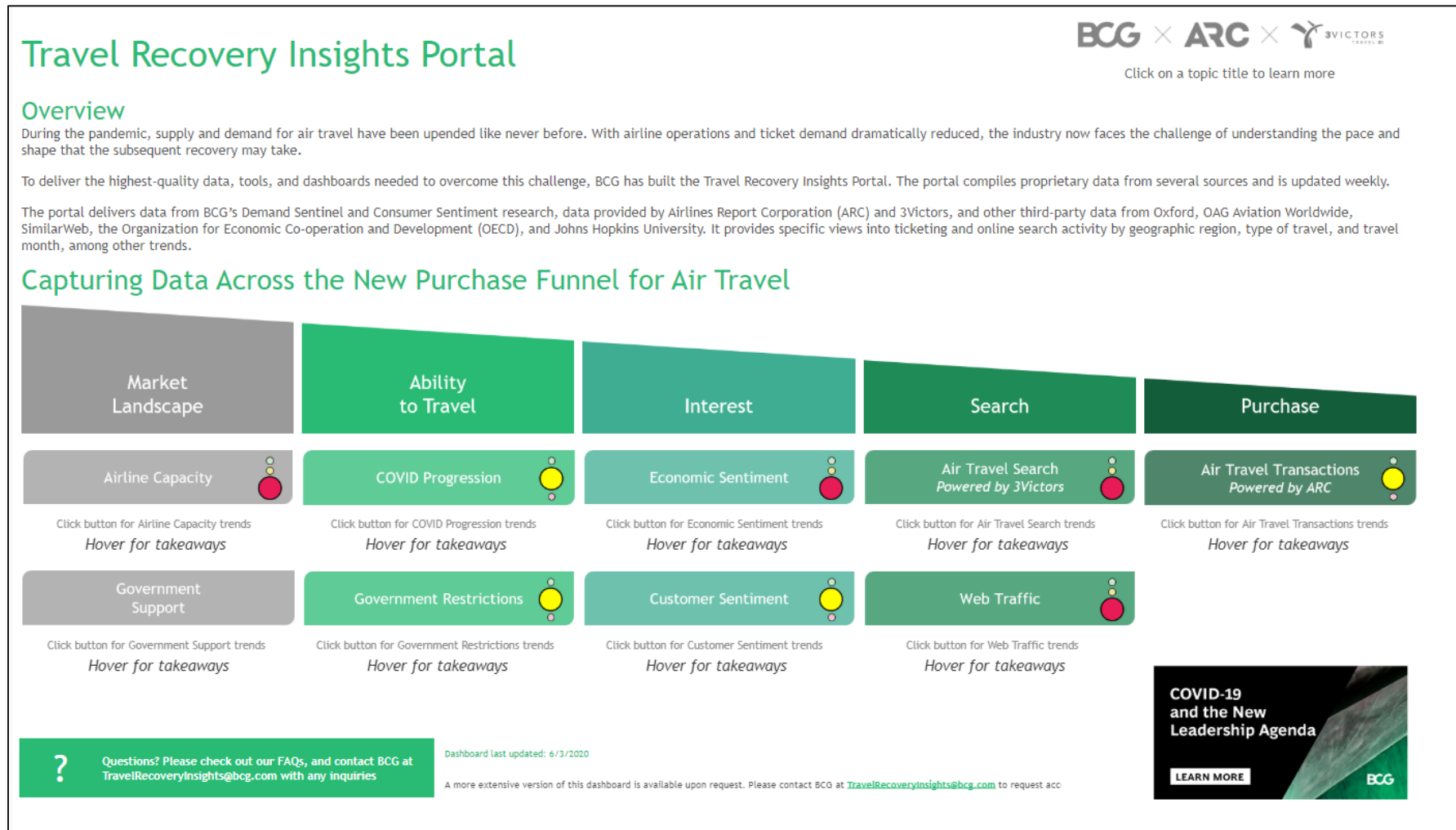


Will there be any **structural changes** as a result?

- Consolidation within sectors
- Consolidation across sectors
- Increased regulation

Have developed a tool (TRIP) to allow the industry to monitor key signals

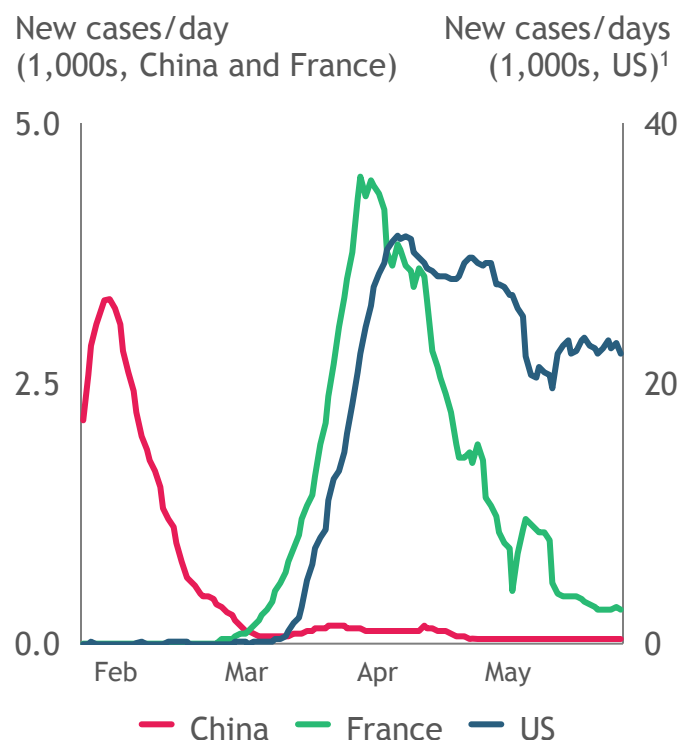
TRIP dashboard view: *Portal home*



Source: Travel Recovery Insights Portal (TRIP) dashboard; screenshots taken 6/3/2020

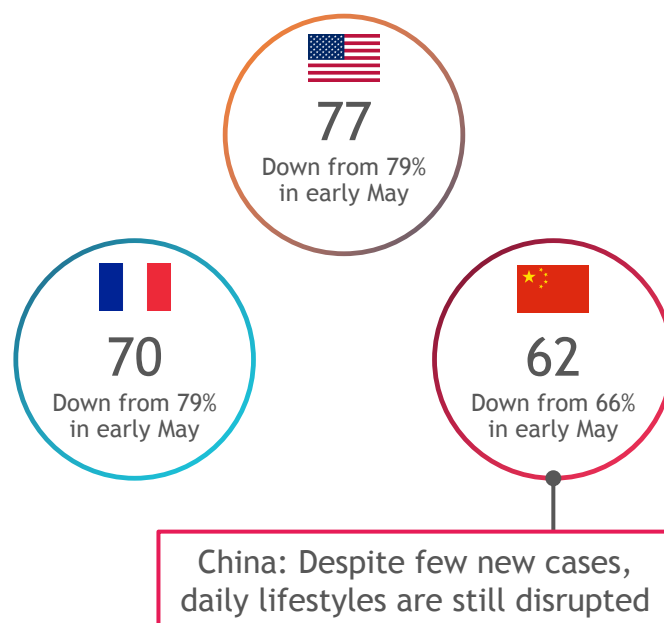
Even as spread of the Coronavirus slows, consumer spending and lifestyles resist returning to Pre-COVID-19 levels

The number of new cases has slowed across countries ...



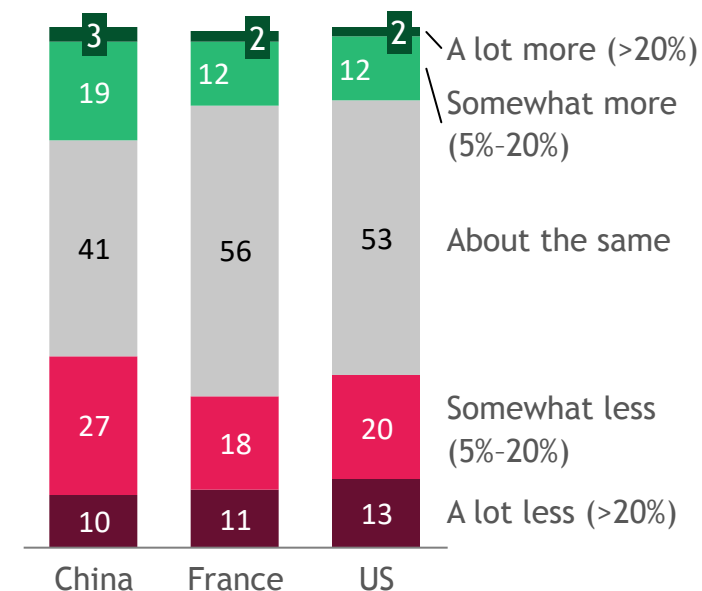
... but disruption to daily life remains elevated ...

Consumers who say that their daily lifestyle is different today than it was before the outbreak (%)



... and many consumers still expect to cut back on spending

Expected spending in the next month vs. before the outbreak (%)



1. Seven-day rolling average across the midpoint date; a February 16 outlier in the data for China that had resulted from a change in case-reporting was removed

Note: Question text: “How much do you agree with each of the following statements about the coronavirus? My daily lifestyle today is different from it was before the coronavirus” and “In the next month, what do you expect your spend to be relative to before the coronavirus outbreak?”

Sources: BCG COVID-19 Consumer Sentiment Survey, March 6-May 25, 2020 (N=2,000-3,500), unweighted, representative within ±3% of census demographics; WHO data reports



U.S.: Concerns stable across segments with slight upticks in cruise, traveling internationally, and visiting casinos - all remain above baseline levels

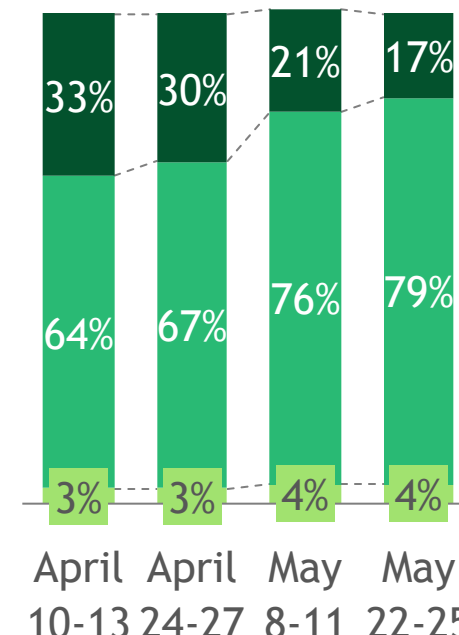
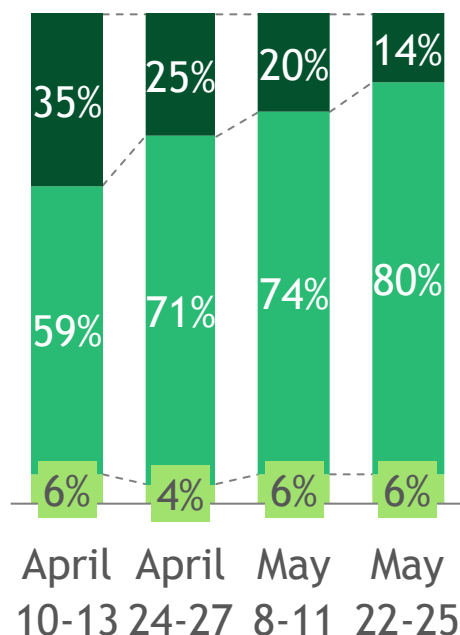
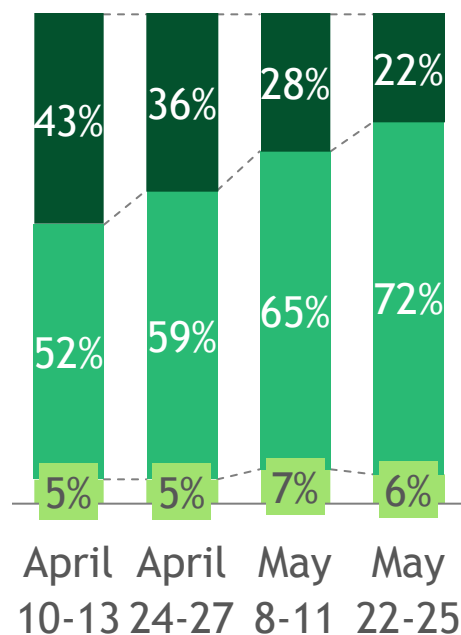
% of consumers concerned about catching a virus with each activity



Note: Question text (P1): “Would you be concerned about doing any of the following in the near future? Select all that apply.” and for those concerned (P2) “You mentioned you would be concerned about X. What part of the experience concerns you? Select all that apply.” (P2 as % of P1 gives percentage of population concerned about virus)
 Source: BCG COVID-19 Consumer Sentiment Survey, March 6-9, 2020, March 13-16, 2020, March 27-30, April 10-13, 2020, April 24-27, 2020, May 8-11, 2020 and May 22-25 (N = 2,944 across question categories, unweighted, representative within ±3% of US census)

Consumers increasingly willing to fly again in the next month if certain sanitary measures were put into place

% of consumers needing additional sanitary measures before flying again in next month, by nation



Nothing would convince me to fly next month
 Some measures would convince me to fly next month
 I will fly regardless of measures next month

Note: Question text: V11d. “Which of the following measures would make you fly again in the next month? Select all that apply.”

Source: BCG COVID-19 Consumer Sentiment Survey; April 10-13, 2020; April 24-27, 2020; May 8-11, 2020; May 22-25, 2020; U.S. N by week, respectively, 1,433, 1,348, 1,580, 1,683; France N by week, respectively, 1,439, 1,414, 1,340, 1,353; China N by week, respectively, 1,110, 1,385, 1,777, 1,741; unweighted; representative within ±3% of census demographics.

Ticketing Trends





Recovery Trends

Use the scatter charts to compare YoY and WoW performance for routes. Select particular geographies, departure months, trip types, and direction to identify subsets where demand may be returning.

[Reset all filters](#)

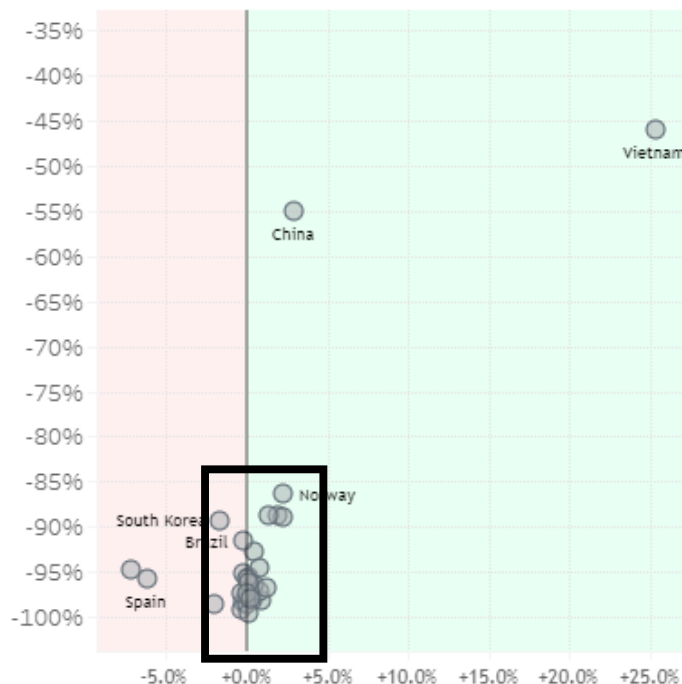
Selected metric ^[1]

Tickets

Geography Trends

Travel to and from each geography

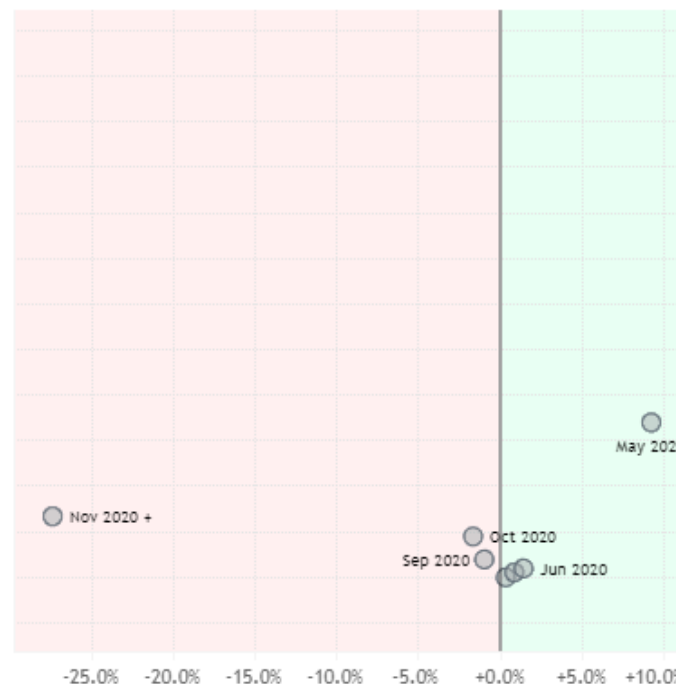
(All)



Departure Date Trends ^[2]

Travel by departure month

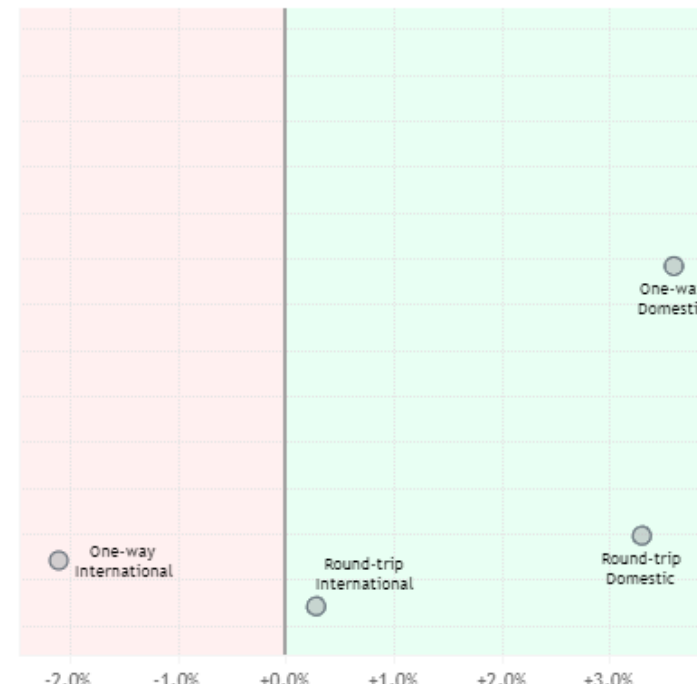
(All)



Flight Trait Trends

Travel by direction & trip type

(All)



◀ **WoW change in Tickets (Trailing 14 days vs 14 days prior)** ▶



Trailing 14-day average lower than prior 14 days



Trailing 14-day average higher than prior 14 days

[1] Searched and ticketed nights shown for round-trip trips only. [2] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. [Notes] Searches and ticketed travel shown for all domestic and international inbound and international outbound travel. For example, a ticket from the US to Italy would be reflected in both the US and Italy lines. 'Same-day-last-year' calculated as 364 days prior, to control for DoW. Origin-Destination pairs exclude connections; e.g., the connecting itinerary JFK-FRA-DXB is tracked as JFK-DXB.



Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).

Dashboard last updated: 6/3/2020

Note: For searches and searched nights, our indirect GDS data —while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)




Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries



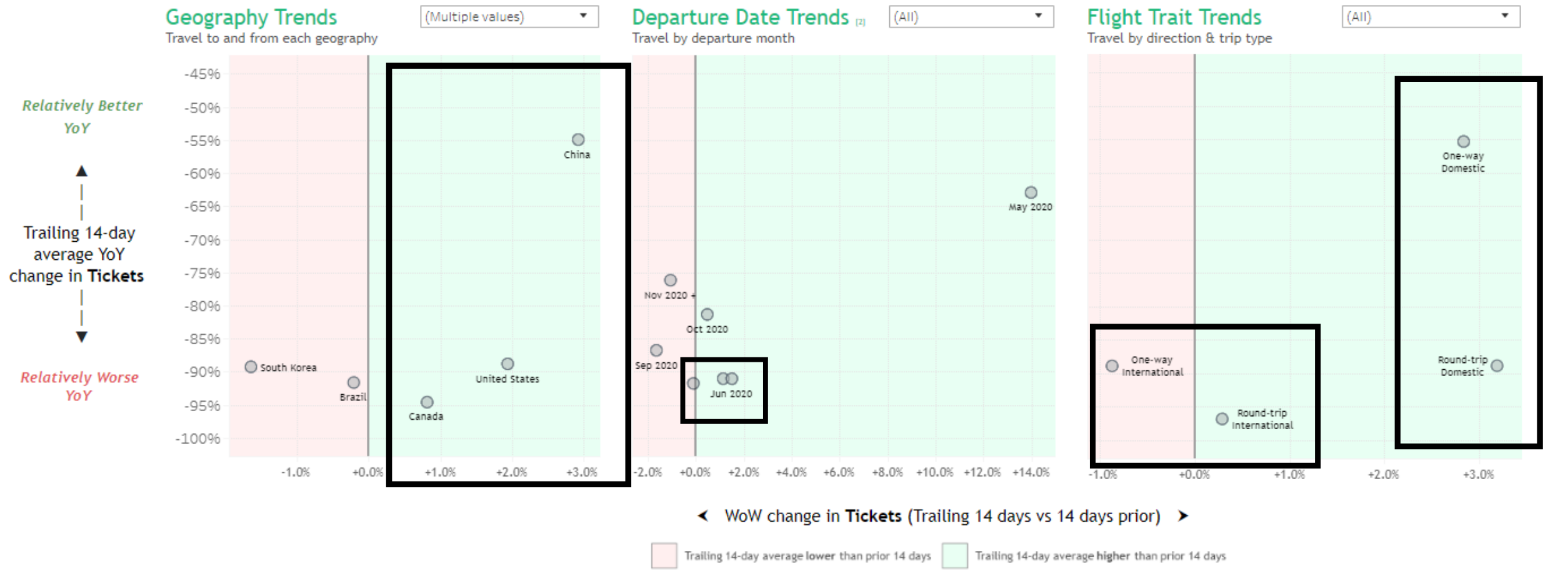
BCG × ARC × 3VICTORS TRAVEL BI

Recovery Trends

Use the scatter charts to compare YoY and WoW performance for routes.
Select particular geographies, departure months, trip types, and direction to identify subsets where demand may be returning.

 Reset all filters

Selected metric [1]
Tickets ▼



[1] Searched and ticketed nights shown for round-trip trips only. [2] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. [Notes] Searches and ticketed travel shown for all domestic and international inbound and international outbound travel. For example, a ticket from the US to Italy would be reflected in both the US and Italy lines. 'Same-day-last-year' calculated as 364 days prior, to control for DoW. Origin-Destination pairs exclude connections; e.g., the connecting itinerary JFK-FRA-DXB is tracked as JFK-DXB.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).

Dashboard last updated: 6/3/2020

Note: For searches and searched nights, our indirect GDS data —while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

? Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries



COVID's Impact on Domestic and International Travel

Comparing the impact on domestic vs. international Tickets vs. same day comparison last year for selected geography

Trip type ^[1] (All)
 Departure month ^[2] (All)
 Selected metric ^[1] Tickets

Selected geography (All)

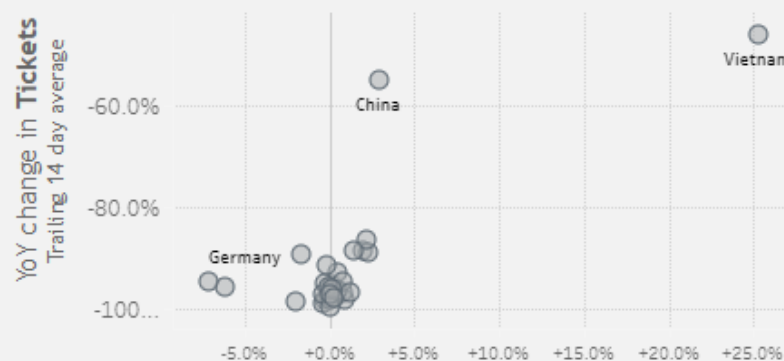


Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

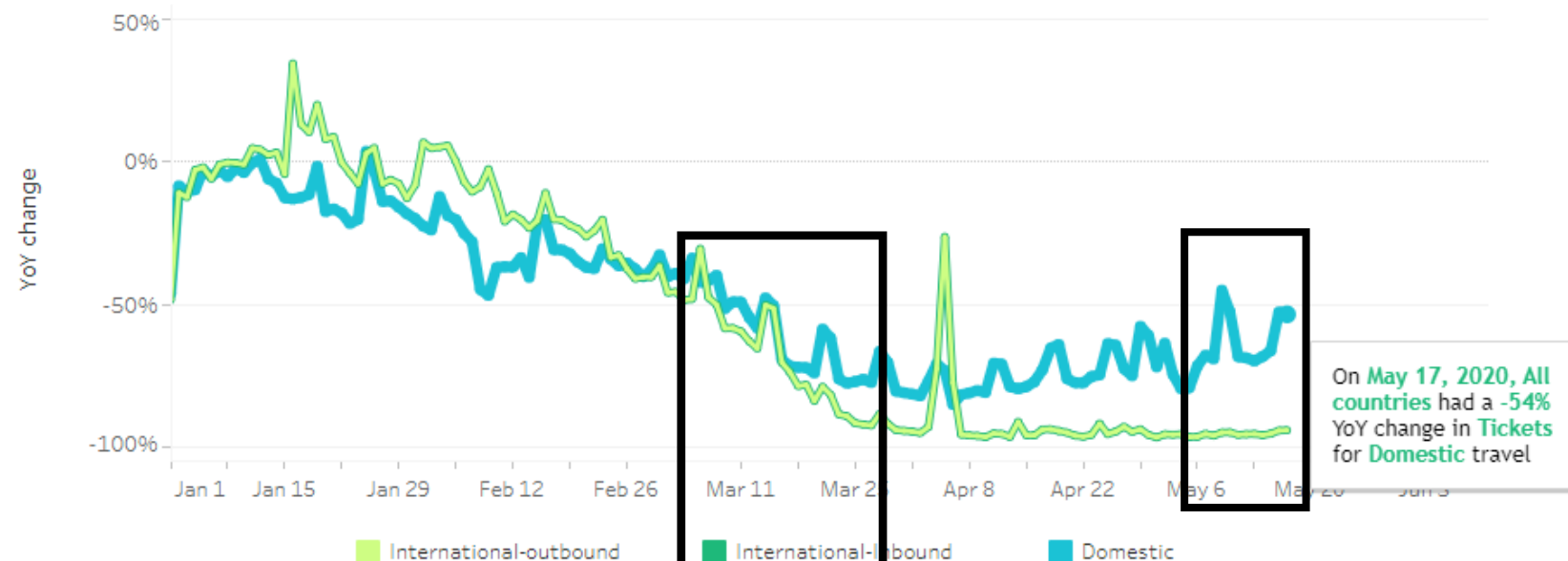


Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries

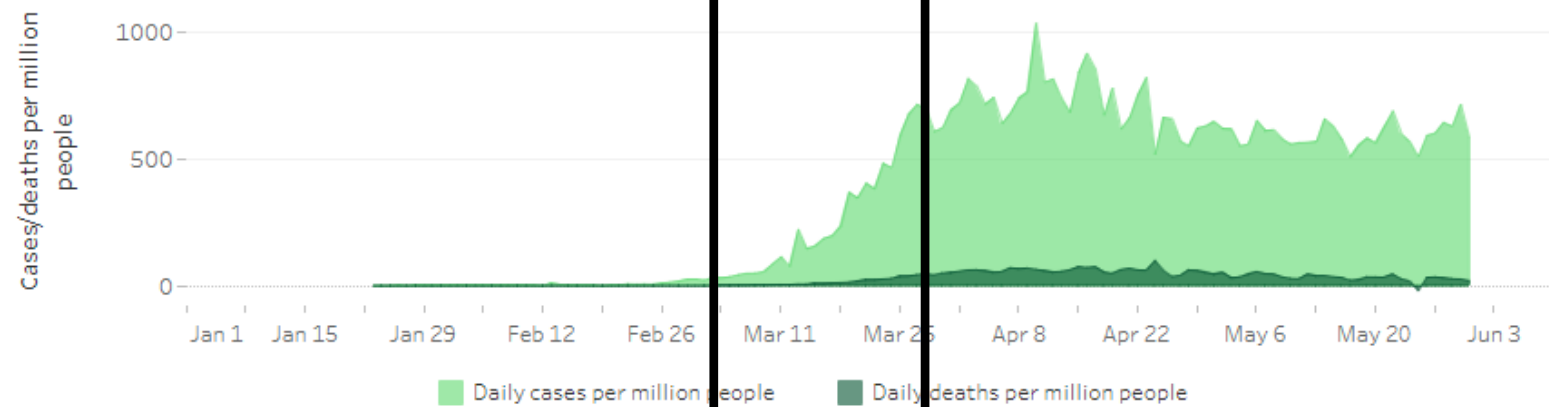
WoW and YoY trend in Tickets by country



YoY Domestic/International Trends in Tickets for All countries ^[2]





Daily Confirmed COVID Cases and Deaths for All countries






[1] Searched and ticketed nights shown for round-trip trips only. [2] Searches and ticketed travel shown for all domestic, international inbound, and international outbound travel. For example, a ticket from the US to Italy would be reflected in both the US and Italy lines. [3] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. [Note] International travel defined as travel between countries. For example, inter-regional UK flights to France are classified as international travel.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).

Dashboard last updated: 6/3/2020

COVID's Impact on Domestic and International Travel

Comparing the impact on domestic vs. international Tickets vs. same day comparison last year for selected geography

Trip type ⁽¹⁾

Round-trip

Departure month ⁽²⁾

(Multiple values)

- ☐ (All)
- ☐ Jan 2020
- ☐ Feb 2020
- ☐ Mar 2020
- ☐ Apr 2020
- ☒ May 2020
- ☒ Jun 2020
- ☐ Jul 2020
- ☐ Aug 2020
- ☐ Nov 2020 +
- ☐ Oct 2020
- ☐ Sep 2020

Cancel Apply

Selected metric ⁽¹⁾

Tickets

Selected geography

United States

[Reset all filters](#)

Note: For searches and search the market overall—may not Brazil domestic)

[Questions? Please contact BCG at TravelRecovery1](#)

data—while reflective of market segments (e.g.,

contact BCG at inquiries

country

WoW and YoY

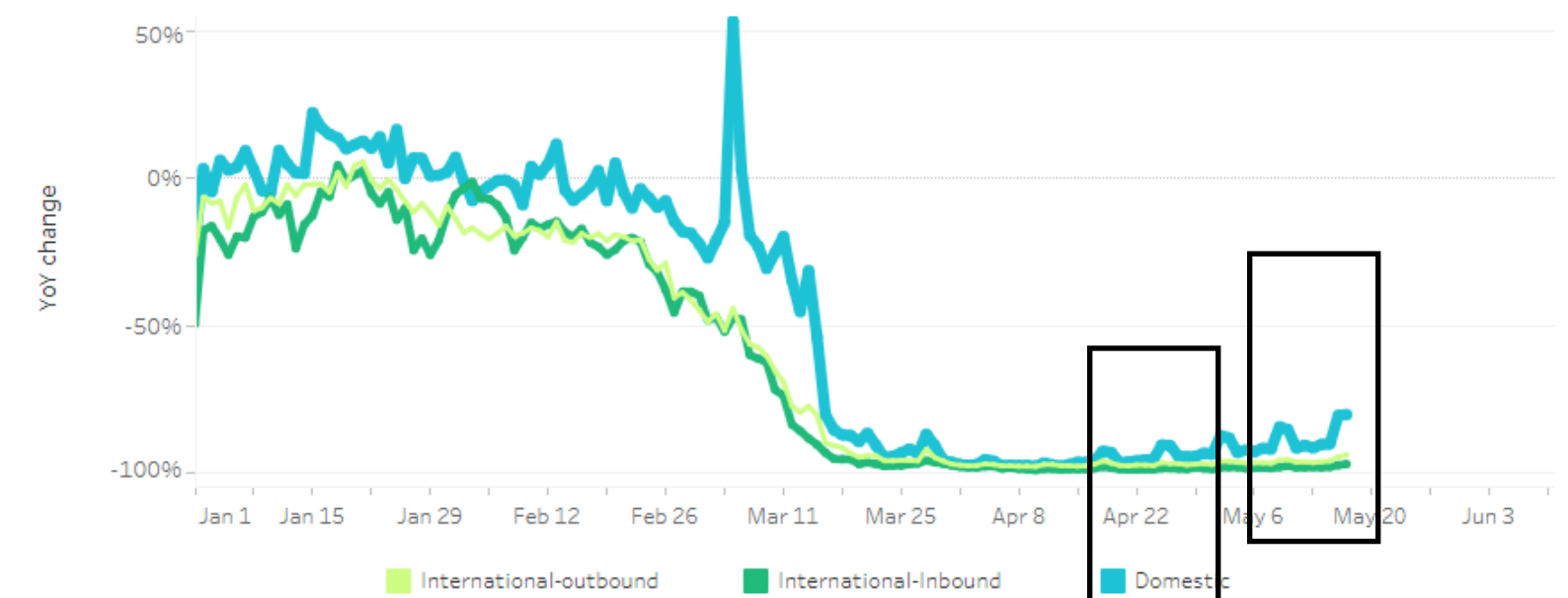
YoY change in Tickets Trailing 14 day average

-93.6%

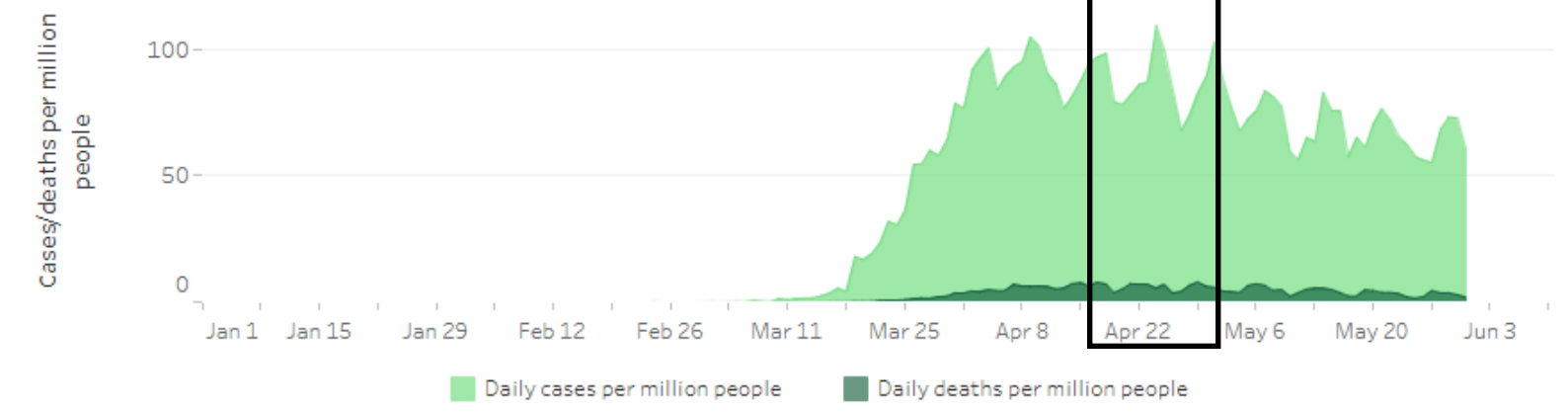
United States

WoW change in Tickets (Trailing 14-day avg [5/4/2020-5/17/2020] vs 14 days prior)

YoY Domestic/International Trends in Tickets for United States ⁽²⁾



Daily Confirmed COVID Cases and Deaths for United States



[1] Searched and ticketed nights shown for round-trip trips only. [2] Searches and ticketed travel shown for all domestic, international inbound, and international outbound travel. For example, a ticket from the US to Italy would be reflected in both the US and Italy lines. [3] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. [Note] International travel defined as travel between countries. For example, inter-regional UK flights to France are classified as international travel.



BCG × ARC × 3VICTORS TRAVEL

COVID's Impact on Domestic and International Travel

Comparing the impact on domestic vs. international Tickets vs. same day comparison last year for selected geography

Trip type (1)

Round-trip

Departure month (2)

(Multiple values)

Selected metric (1)

Tickets

Selected geography

United States

Reset all filters

Note: For searches and search data—while reflective of market segments (e.g., Brazil domestic)

Questions? Please contact BCG at TravelRecovery@bcg.com

WoW and YoY

Trailing 14 day average

country

United States

YoY change in Tickets

Trailing 14 day average

-78.1%

+0.0%

+0.1%

+0.2%

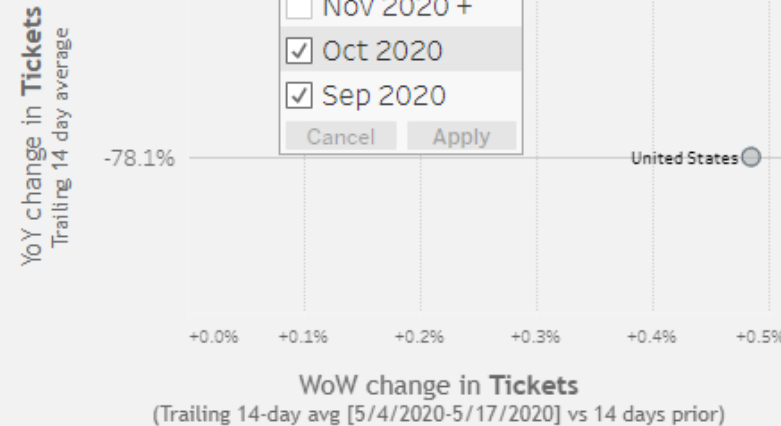
+0.3%

+0.4%

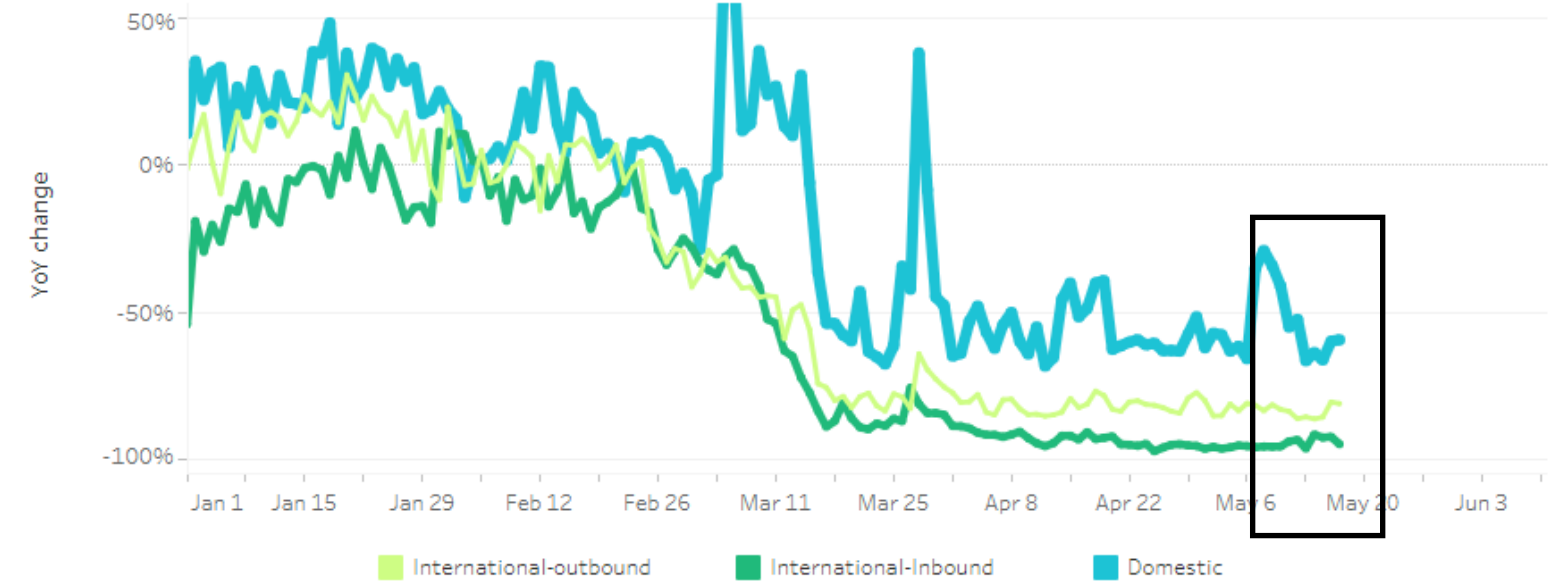
+0.5%

Cancel

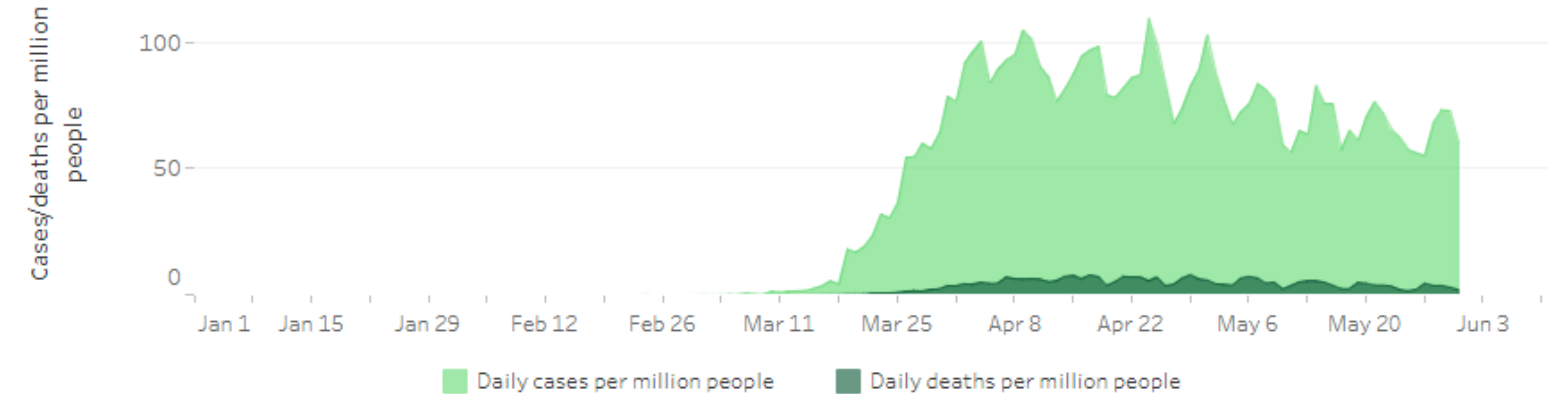
Apply



YoY Domestic/International Trends in Tickets for United States [2]



Daily Confirmed COVID Cases and Deaths for United States



[1] Searched and ticketed nights shown for round-trip trips only. [2] Searches and ticketed travel shown for all domestic, international inbound, and international outbound travel. For example, a ticket from the US to Italy would be reflected in both the US and Italy lines. [3] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. [Note] International travel defined as travel between countries. For example, inter-regional UK flights to France are classified as international travel.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).
Dashboard last updated: 6/3/2020



COVID's Impact on Domestic and International Travel

Comparing the impact on domestic vs. international Tickets vs. same day comparison last year for selected geography

Trip type ⁽¹⁾ Round-trip
 Departure month ⁽²⁾ Nov 2020 +
 Selected metric ⁽¹⁾ Tickets

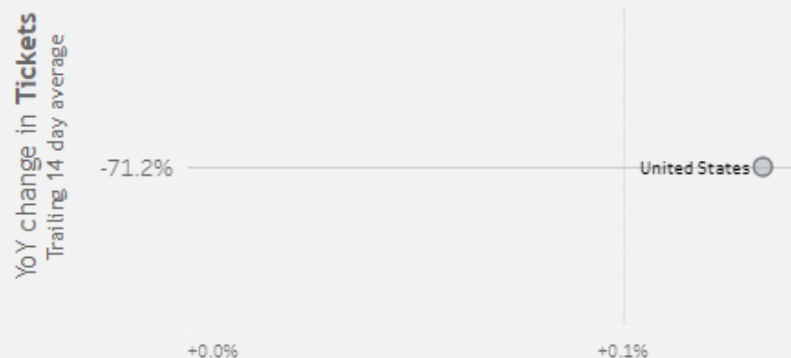
Selected geography United States



Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

? Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries

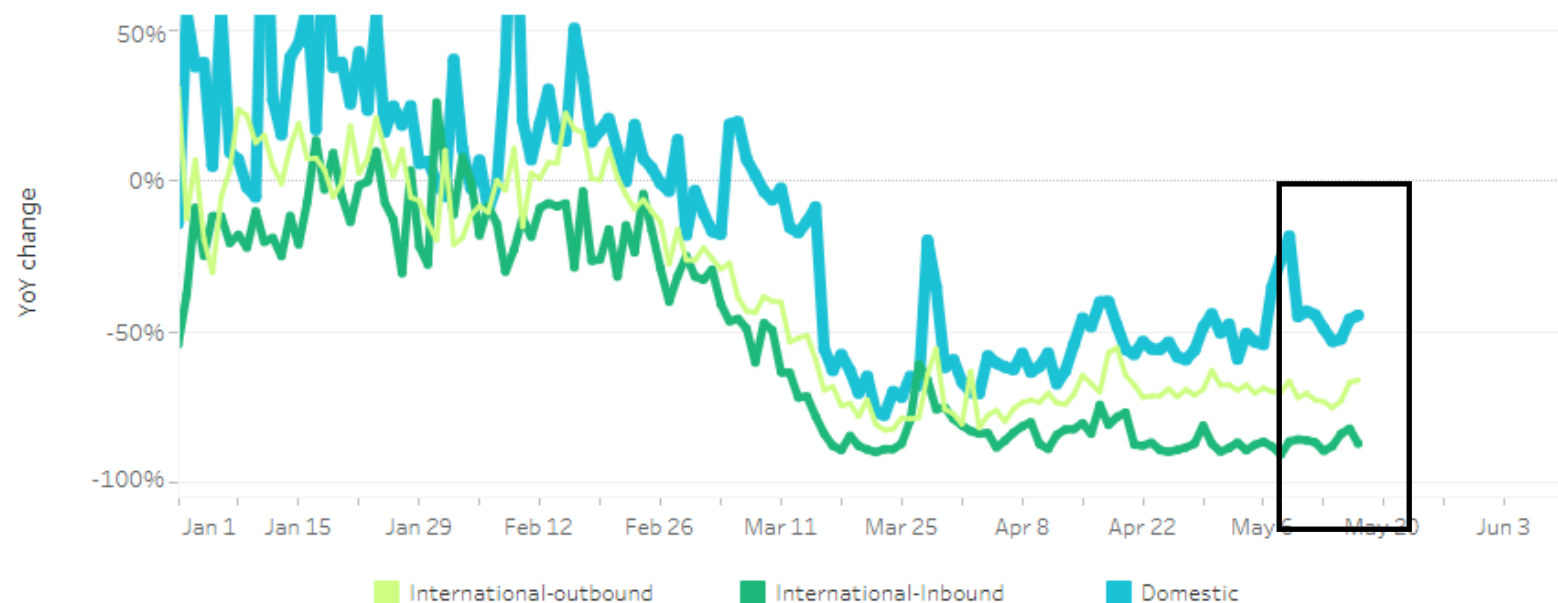
WoW and YoY trend in Tickets by country



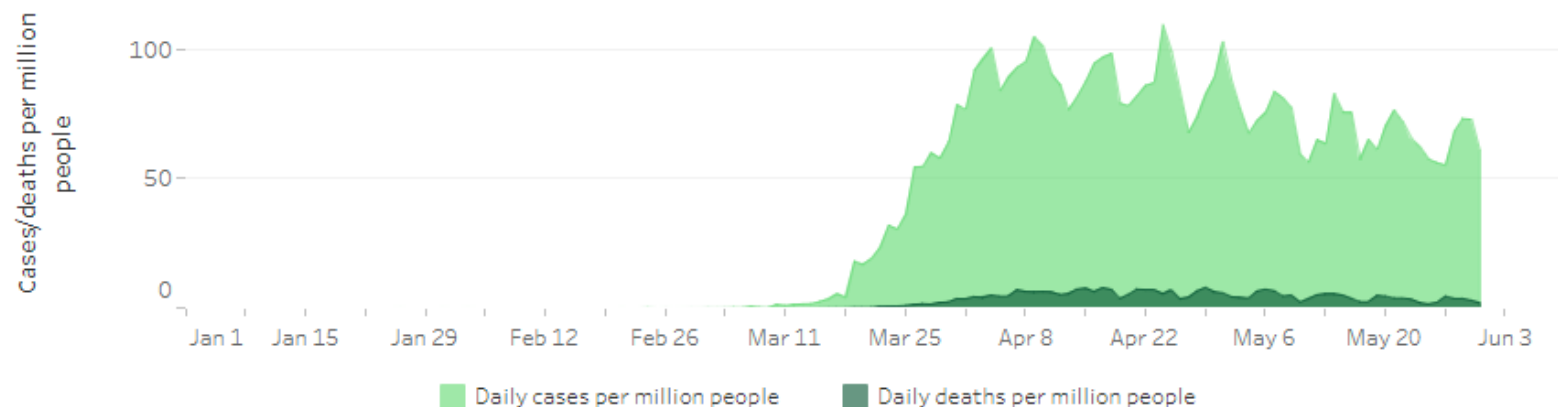
WoW change in Tickets

(Trailing 14-day avg [5/4/2020-5/17/2020] vs 14 days prior)

YoY Domestic/International Trends in Tickets for United States ⁽²⁾



Daily Confirmed COVID Cases and Deaths for United States



[1] Searched and ticketed nights shown for round-trip trips only. [2] Searches and ticketed travel shown for all domestic, international inbound, and international outbound travel. For example, a ticket from the US to Italy would be reflected in both the US and Italy lines. [3] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. [Note] International travel defined as travel between countries. For example, inter-regional UK flights to France are classified as international travel.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).

Dashboard last updated: 6/3/2020



BCG × ARC × 3VICTORS TRAVEL AI

COVID's Impact on Domestic and International Travel

Comparing the impact on domestic vs. international Ticketed nights vs. same day comparison last year for selected geography

Trip type ^[1] Round-trip
 Departure month ^[2] Nov 2020 +
 Selected metric ^[1] Ticketed nights

Selected geography United States

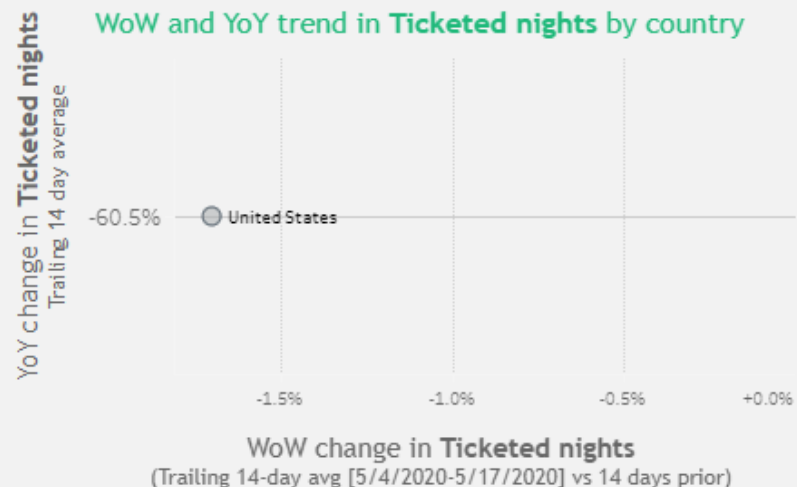


Reset all filters

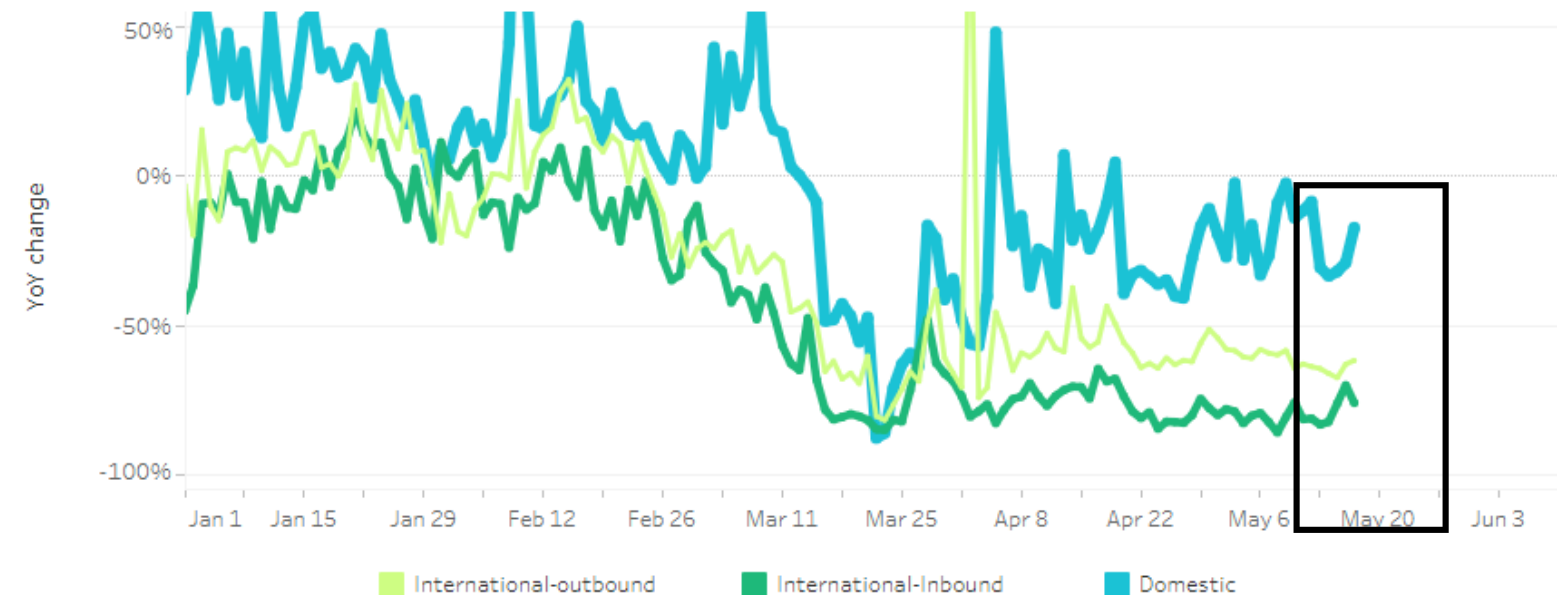
Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)



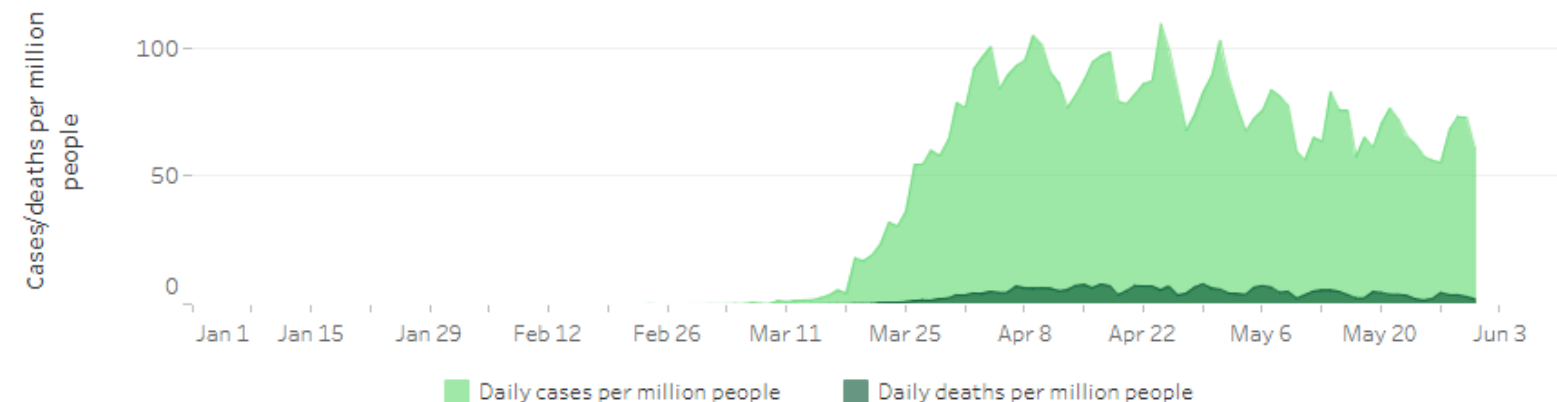
Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries



YoY Domestic/International Trends in Ticketed nights for United States ^[2]



Daily Confirmed COVID Cases and Deaths for United States



[1] Searched and ticketed nights shown for round-trip trips only. [2] Searches and ticketed travel shown for all domestic, international inbound, and international outbound travel. For example, a ticket from the US to Italy would be reflected in both the US and Italy lines. [3] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. [Note] International travel defined as travel between countries. For example, inter-regional UK flights to France are classified as international travel.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).

Dashboard last updated: 6/3/2020



Trends by Departure Month

Exploring builds by departure month across geographies

Selected metric (1)

Trip type

Trip direction

Tickets

(All)

(All)

Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)



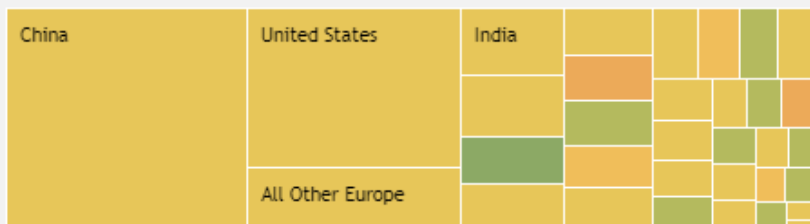
Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries



Reset all filters

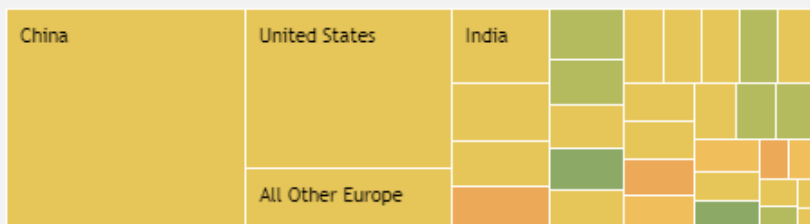
Origin:

(All)



Destination:

(All)

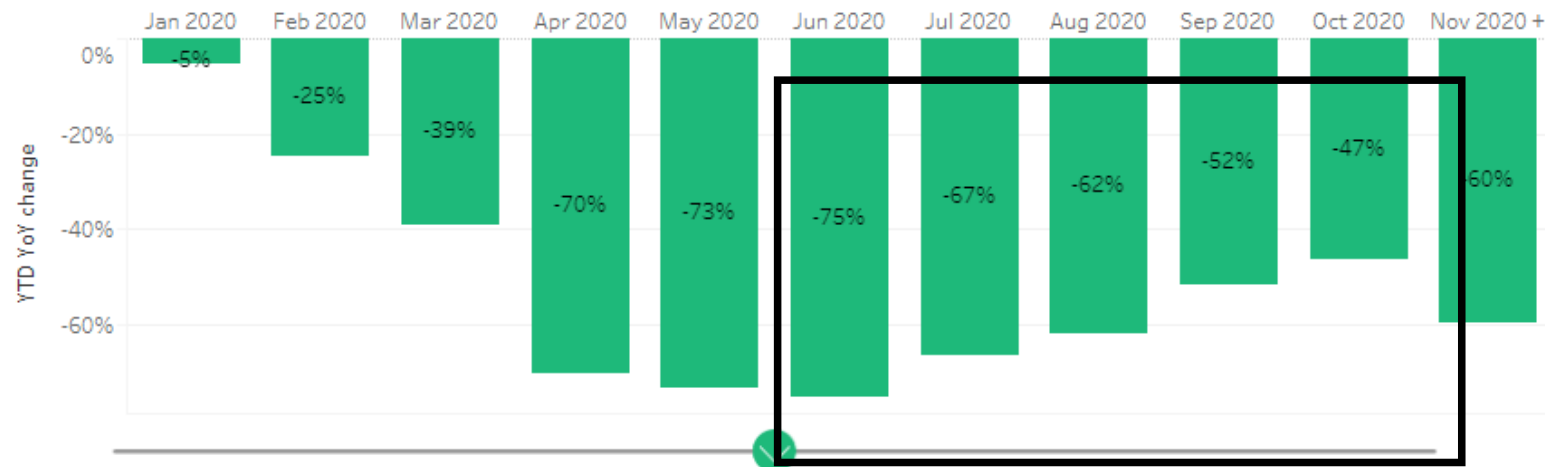


2020 YoY Tickets

Size = YTD 2019 Tickets

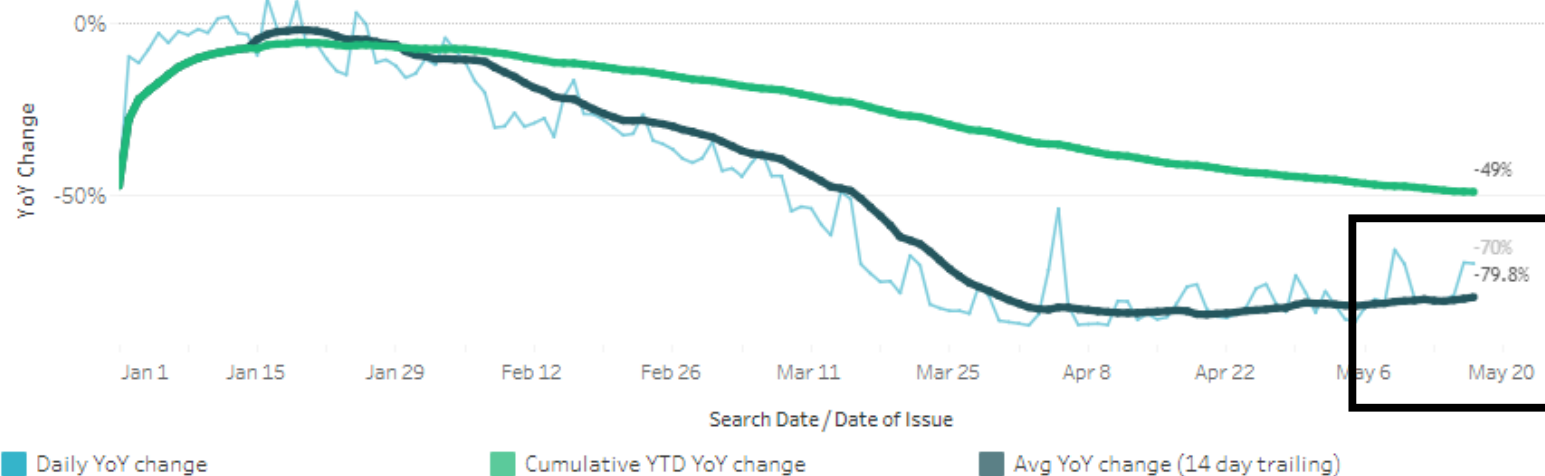
-100% 0%

2020 YoY Change in Tickets YTD by Departure Month for Travel from All countries to All countries



View below: Trend in YoY Tickets for flights departing in the selected departure month(s) above



Cumulative Buildup of YoY Change in Tickets



[1] Searched and ticketed nights shown for roundtrip trips only. [Notes] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. YTD data is updated per data sources below.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).

Dashboard last updated: 6/3/2020



BCG × ARC × 3VICTORS TRAVEL BI

Trends by Departure Month

Exploring builds by departure month across geographies

Selected metric (1)

Trip type

Trip direction

Tickets


(All)

Domestic

Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

?

Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries



Reset all filters

Origin:

(All)

China

United States

India

Destination:

(All)

China

United States

India

2020 YoY Tickets

Size = YTD 2019 Tickets

-100%

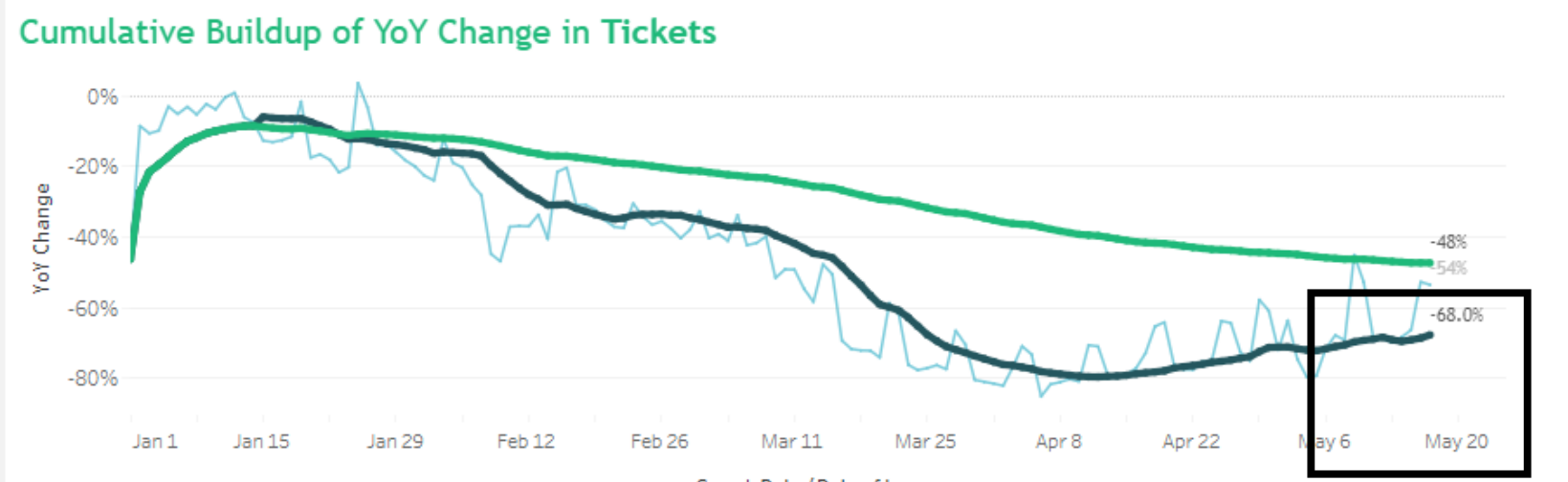
0%

2020 YoY Change in Tickets YTD by Departure Month for Travel from All countries to All countries

Month	YoY Change
Jan 2020	-7%
Feb 2020	-35%
Mar 2020	-42%
Apr 2020	-67%
May 2020	-67%
Jun 2020	-77%
Jul 2020	-67%
Aug 2020	-61%
Sep 2020	-48%
Oct 2020	-45%
Nov 2020 +	-49%

View below: Trend in YoY Tickets for flights departing in the selected departure month(s) above

Cumulative Buildup of YoY Change in Tickets



Legend:
■ Daily YoY change
■ Cumulative YTD YoY change
■ Avg YoY change (14 day trailing)

[1] Searched and ticketed nights shown for roundtrip trips only. [Notes] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. YTD data is updated per data sources below.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).
Dashboard last updated: 6/3/2020



BCG × ARC × 3VICTORS TRAVEL

Trends by Departure Month

Exploring builds by departure month across geographies

Selected metric: Tickets Trip type: Round-trip Trip direction: Domestic

Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

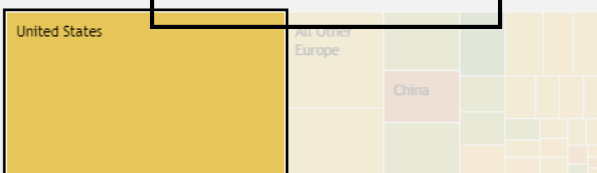


Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries



Reset all filters

Origin: United States



Destination: (All)

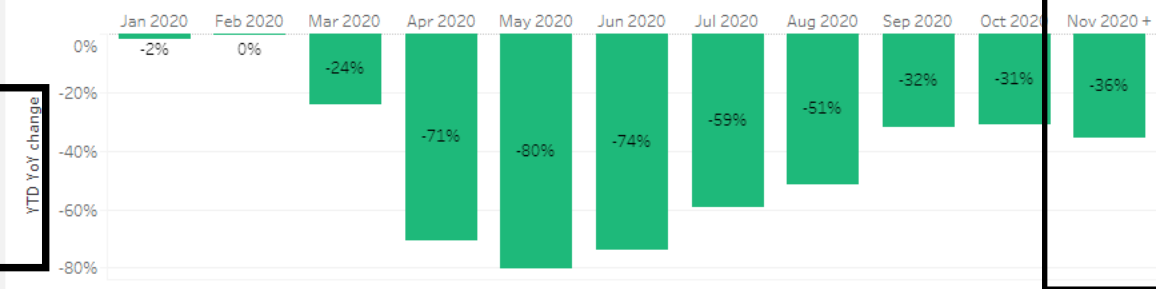


2020 YoY Tickets

Size = YTD 2019 Tickets

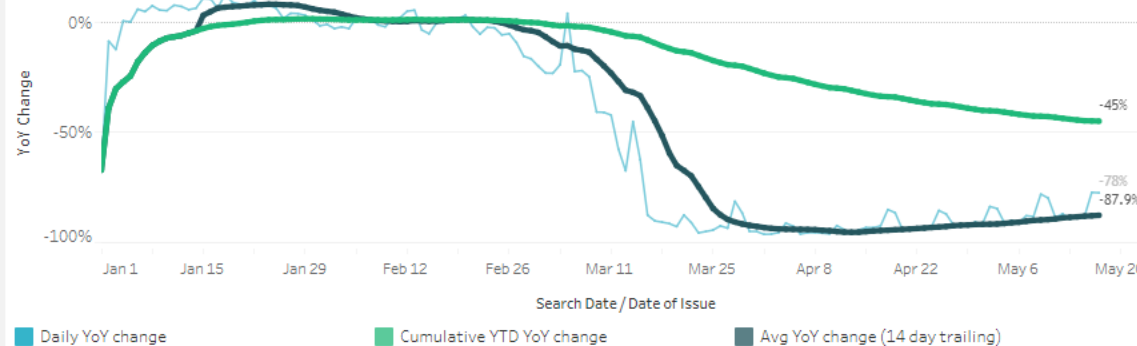


2020 YoY Change in Tickets YTD by Departure Month for Travel from United States to United States



View below: Trend in YoY Tickets for flights departing in the selected departure month(s) above

Cumulative Buildup of YoY Change in Tickets



[1] Searched and ticketed nights shown for roundtrip trips only. [Notes] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. YTD data is updated per data sources below.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).
Dashboard last updated: 6/3/2020



BCG × ARC × 3VICTORS TRAVEL

Trends by Departure Month

Exploring builds by departure month across geographies

Selected metric: Tickets Trip type: Round-trip Trip direction: International

Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

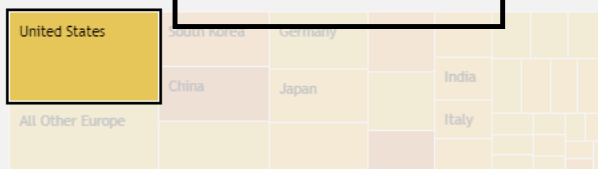


Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries



Reset all filters

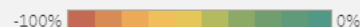
Origin: United States



Destination: (All)

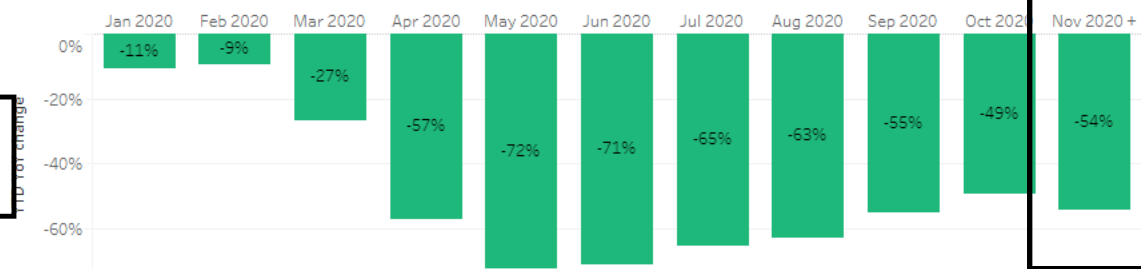


2020 YoY Tickets



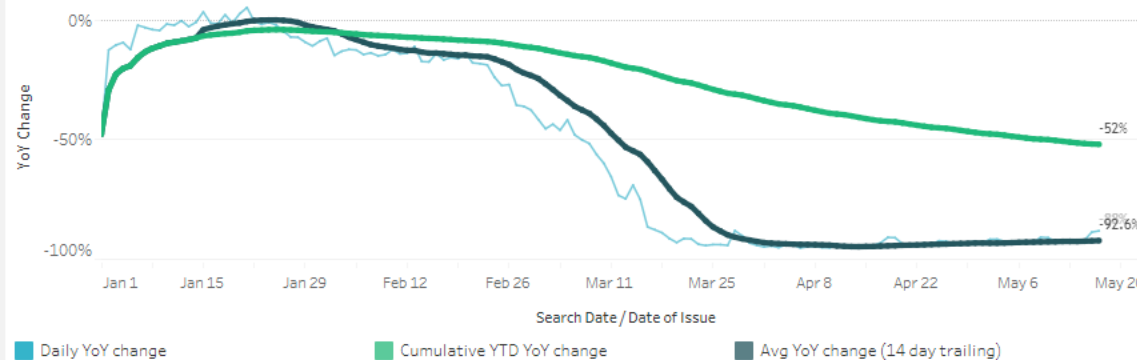
Size = YTD 2019 Tickets

2020 YoY Change in Tickets YTD by Departure Month for Travel from United States to Multiple countries



View below: Trend in YoY Tickets for flights departing in the selected departure month(s) above

Cumulative Buildup of YoY Change in Tickets



[1] Searched and ticketed nights shown for roundtrip trips only. [Notes] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. YTD data is updated per data sources below.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).
Dashboard last updated: 6/3/2020



BCG × ARC × 3VICTORS TRAVEL BI

Trends by Departure Month

Exploring builds by departure month across geographies

Selected metric ^[1]

Trip type

Trip direction

Tickets

Round-trip

International

Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

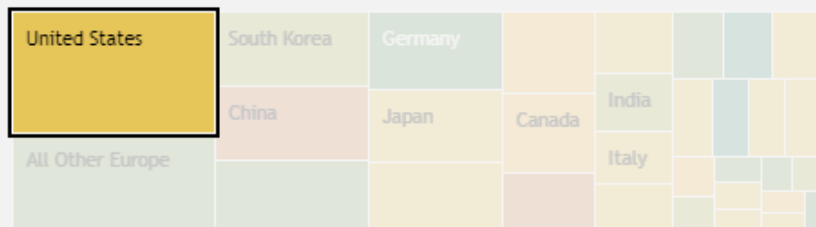


Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries

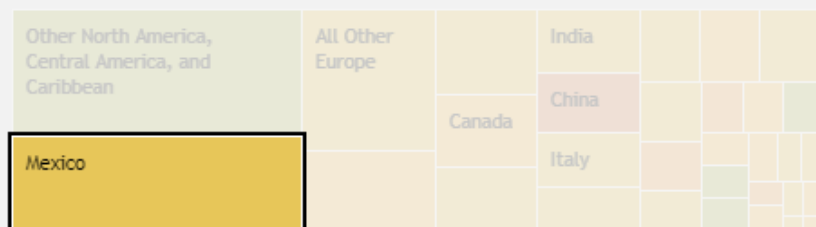


Reset all filters

Origin: United States



Destination: Mexico

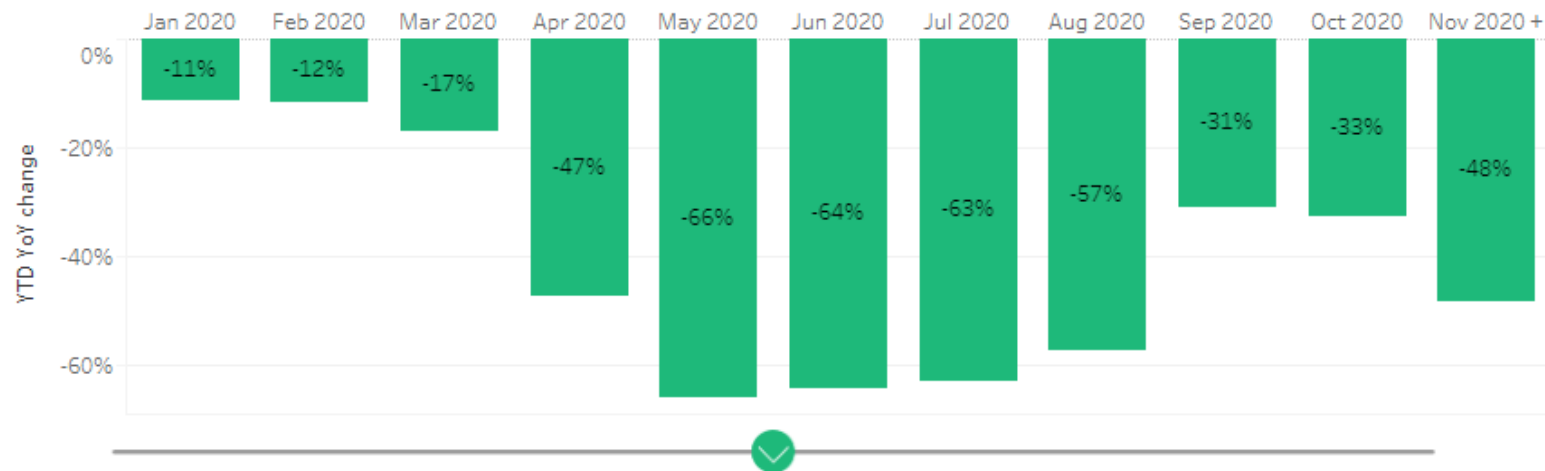


2020 YoY Tickets

Size = YTD 2019 Tickets

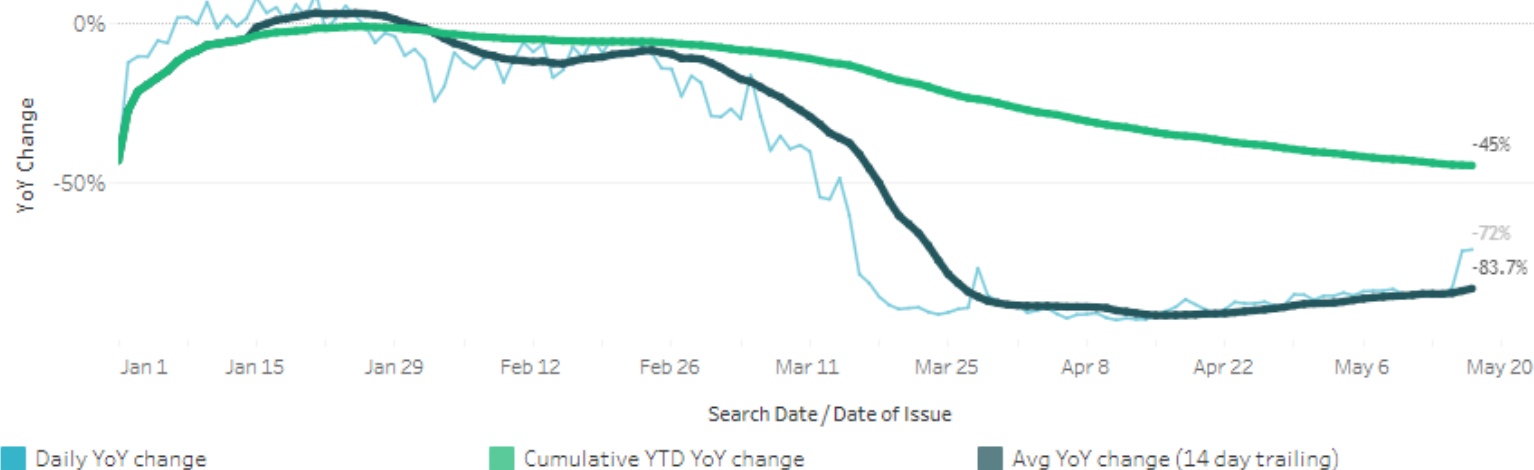
-100% 0%

2020 YoY Change in Tickets YTD by Departure Month for Travel from United States to Mexico



View below: Trend in YoY Tickets for flights departing in the selected departure month(s) above

Cumulative Buildup of YoY Change in Tickets



[1] Searched and ticketed nights shown for roundtrip trips only. [Notes] Sept+ includes all travel departing after Sept 1, 2020, up to 330 days after the last search/issue date. YTD data is updated per data sources below.

Sources: ARC ticketing data (5/17/2020); 3Victors search data (6/1/2020); Johns Hopkins COVID data (5/31/2020).

Dashboard last updated: 6/3/2020

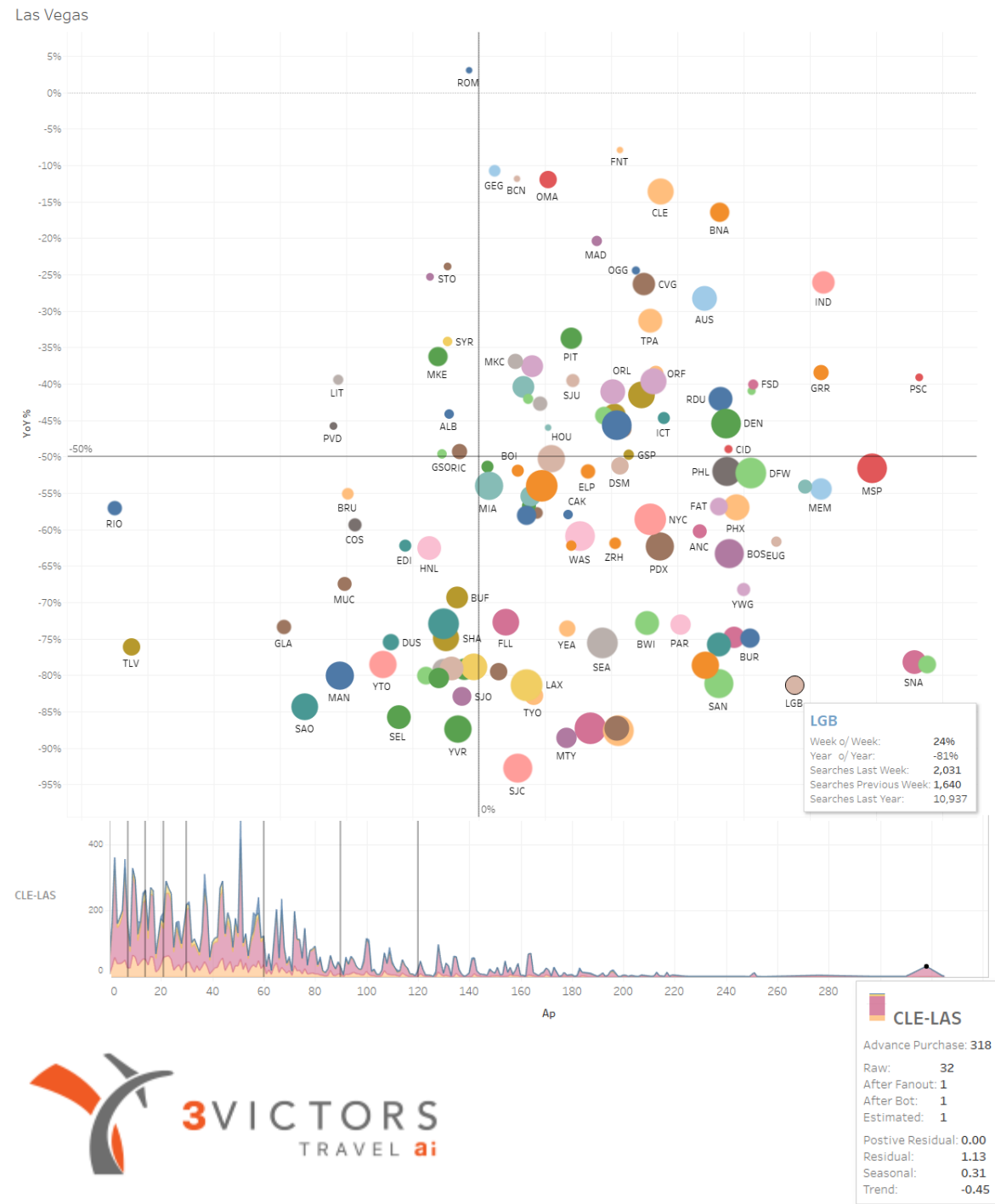
Key Takeaways

- Travel demand is starting to show steady improvement.
- Small steps at this point, but continued more positive as the year progresses (looking at advance purchase).
- Also seeing this pattern for multiple weeks in a row. We're clearly off the "bottom."
- Domestic travel is leading international travel recovery across all markets, and international is still widely varied (e.g., US-CN vs. US-MX).
- Ticketed **nights** (as opposed to tickets) are showing a larger uptick, indicating longer length of stay. This signals that leisure travel is leading business travel recovery.

Search Trends

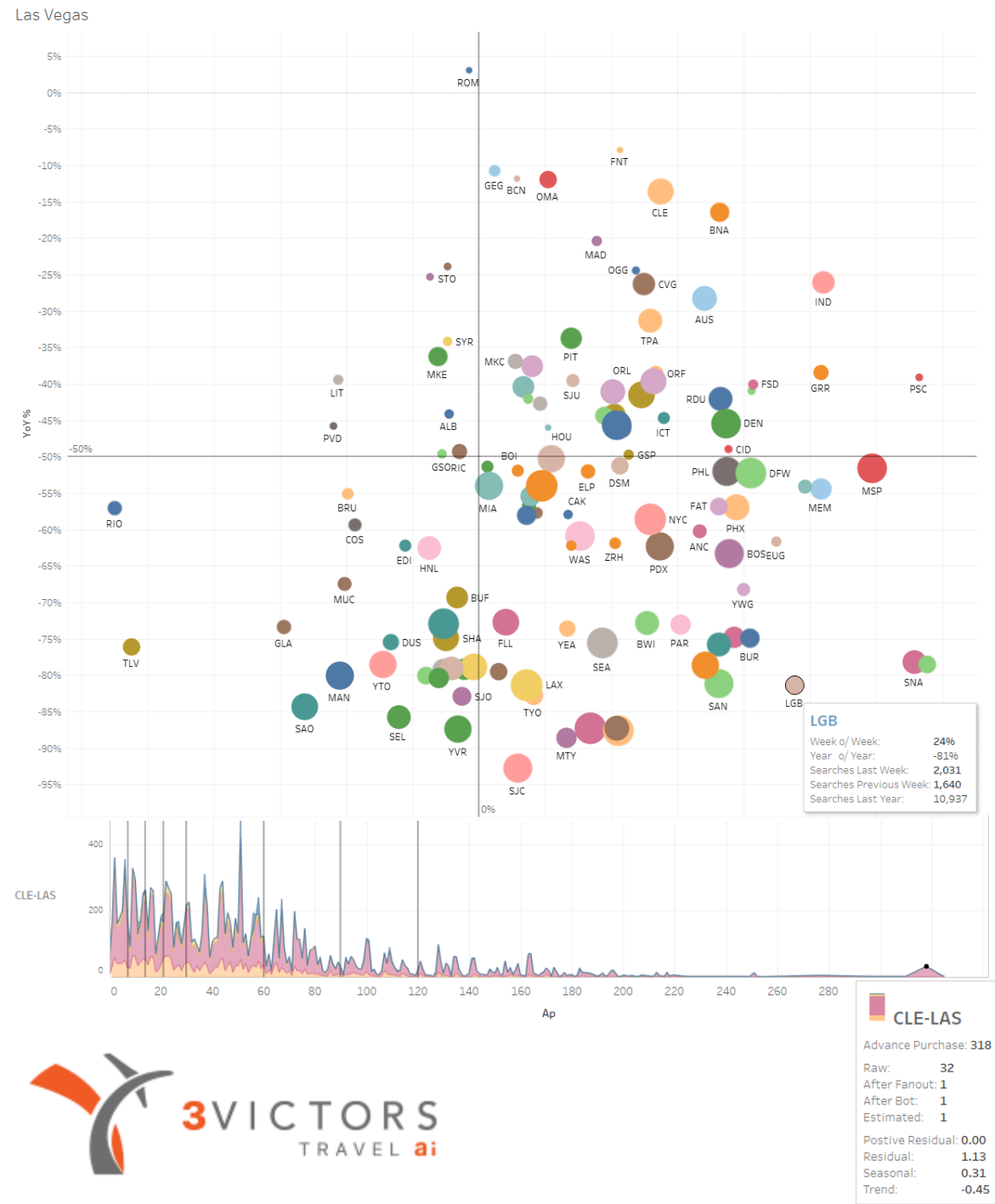


- True User Search Intent
 - Pre-Covid 1+B worldwide daily searches
 - De-dup, normalize, 1-Jan-2018+ history
 - 66+% nonhuman automation
- Next analytical leaps
 - Search / Ticket ratio ($1 + 1 = 4$)
 - Segmentation (Business / Leisure)
 - Split Ticket

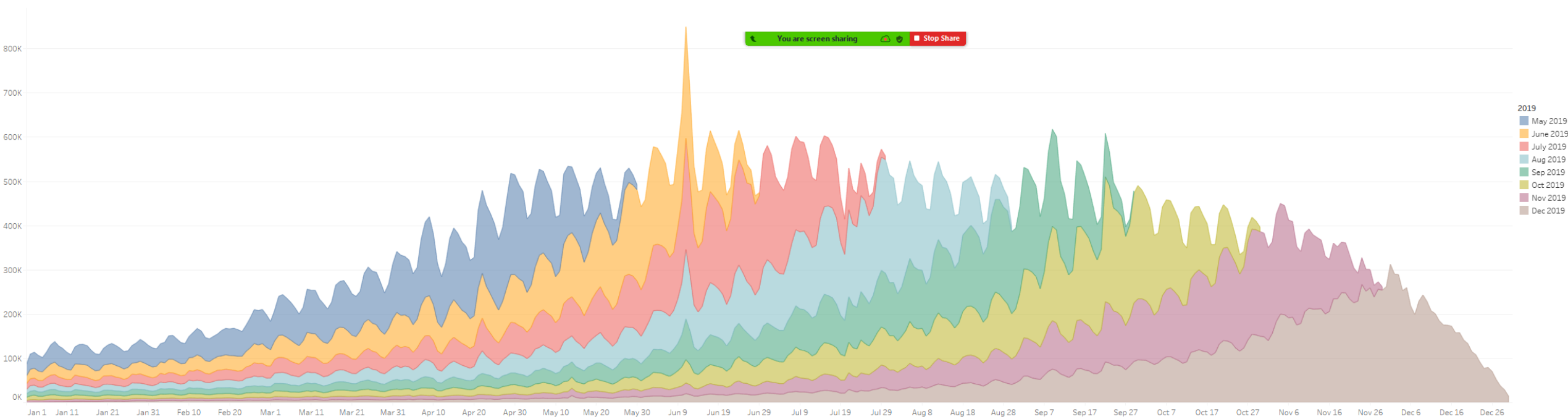


Travel Recovery Trends to Watch

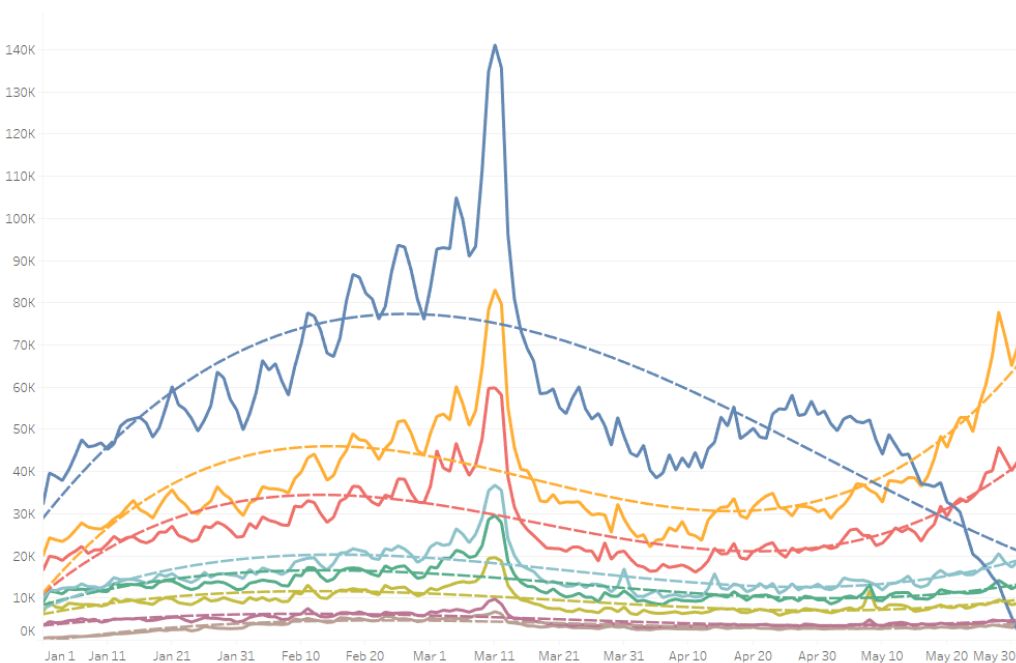
- Las Vegas (Search)
 - Large international city challenge
 - SEL, YVR, YTO, LON, MEX, GDL
 - Open(ing) domestic cities perking up
 - CLE, BNA, ATL, DTW, DEN
 - Shelter in place cities lagging
 - LAX, SFO, SJC, SAN, MEX



Las Vegas 2019



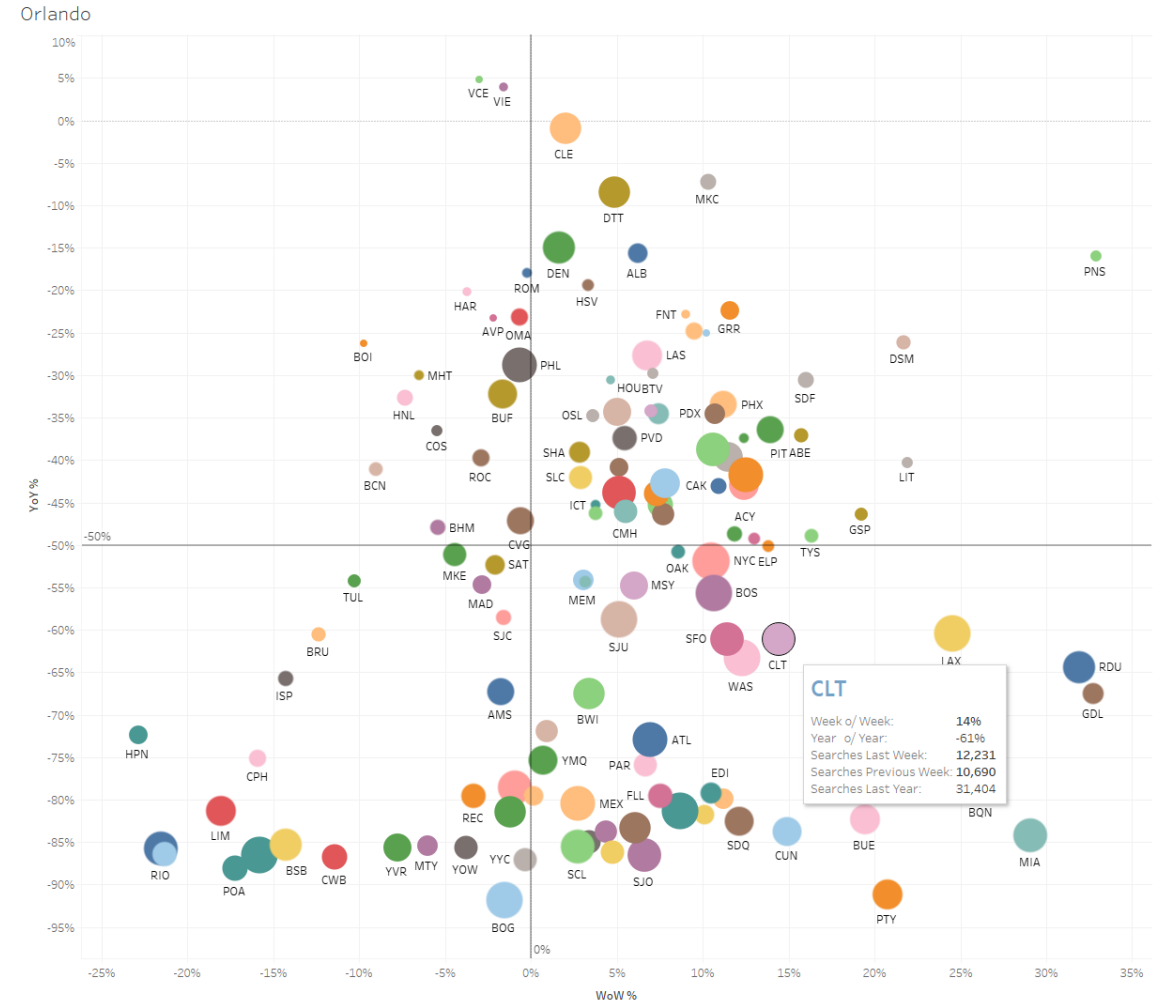
Las Vegas 2020



- Las Vegas
 - 2019
 - Typical non-seasonal depart months
 - 2020
 - 1 in 3 are shopping
 - Travel ban shopping freak-out
 - Day of Week pattern change
 - Late shopping for outer months
- Next Steps
 - L2B and \$

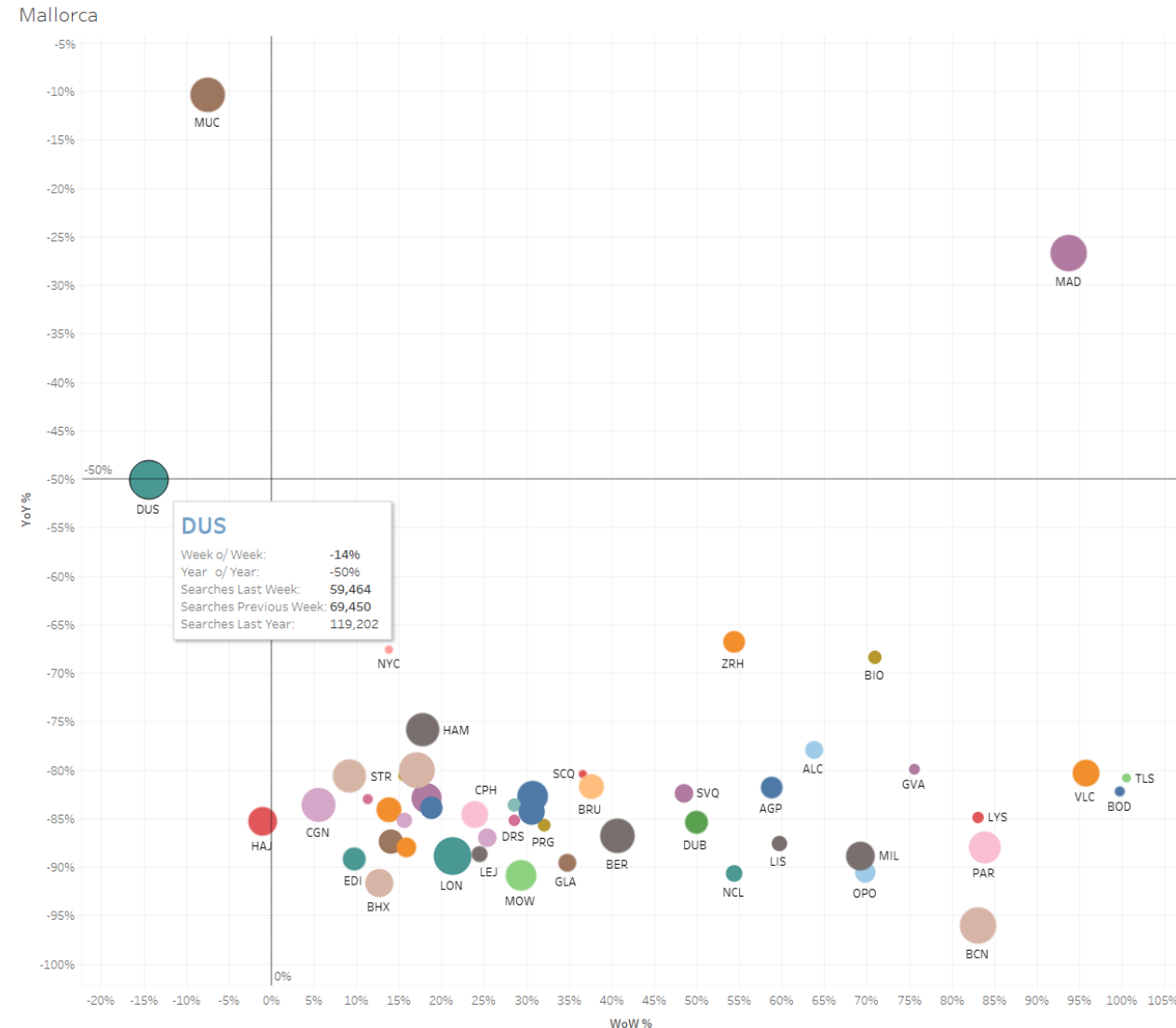
Travel Recovery Trends to Watch

- Orlando (Search)
 - South America hovering at a bottom
 - RIO, SAO, BSB, BOG
 - Canada lagging
 - YMQ, YOW, YYC, YVR
 - Open(ing) domestic cities perking up
 - CLE, DTT, MCI, DEN, DFW, ALB, BUF
 - Shelter in place cities lagging
 - LAX, SFO, SJC, SAN, MEX



Travel Recovery Trends to Watch

- Mallorca (Search)
 - Recently opened
 - Short-term demand jump
 - Last year comp challenge
 - Handful of large city long-term breakouts
 - MUC, MAD, DUS
 - Domestic short-term leading uptick
 - MAD, BCN, VLC



TRAVEL RECOVERY INSIGHTS PORTAL



on.bcg.com/TravelRecovery

Join the Conversation

Follow us at [#TravelConnect2020](#)

Visit us at: <https://arctravelconnect.com/2020/>

Disclaimer

The services and materials provided by Boston Consulting Group (BCG) are subject to BCG's Standard Terms (a copy of which is available upon request) or such other agreement as may have been previously executed by BCG. BCG does not provide legal, accounting, or tax advice. The Client is responsible for obtaining independent advice concerning these matters. This advice may affect the guidance given by BCG. Further, BCG has made no undertaking to update these materials after the date hereof, notwithstanding that such information may become outdated or inaccurate.

The materials contained in this presentation are designed for the sole use by the board of directors or senior management of the Client and solely for the limited purposes described in the presentation. The materials shall not be copied or given to any person or entity other than the Client ("Third Party") without the prior written consent of BCG. These materials serve only as the focus for discussion; they are incomplete without the accompanying oral commentary and may not be relied on as a stand-alone document. Further, Third Parties may not, and it is unreasonable for any Third Party to, rely on these materials for any purpose whatsoever. To the fullest extent permitted by law (and except to the extent otherwise agreed in a signed writing by BCG), BCG shall have no liability whatsoever to any Third Party, and any Third Party hereby waives any rights and claims it may have at any time against BCG with regard to the services, this presentation, or other materials, including the accuracy or completeness thereof. Receipt and review of this document shall be deemed agreement with and consideration for the foregoing.

BCG does not provide fairness opinions or valuations of market transactions, and these materials should not be relied on or construed as such. Further, the financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard valuation methodologies, are not definitive forecasts, and are not guaranteed by BCG. BCG has used public and/or confidential data and assumptions provided to BCG by the Client. BCG has not independently verified the data and assumptions used in these analyses. Changes in the underlying data or operating assumptions will clearly impact the analyses and conclusions.