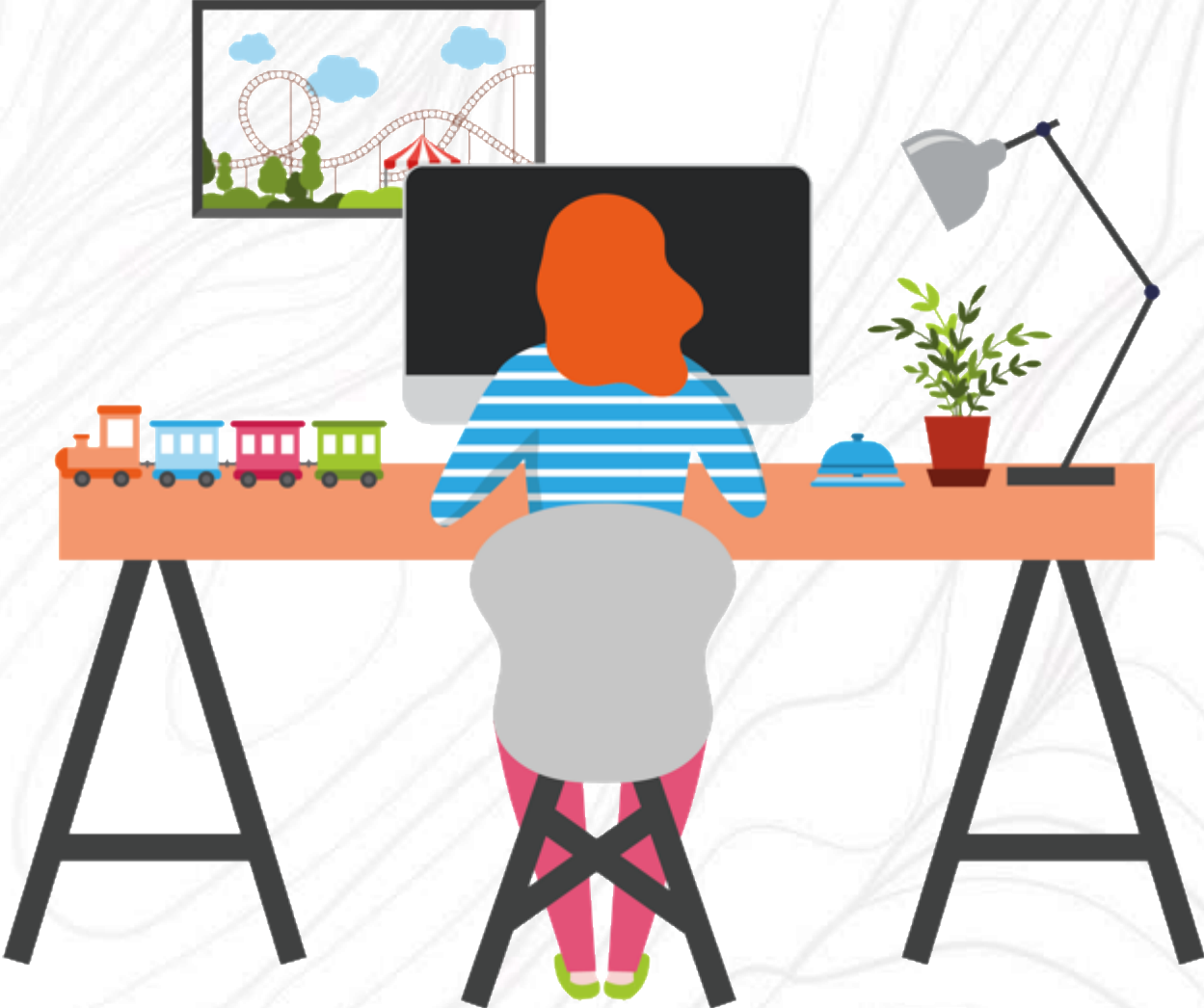


US Tracking Consumer Sentiment on the Impact of Covid-19

Consumer mood and travel & leisure activities

Bi-monthly Update – June 2020



Executive Summary

Consumer mood and confidence in government holds steady

Overall consumer mood has held steady since mid-April while confidence in federal and local government continued its gradual decline. As Americans enter the early summer weeks nearly half believe that the worse is still to come with half of consumers saying that their finances have been hit hard or are cautious about their personal financial position. Only a quarter of Americans now believe that life will return to normal by summer and nearly half by 2021 or later.

Jump in expected leisure activities bodes well for struggling economy

Two thirds of Americans in early June expect to engage in a leisure activity in the next two weeks, up from half in late May. Although these leisure activities are driven primarily by Millennials and GenXers, a surge in interest among the more cautious Boomers points to broader anticipation of leisure activity among consumers. Finally, the rise in leisure pursuits among those hit hardest by the virus provides some evidence of life in the weakened 2020 summer season.

Healthy jumps in domestic vacation planning and hotel bookings

Early June saw a significant jump in consumer intent to plan a domestic vacation and/or book a hotel in the next month to reach one quarter of Americans. For hotel guests this summer, however, there are clear expectations for hotel brands and property owners. Expectations for sanitizing hand gels and new cleaning policies are at the top of consumer's minds as they venture into public spaces, especially among older consumers.

Consumer interest in traveling by air or internationally is still low

Although up from the lows reported in mid-April, few consumers intend to book a flight or plan an international vacation in the next month. These results point to the limits of an early summer surge in an interest to travel. For example, trended results clearly show that when Americans do travel this summer, they will likely take fewer and shorter trips than normal.

One in four Americans will travel closer to home in 2020

Overall, one quarter of Americans will travel closer to home this year than normal. Among these consumers, more than half will travel less than 250 miles from their home. More trips will be made via a car and far fewer by air in 2020. Finally more Americans will be visiting friends and family this year and are less likely to stay in a hotel.

American travelers in 2020 are looking for value

Far more travelers intend to book a hotel this year via an Online Travel Agent (Expedia, Booking.com) than before Covid-19. Results clearly show that consumer interest in using OTAs to book hotel stays is their value, while also providing access to the best rooms.

Mountain and/or lake destinations are a popular 2020 trip choice

Nearly half of Americans are more likely to take a trip or vacation to a mountain and/or lake destination than normal. Other popular destinations are local area attractions and beach and costal areas. In contrast, Americans are less likely to visit cities and sporting activities.



The mood of the nation



The mood among Americans was unchanged through early June.



June 2, 2020

Average mood

7.1



- 9-10 ratings
- 7-8 ratings
- 5-6 ratings
- 0-4 ratings

Average mood by week



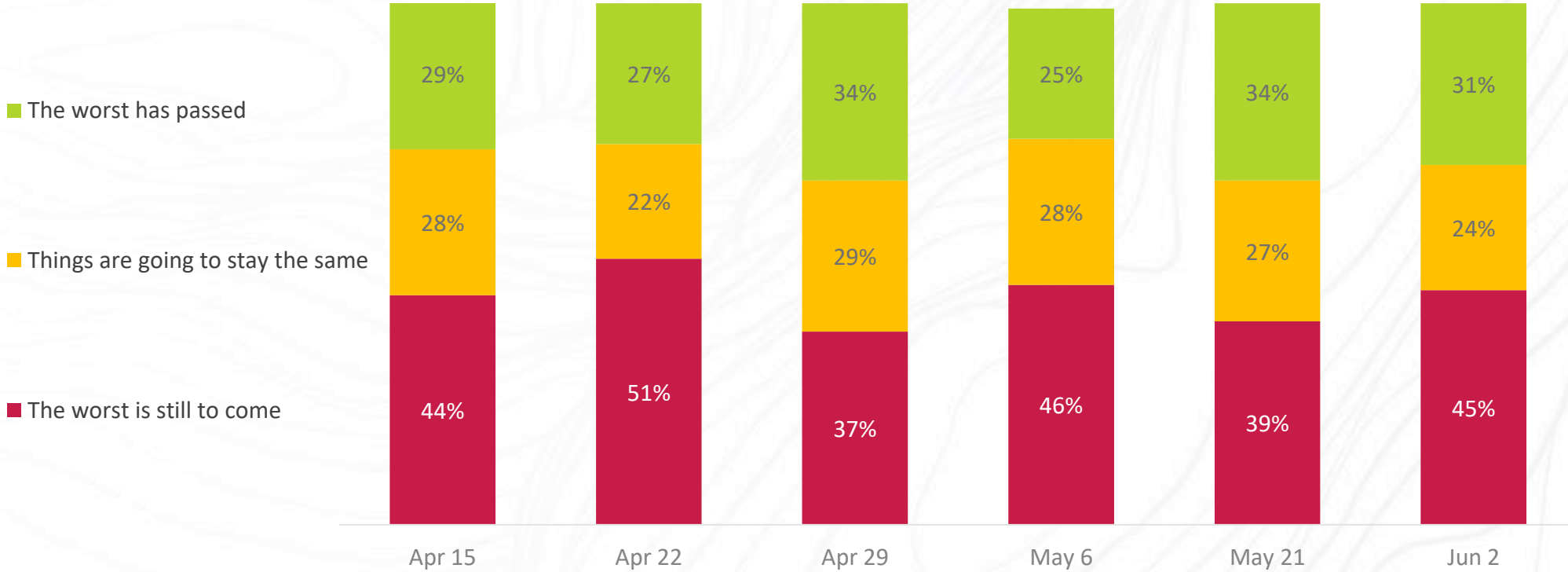
Apr 15 Apr 22 Apr 29 May 6 May 21 June 1

Q5: How would you rate, between 0 and 10, your mood today? (%)

Source: BVA BDRC United States. Sample size per wave n=500 in US.



As Americans digested another week of Covid-19 news and the likely impact, there was an increase in those who felt the worse was still to come.

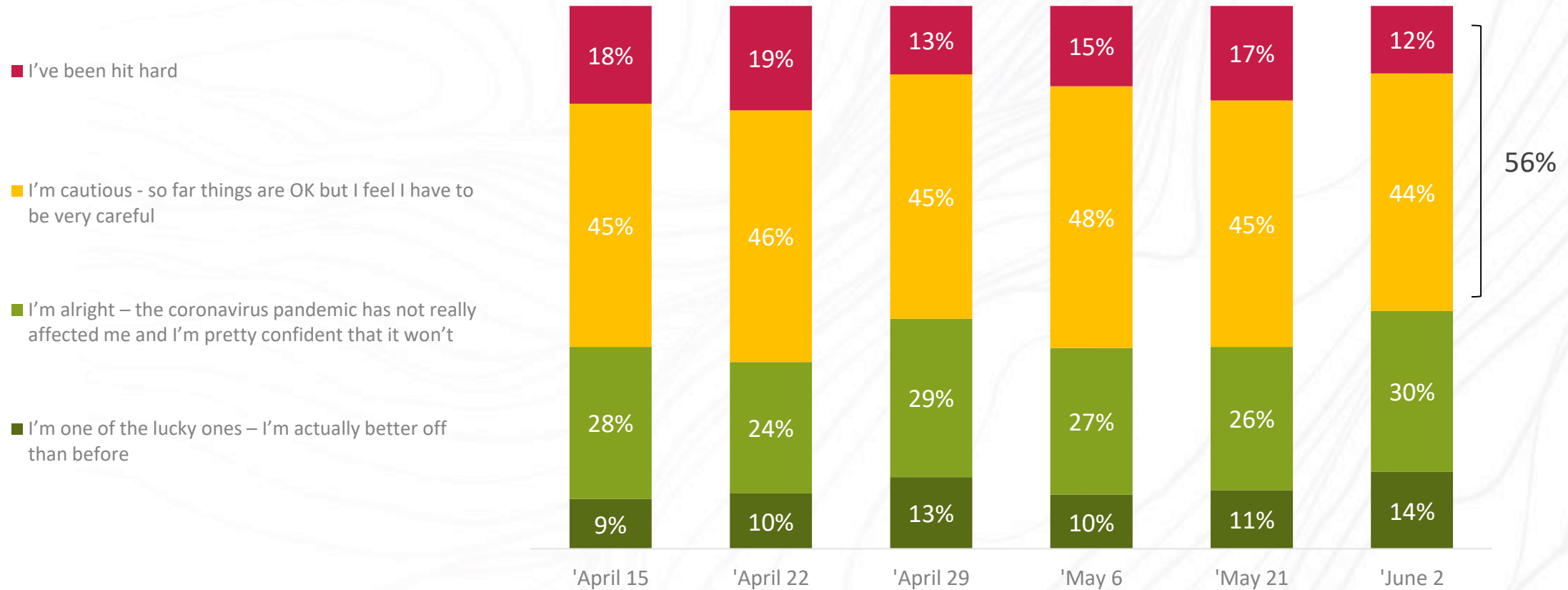


Q7: Regarding the situation of Coronavirus in the US/UK and the way it is going to change in the coming month, which of the following best describes your opinion?
Source: BVA BDRC United States. Sample size per wave n=500 in US and UK.



To-date more than half of Americans are cautious or have been hit hard financially by Covid-19. Only one-in-ten consumers feel they are better off than before the pandemic.

Impact of Covid-19 on personal financial circumstances

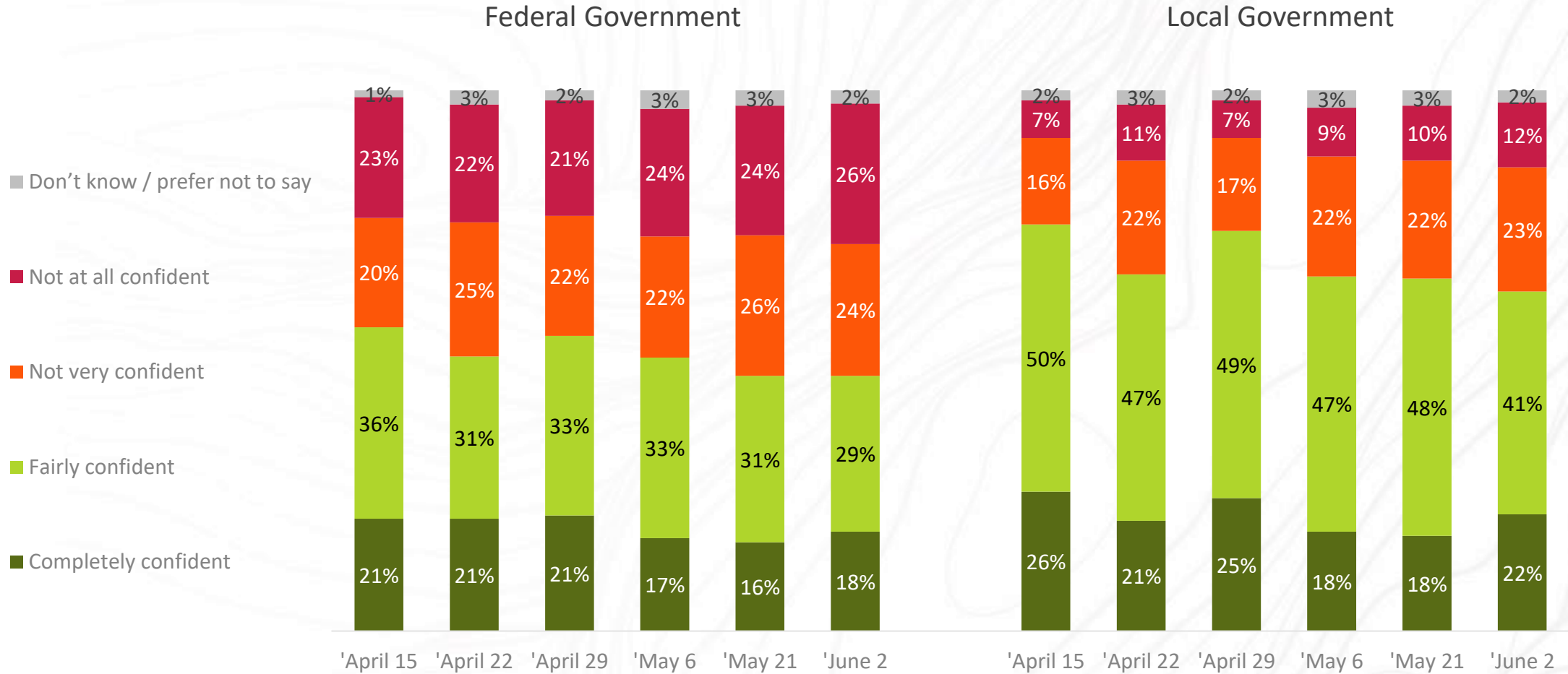


q17: There has been a lot of talk about how the coronavirus pandemic is affecting people's financial circumstances. If you had to choose, which ONE of the following statements would best describe your feelings about your own situation, right now?

Source: BVA BDRC United States. Sample size per wave n=500.



Americans consistently rate their Local Government higher than the Federal Government in their handling of the Covid-19 crisis. Confidence edged slightly lower this week in the Federal Government.

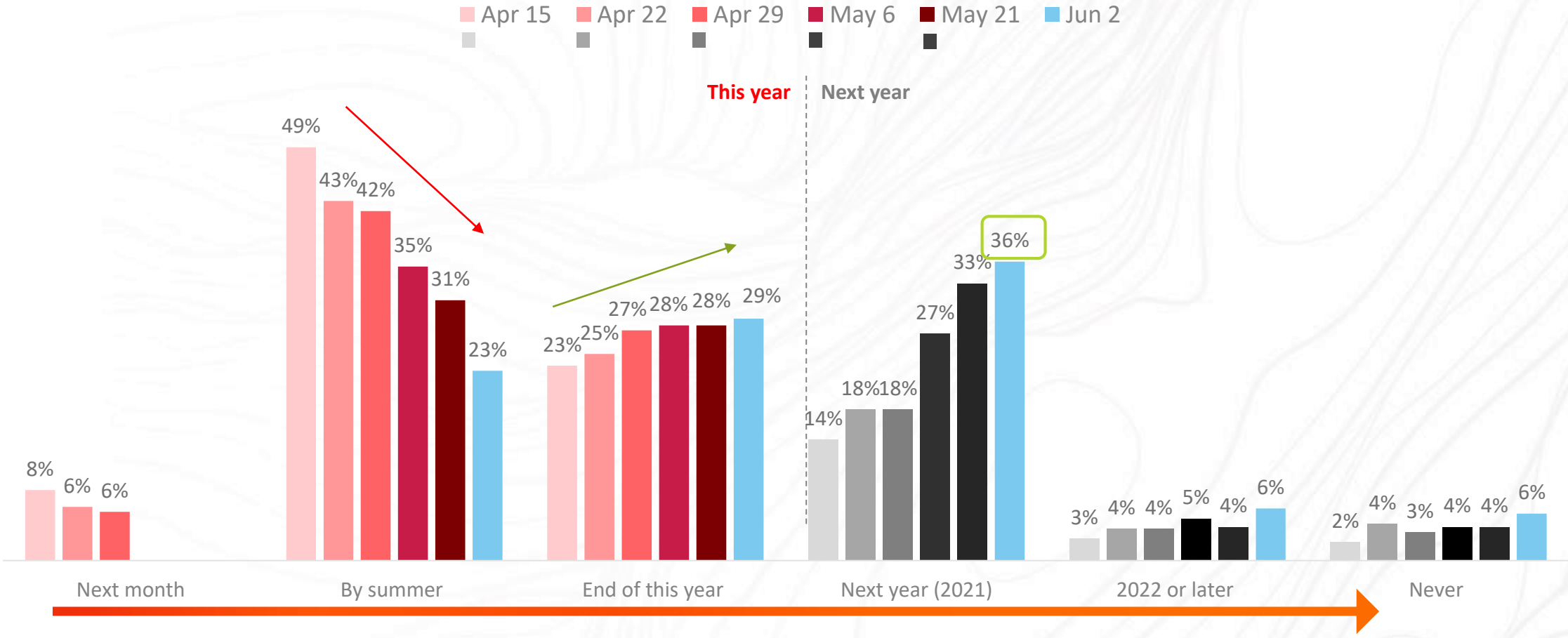


Q6c1/c2. Would you say that you are completely confident, somewhat confident, not really confident, not at all confident regarding how the United States government is handling the crisis? Federal Government : Local government.

Source: BVA BDRC United States. Data collected on April 15 and April 22, 2020. Sample size per wave n=500.



Only a quarter of Americans in early June believed that life will return to something close to normal by summer in contrast to half in mid-April. The proportion who think that life won't return to 'normal' until next year increased to more than one-third of Americans.



Q16: Given what you know today, when do you think life will return to something close to normal?

Source: BVA BDRC United States. Data collected on April 15 and April 22, 2020. Sample size per wave n=500.

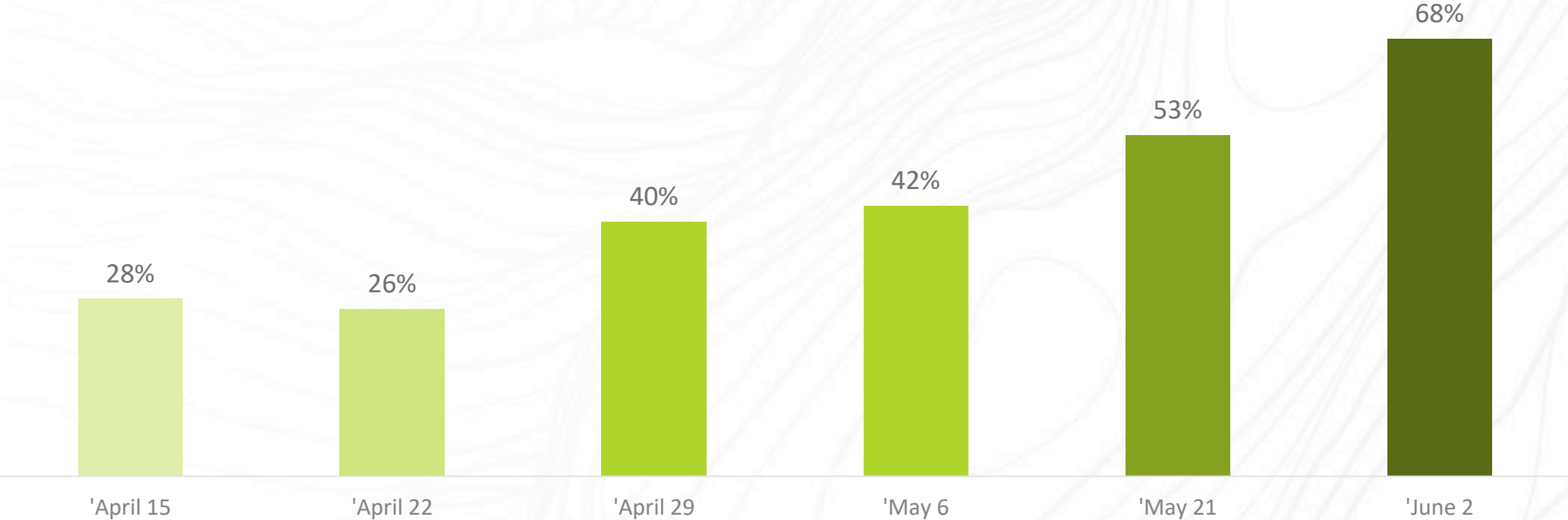


Leisure and travel



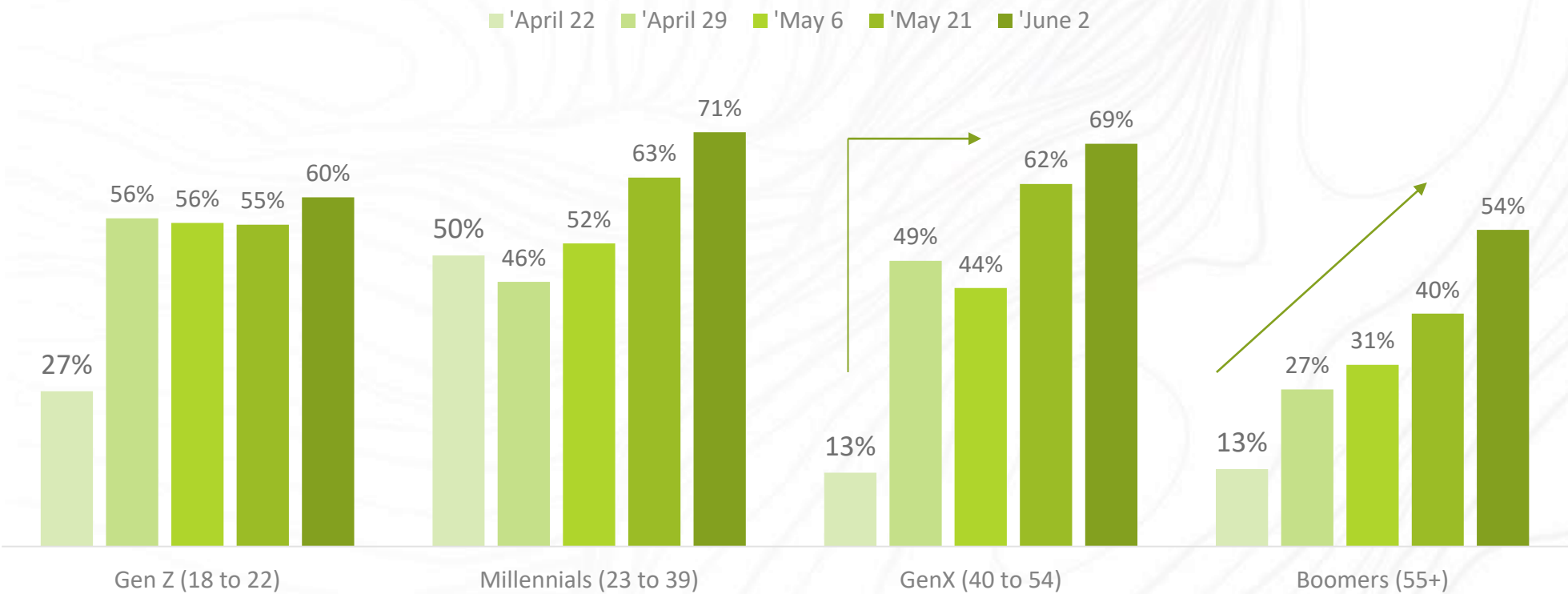
Americans' intent to engage in a leisure activity, outside their homes, in the next 2 weeks increased dramatically in late April and further increased through May and early June.

Engage in a any leisure activity: In the next 2 weeks



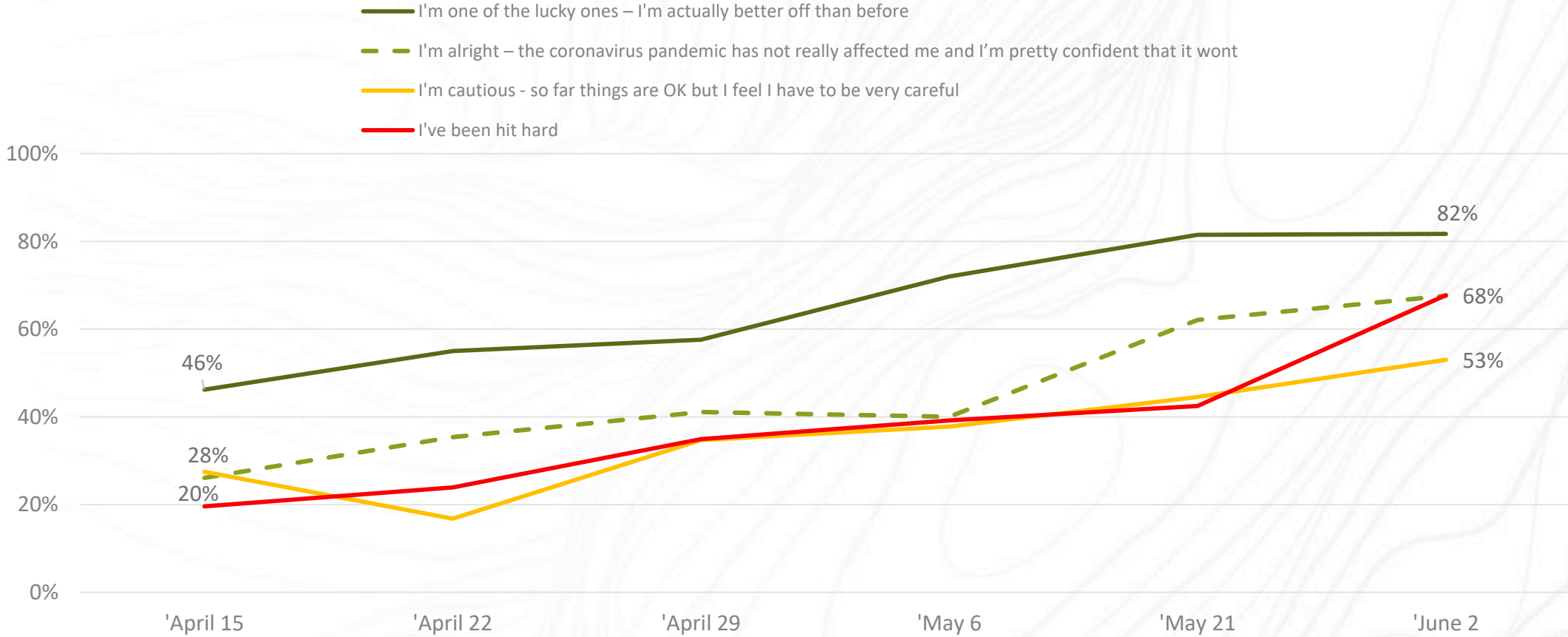
Intent to engage in a leisure activity is highest among GenZ and Millennials, while GenXers only reported a surge in leisure activity in late April. Although growing at a slower pace, more and more Boomers are reporting higher rates of intended leisure activities. That said, lower levels of Boomer leisure intent illustrates the higher level of caution and likely anxiety among these consumers to engage in public activities.

Engage in a any leisure activity: In the next 2 weeks



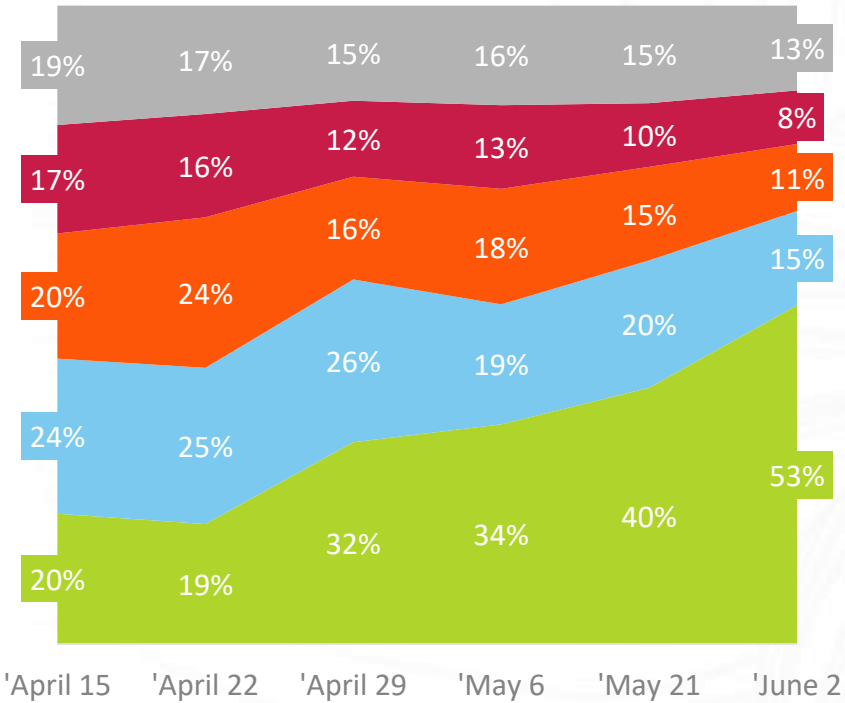
The rise in expected leisure activity across those most and least impacted by the virus shows positive signs for the travel and leisure sector.

Engage in a any leisure activity: In the next 2 weeks

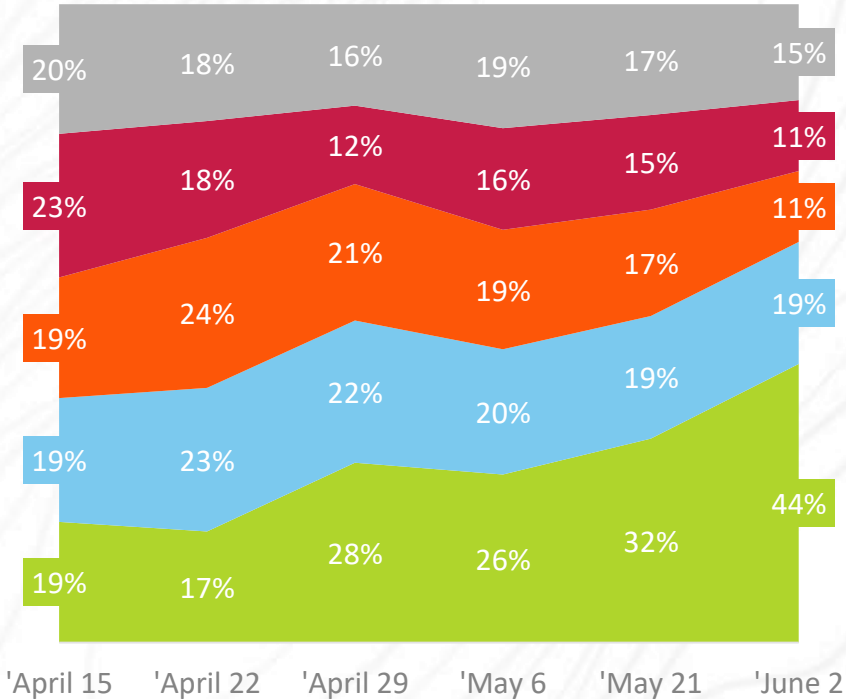


Americans have shortened their timelines to engage in everyday leisure activities. For example, from mid-April to early June the proportion of consumers who anticipate going to a restaurant in the next month increased to more than half of consumers. Similarly, nearly half of Americans anticipate going on a shopping trip in the next month.

Go to a restaurant



Go on a shopping trip / to a shopping mall



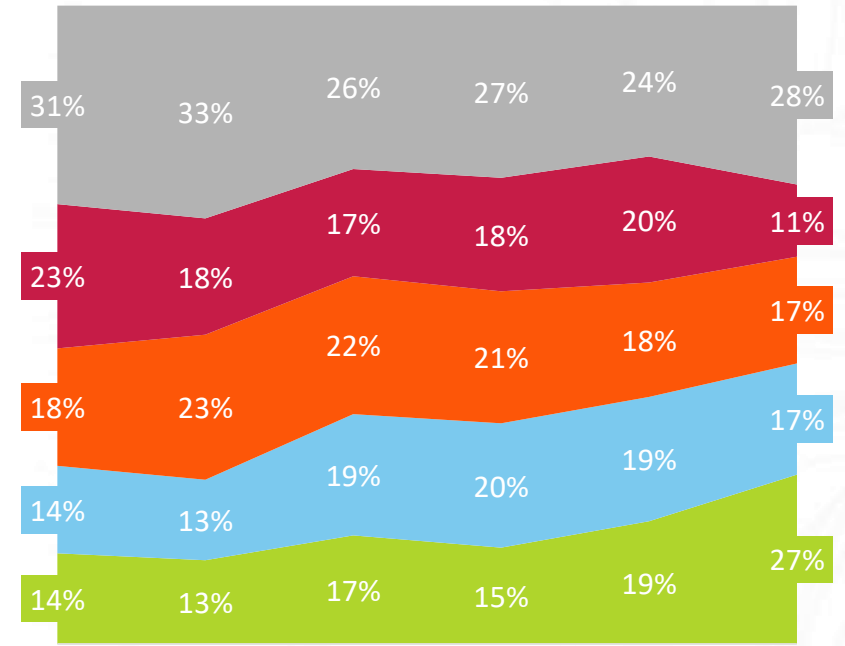
■ Within the next month
 ■ Within the next 1 to 3 months
 ■ Within 3 to 6 months
 ■ Within 6 to 12 months
 ■ Not sure, but is something I would like to do

Q. Given what you know today, when do you anticipate doing the following?
Among those who intend to engage in the leisure activity.

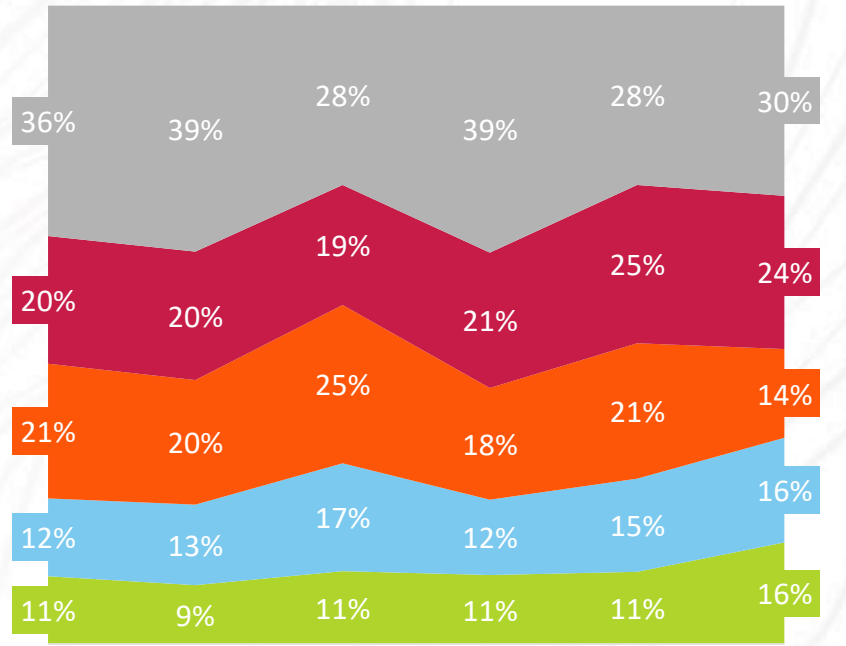


Among visitor attraction intenders, one-quarter can see themselves visiting one on a day out in the next month, while potential museum visitors still report a longer timeframe. However, among museum intenders, a quarter are unable to estimate a time horizon of their next visit, highlighting the uncertainties among visitors as to when and how institutions will re-open.

Go on a day out to a visitor attraction



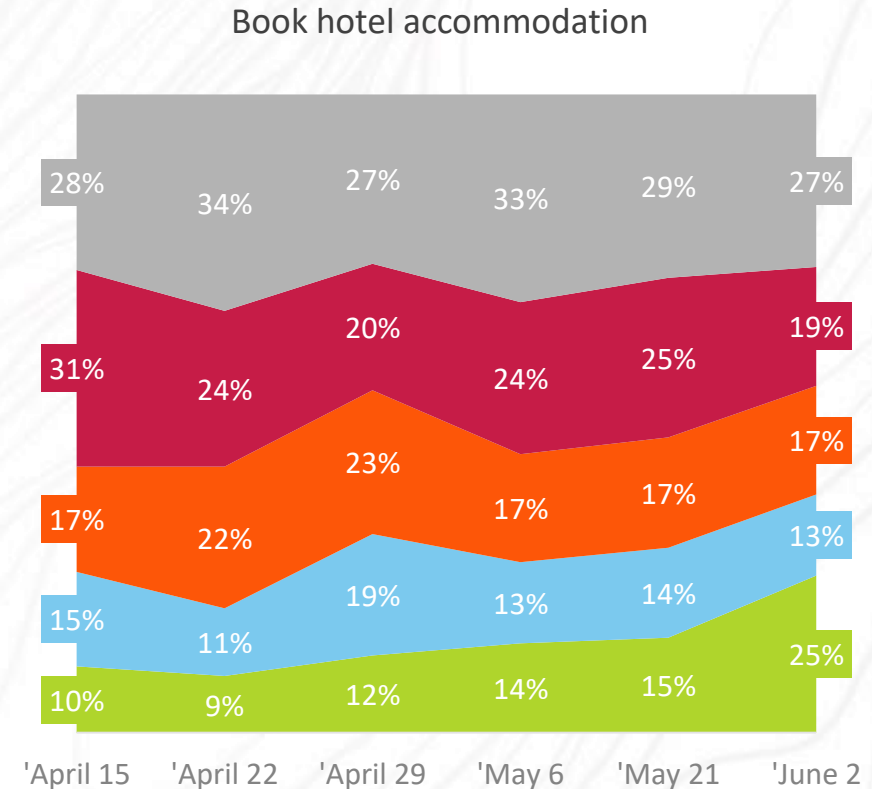
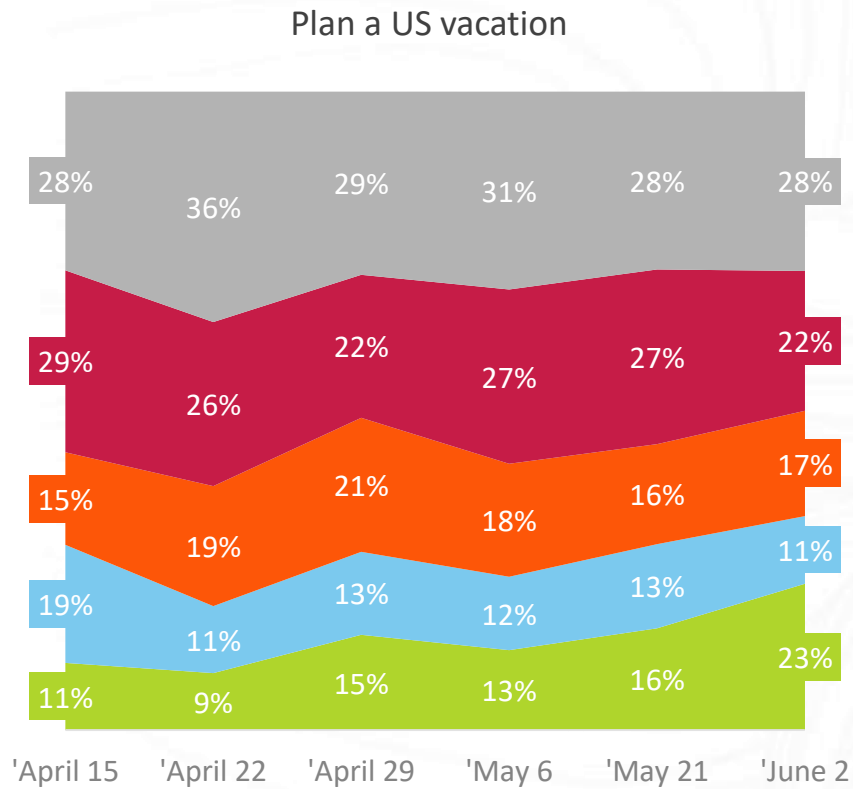
Visit a museum or a cultural venue



■ Within the next month
 ■ Within the next 1 to 3 months
 ■ Within 3 to 6 months
 ■ Within 6 to 12 months
 ■ Not sure, but is something I would like to do



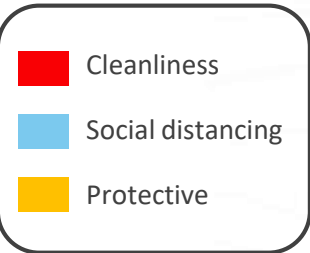
After several weeks of lockdown, Americans' anticipation of upcoming travel is showing an upward trend. In early June a quarter anticipate planning a US vacation in the next month and a similar level are planning to book a hotel. However, about a quarter of Americans in June were unable to specify a timeline for their next vacation or hotel booking, highlighting the uncertainty about travel for many.



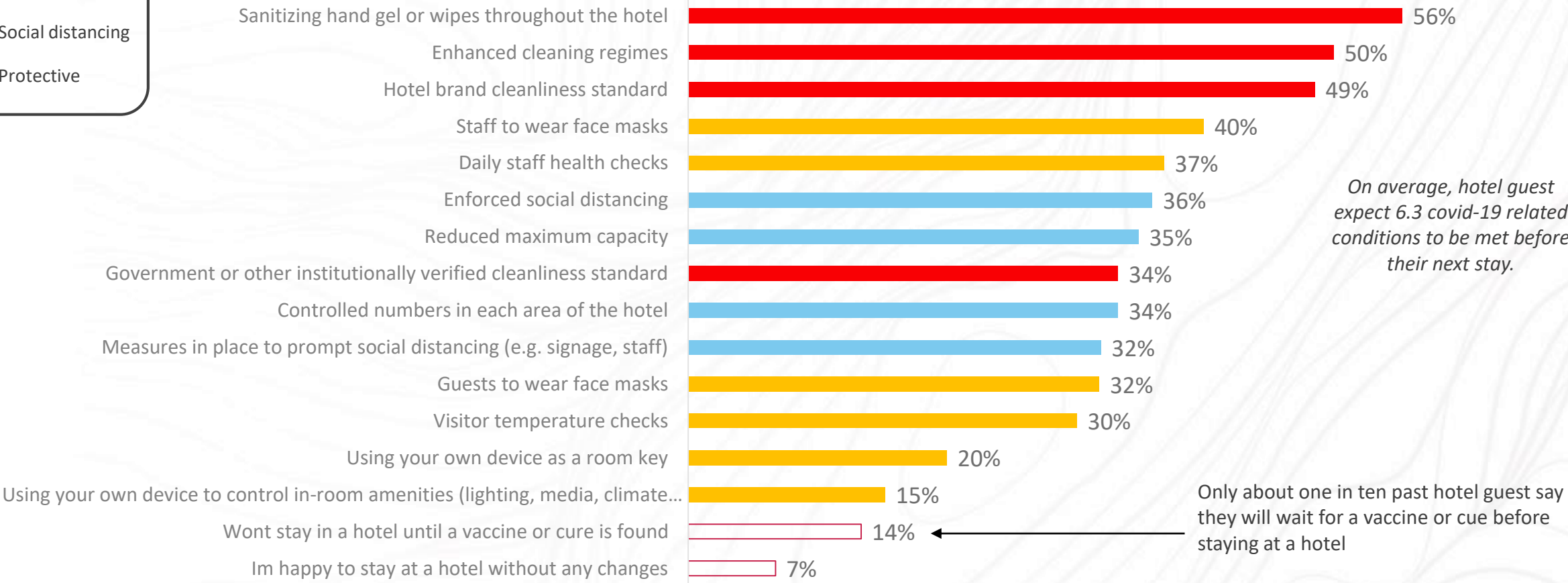
■ Within the next month
 ■ Within the next 1 to 3 months
 ■ Within 3 to 6 months
 ■ Within 6 to 12 months
 ■ Not sure, but is something I would like to do



Consumers expect hotels to provide sanitizing hand gel and enhanced cleaning standards. However, hotel guests also expect a hotel to implement protective tactics, by having staff wear face masks and making daily health checks.



Hotel guest expectations before next stay



Q. Which, if any, of these conditions would need to be met before you personally would consider staying at a hotel after the lockdown has been lifted?

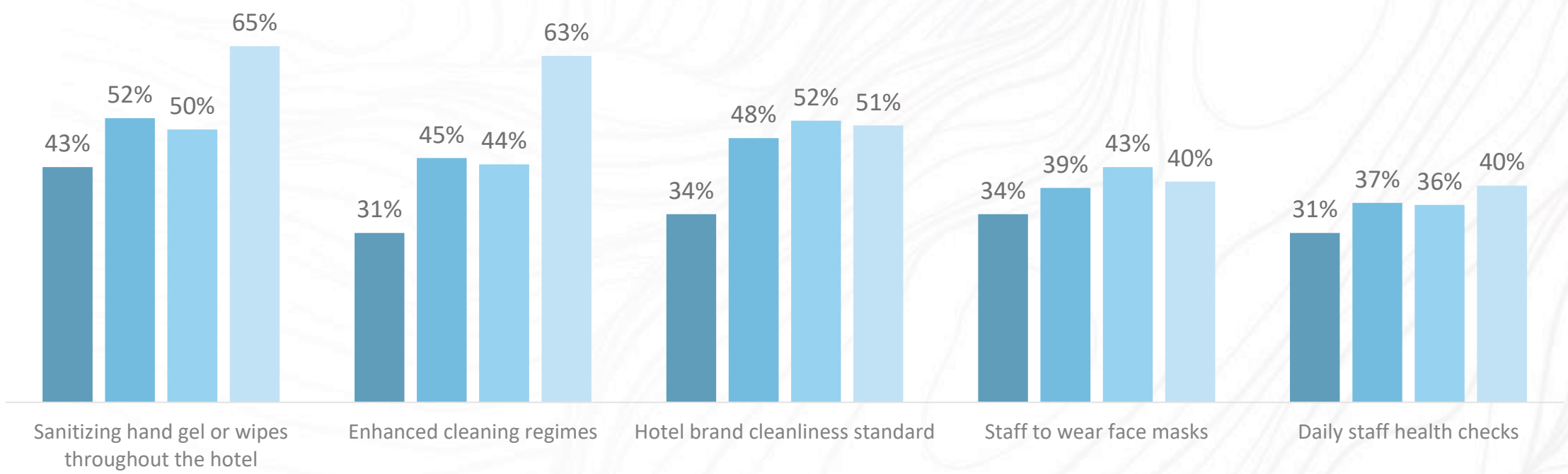
Among consumers who had stayed in paid hotel accommodations in the last 2 years. Based on Apr 26 and May 6 survey data.



Communicating post Covid-19 hotel guest measures to Boomers will be important to meet their higher expectations for a safe hotel stay.

Hotel guest conditions before considering next stay

■ Gen Z (18 to 22) ■ Millennials (23 to 39) ■ GenX (40 to 54) ■ Boomers (55+)

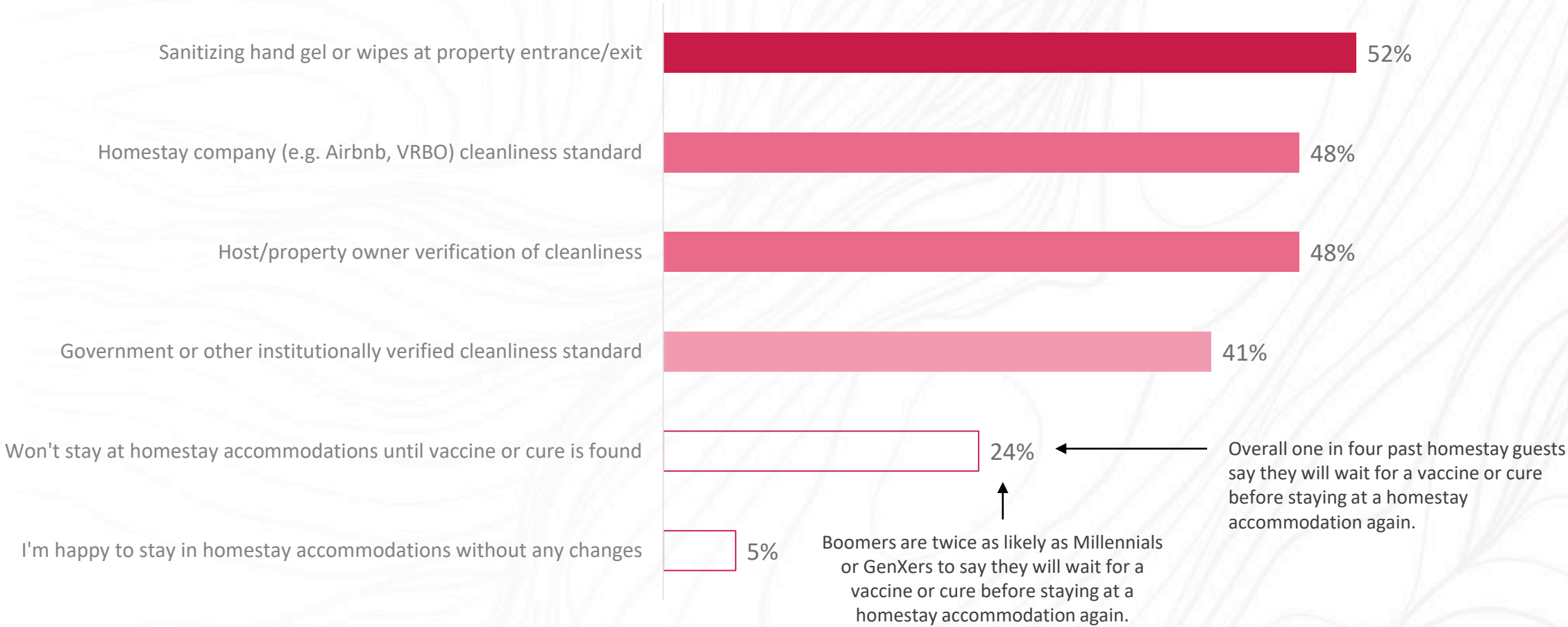


Q. Which, if any, of these conditions would need to be met before you personally would consider staying at a hotel after the lockdown has been lifted?
 Among consumers who had stayed in paid hotel accommodations in the last 2 years.
 Based on Apr 26 and May 6 survey data.



Although past homestay guests (e.g. Airbnb, VRBO) expect the availability of sanitizing hand gel and some form of cleanliness verification from the host and/or property owner and brand standards, one quarter say they won't use a homestay accommodation again until a vaccine or cure is found, more than twice the rate of past hotel guests. Boomers are twice as likely as Millennials or GenXers to say they will wait for a vaccine or cure before booking a homestay accommodation again.

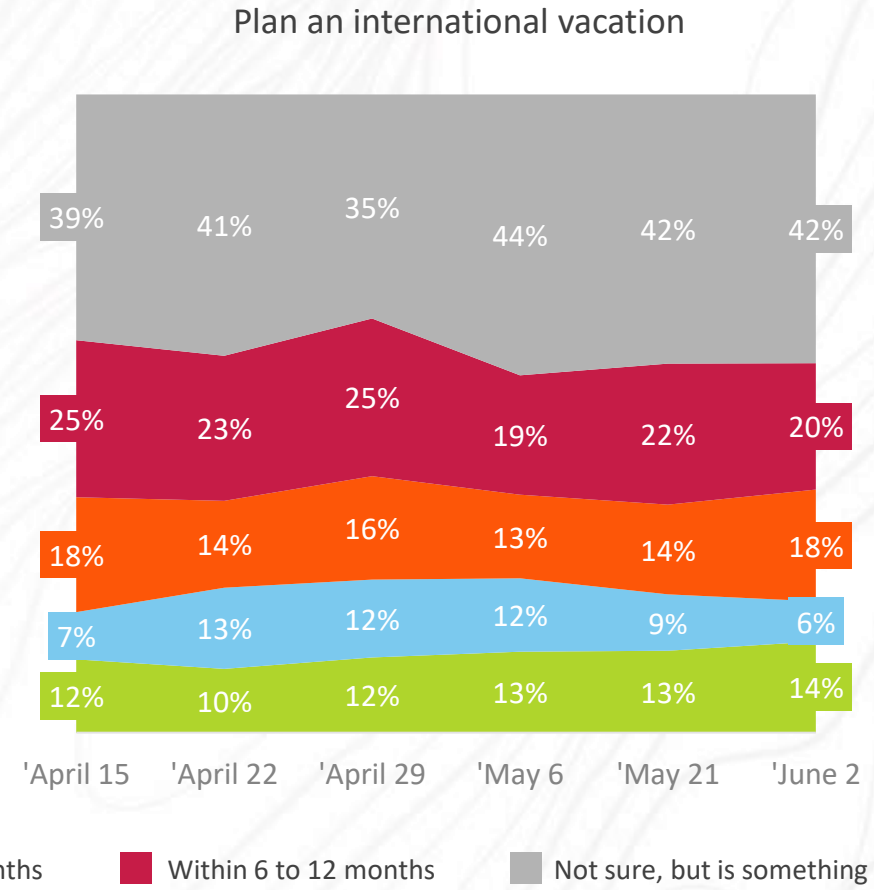
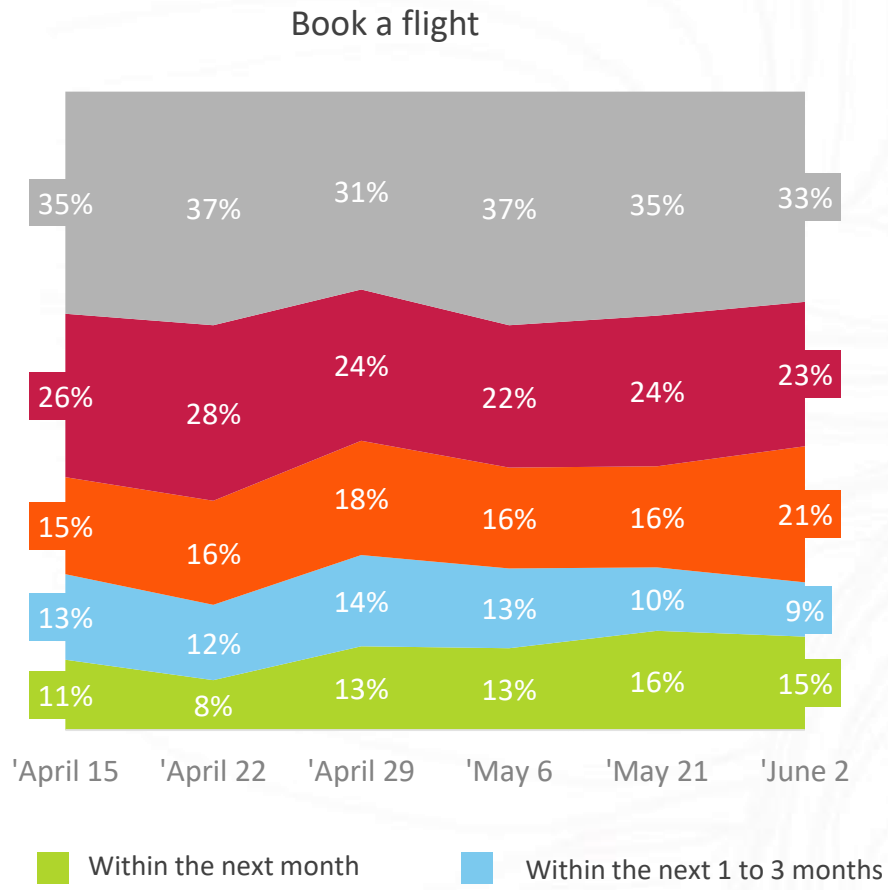
Homestay guest expectations before next stay



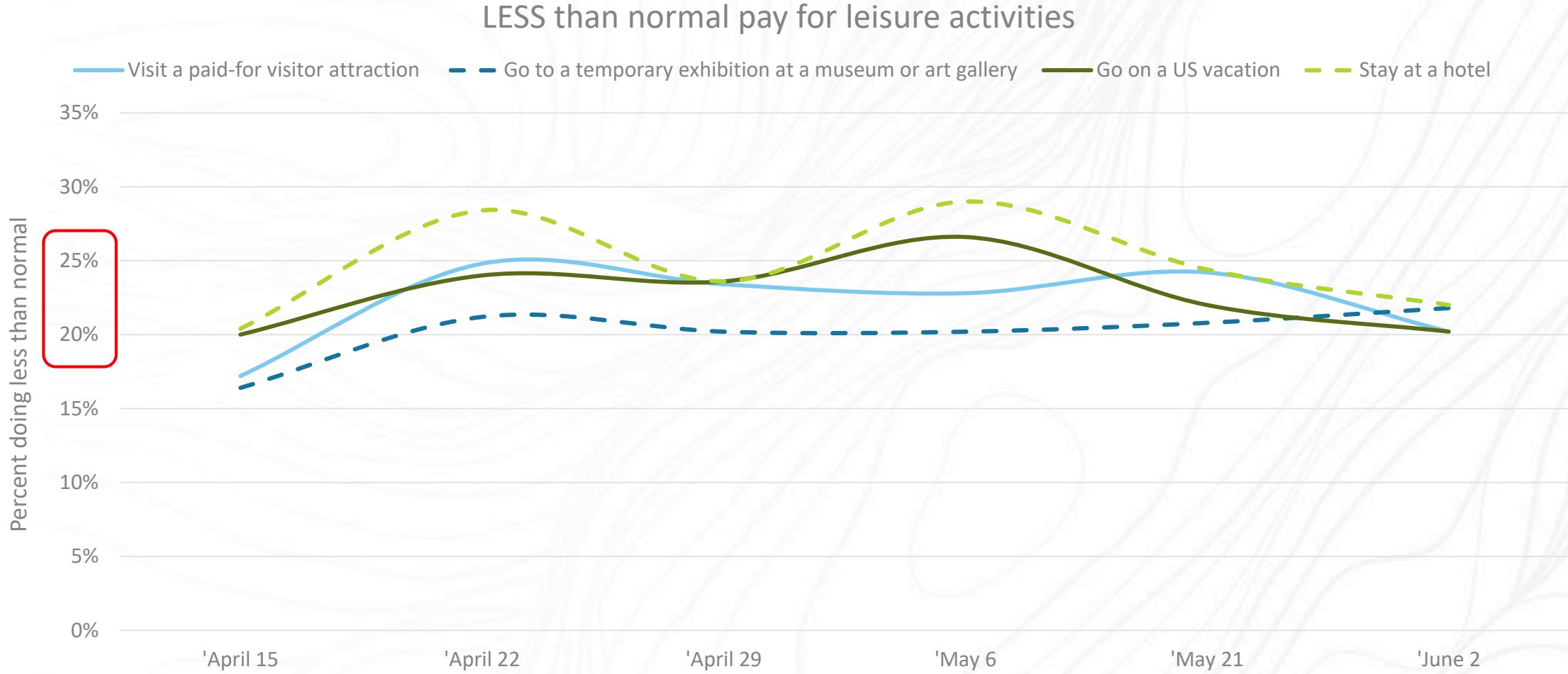
Q. Which, if any, of these conditions would need to be met before you personally would consider using homestay (e.g. Airbnb, VRBO)?
 Among consumers who had stayed in homestay accommodations in the last 2 years.
 Based on Apr 26 and May 6 survey data.



Among those who plan to book a flight or an international vacation, more than a third were unable to provide a time horizon, and recent results in June show a sustained level of uncertainty.



However, despite these gains to engage in leisure activities, overall numbers will be slow to follow. On average, since April, about one-fifth of Americans are planning to do less travel related activities than normal.

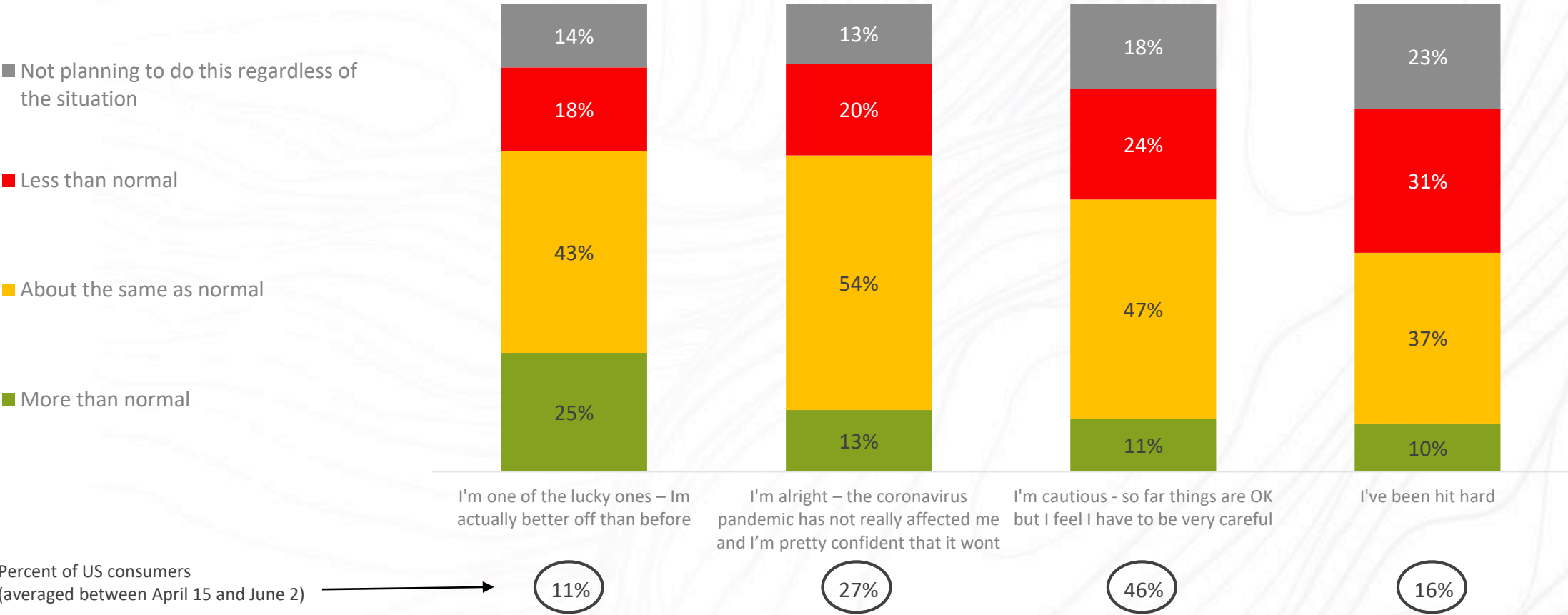


Q. Thinking ahead to when you are able to do these activities again how much more or less than normal would you pay to do them? By 'normal' we mean 'before the lockdown started in the US'
Among those who intend to engage in the leisure activity.



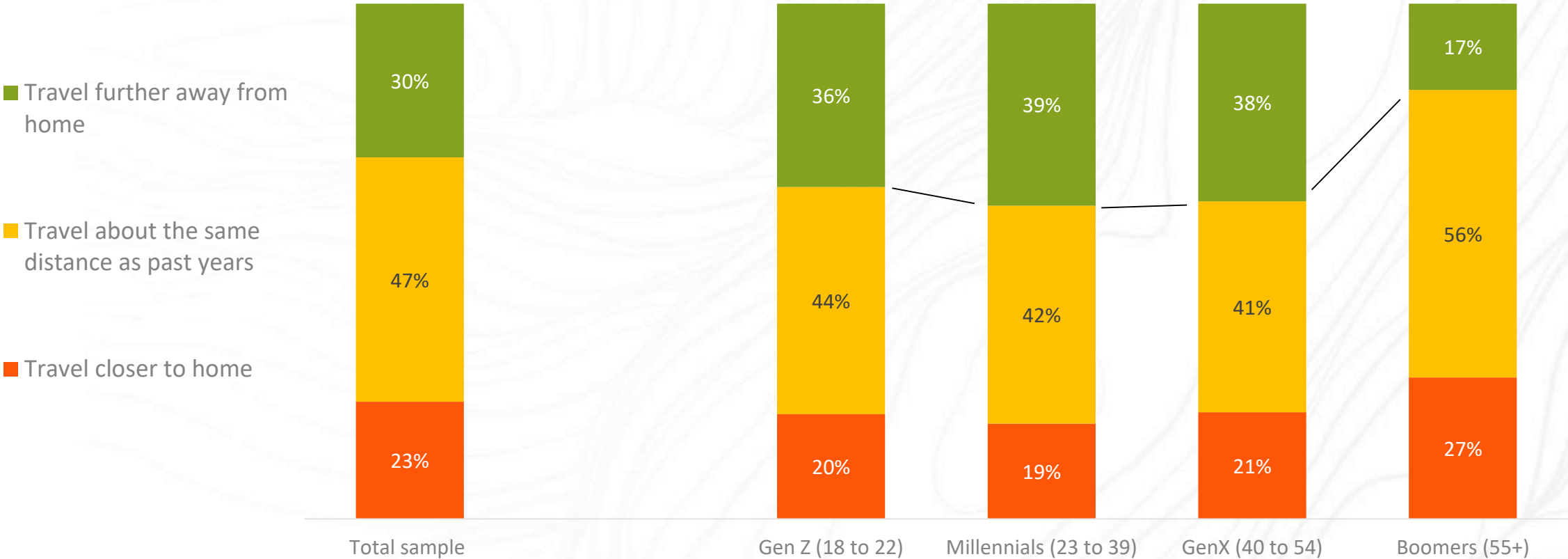
Among those who have been hit hard by the virus, one quarter are not planning on taking a vacation when conditions return to 'normal' and one third plan to take less vacation when they are able to travel. Even among those who say they are one of the lucky ones, one-in-five plan to take less vacation than normal.

Go on a US vacation



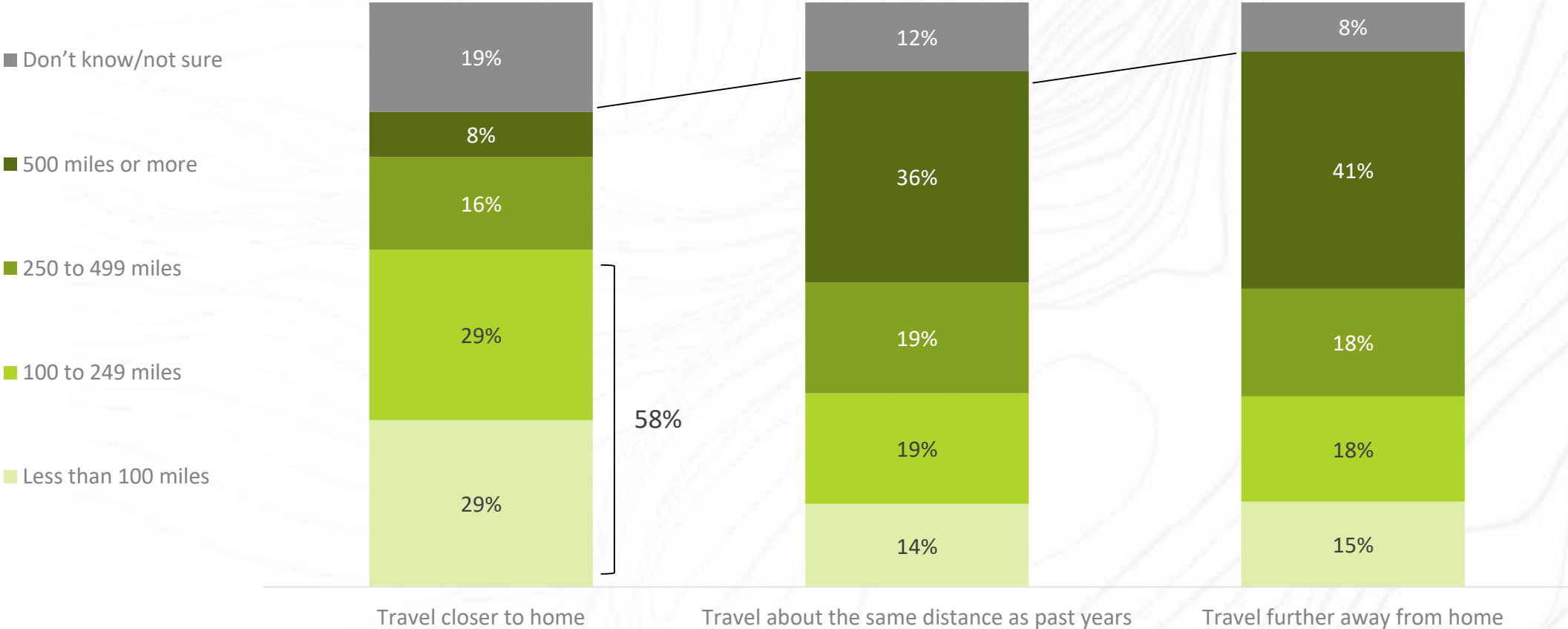
Lockdown has inspired travel further afield. Nearly a third of Americans plan to travel further away from home than normal on their next leisure trip/vacation this year. That said, consistent with other trends, Boomers are most likely to stay closer to home this year.

Upcoming leisure trip/vacation intent



Among those who plan to stay closer to home this year, more than half plan to travel less than 250 miles.

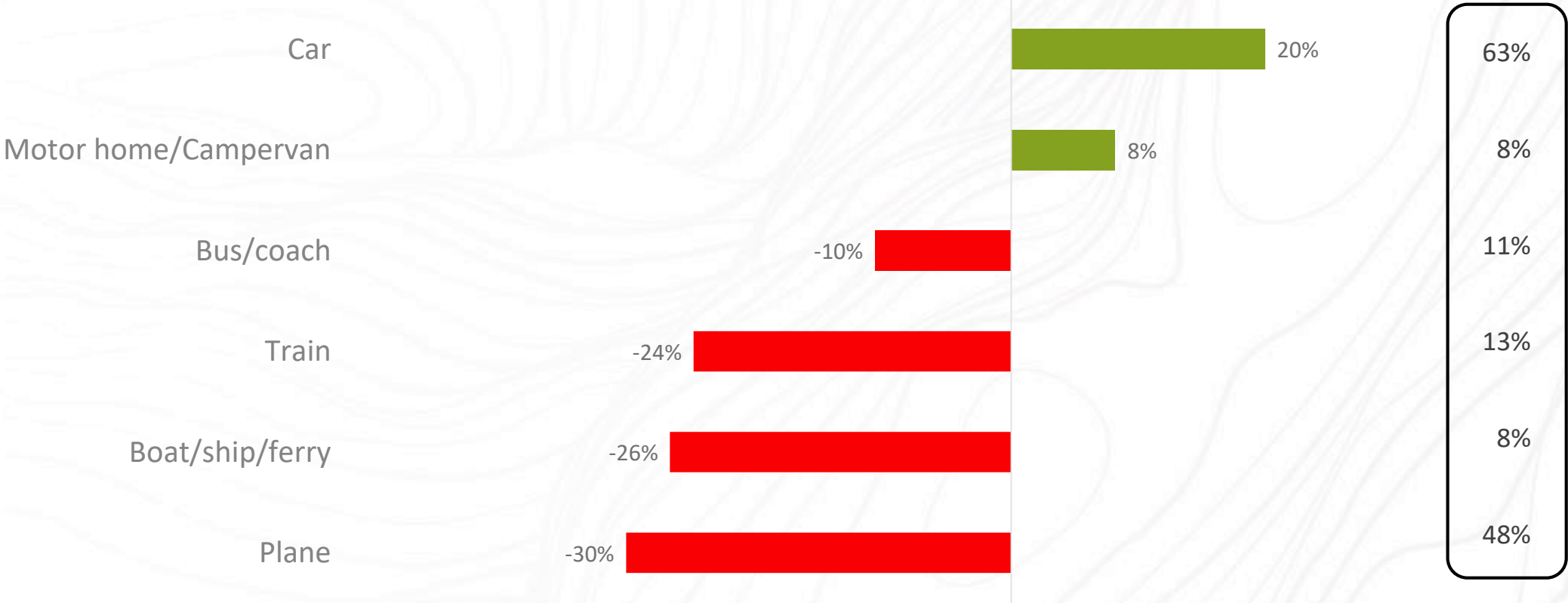
Leisure trip/vacation expected travel distance



More Americans will be traveling by car this year for their next leisure trip/vacation – up by twenty percent. In contrast, Americans report steep declines in expected uses of plane, boat/ship/ferry and train transportation this year.

Leisure trip/vacation mode of transportation

Percent who used in *typical* year

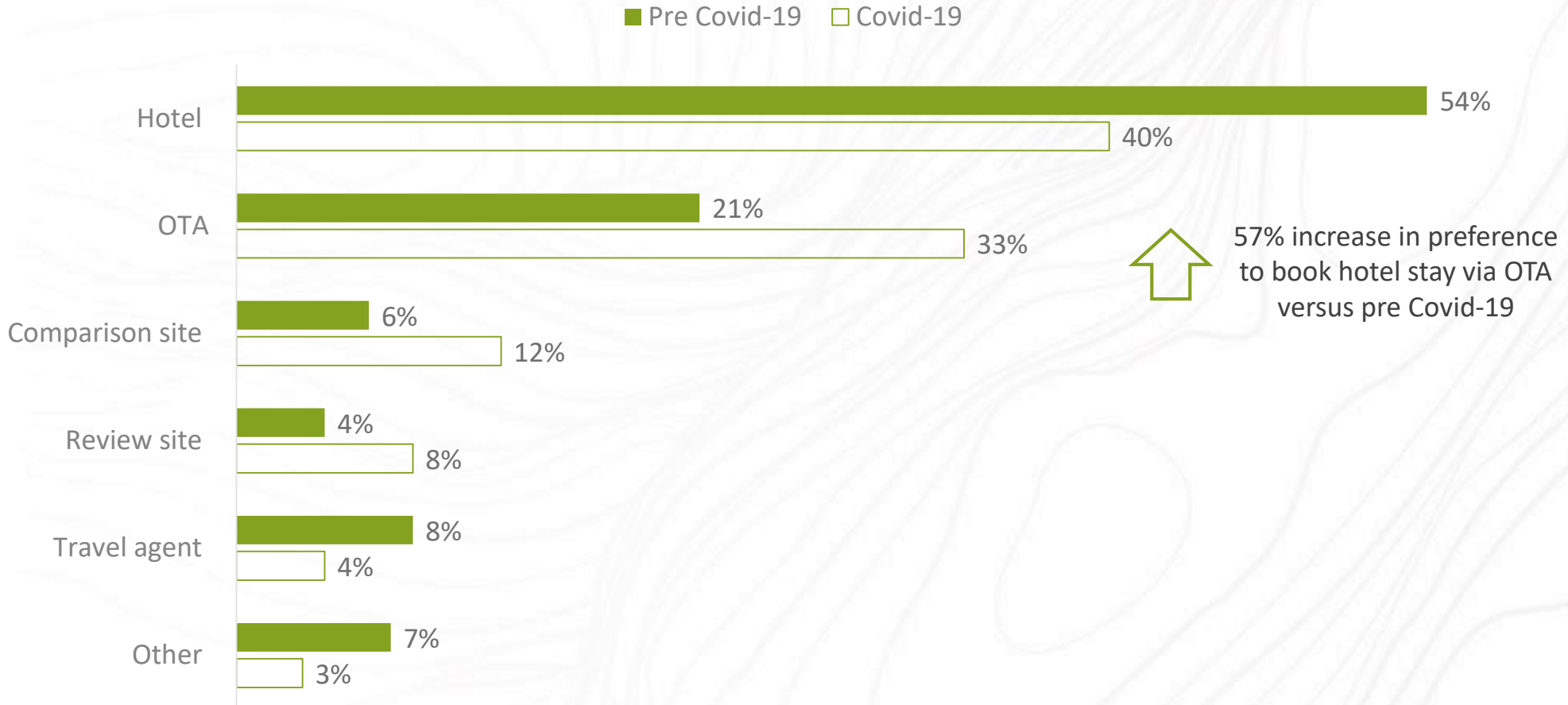


Q. For this next leisure trip and/or vacation, please indicate the mode of transportation you plan to take this year and what mode you would take in a typical year.



In a Covid-19 environment, potential hotel guests are more likely to book via an OTA than pre-Covid-19. Comparison and review/booking sites also saw increases, highlighting that many Americans are looking for value in their next hotel stay.

Hotel booking channel preference

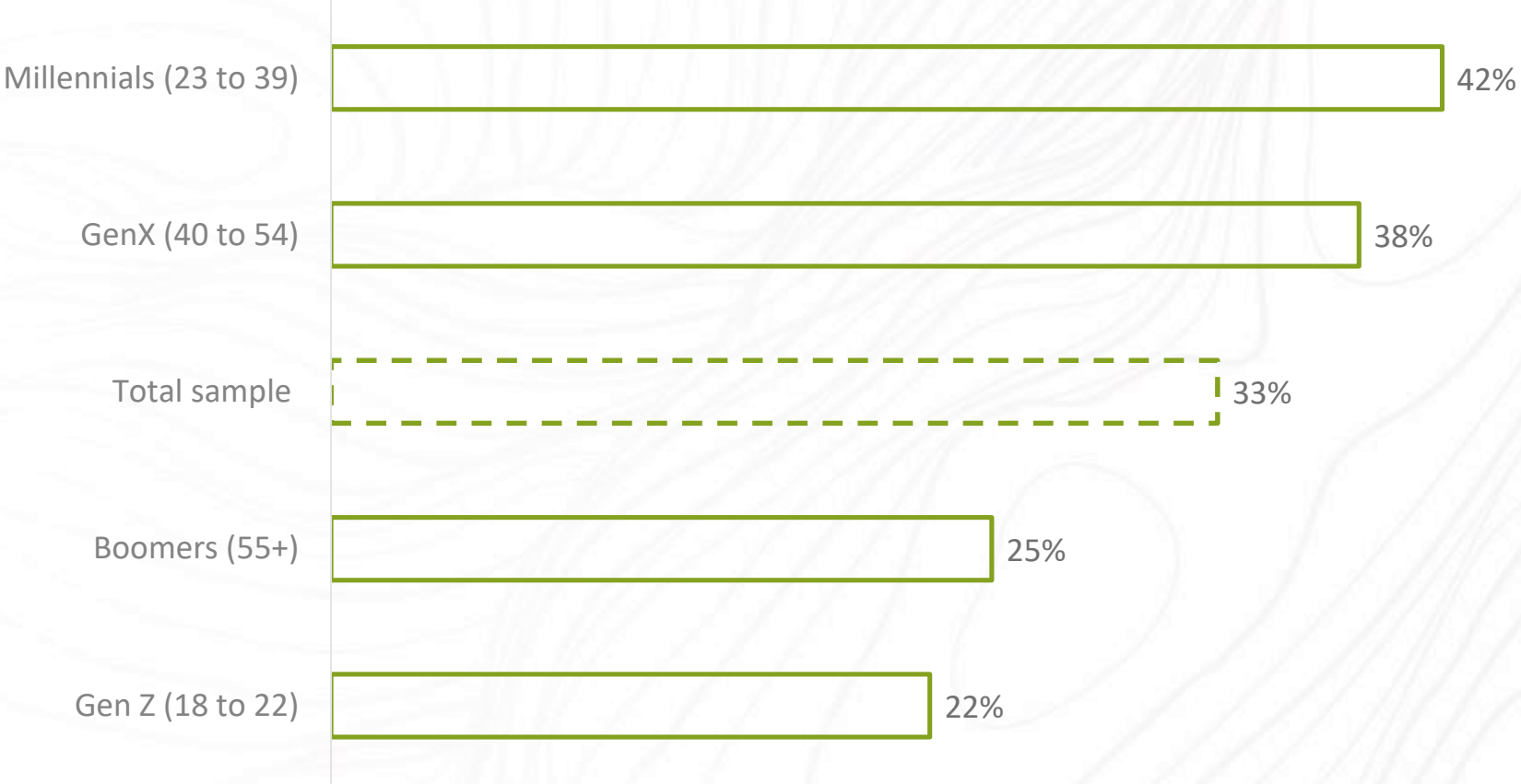


[Pre-Covid-19, Q4 2019 through January 2020] Q. How did you book your hotel for this trip? [Covid-19] Q.: For your next trip that includes a hotel stay, what booking channel are you most likely to use?



Intent to book a hotel via an OTA is highest among Millennials and GenX, the two age cohorts who have the highest overall travel intent.

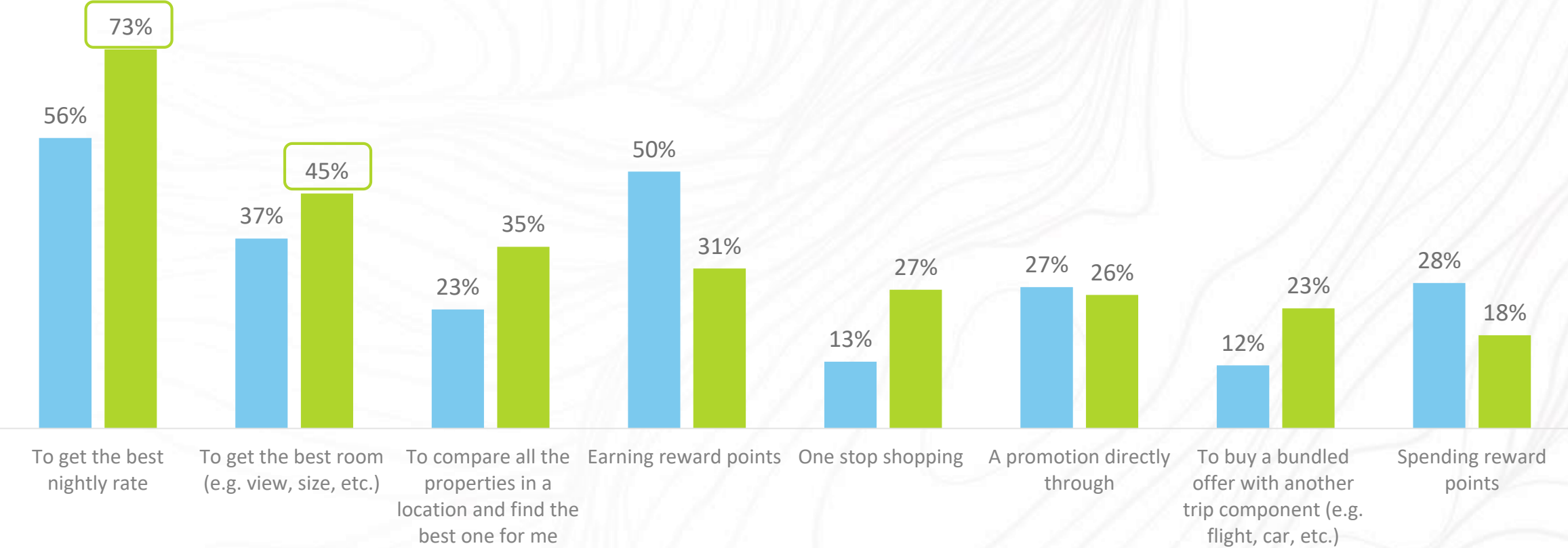
Covid-19: Percent likely to book a hotel via an OTA



Motives for using an OTA to book a hotel clearly show a drive toward value but without giving up preferred hotel amenities. Using an OTA site to compare all properties in a location and find the best one is also an outcome that a third of OTA bookers highlight.

Book channel by hotel tier

Hotel direct OTA



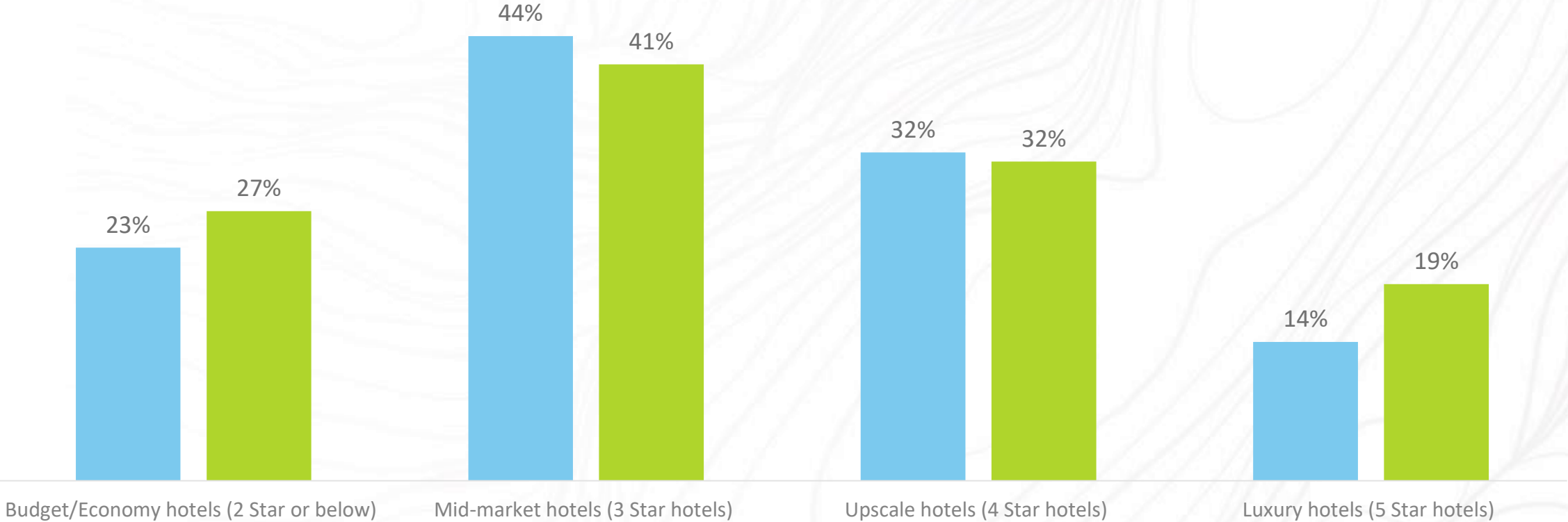
Q. QN2. In a previous question you indicated that you are most likely to book your next stay at a hotel directly through the hotel (e.g. website, hotel, etc.)/via an Online Travel Agent (e.g. Expedia, booking.com, etc.). What factors are important to your decision to book a hotel stay directly through a hotel?



In summer 2020, OTA bookers report similar hotel tier stays as hotel direct bookers, with a third expecting to book an upscale hotel via an OTA for their next trip/vacation.

Hotel Book channel and expected hotel tier

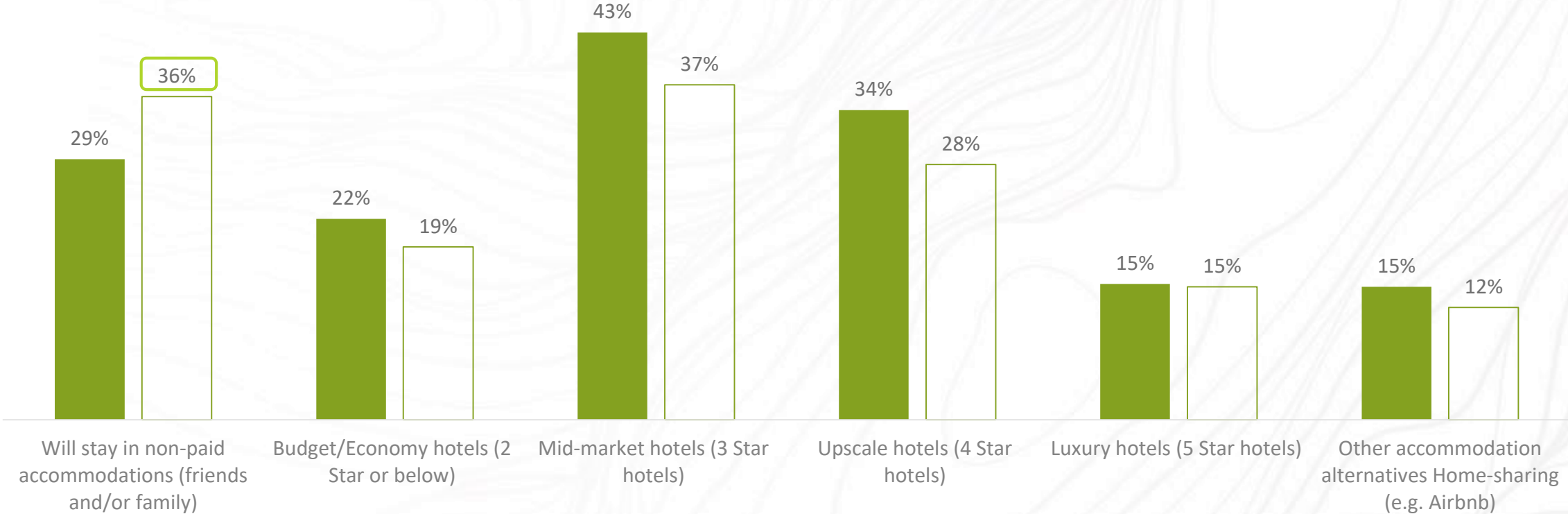
Hotel direct OTA



Only non-paid accommodations (i.e. staying with friends and family) increased in a Covid-19 environment. All paid accommodation preferences declined or were flat versus a typical year (i.e. pre-Covid-19).

Trip accommodation preference

■ Typical year (pre-Covid-19) □ This year (Covid-19)

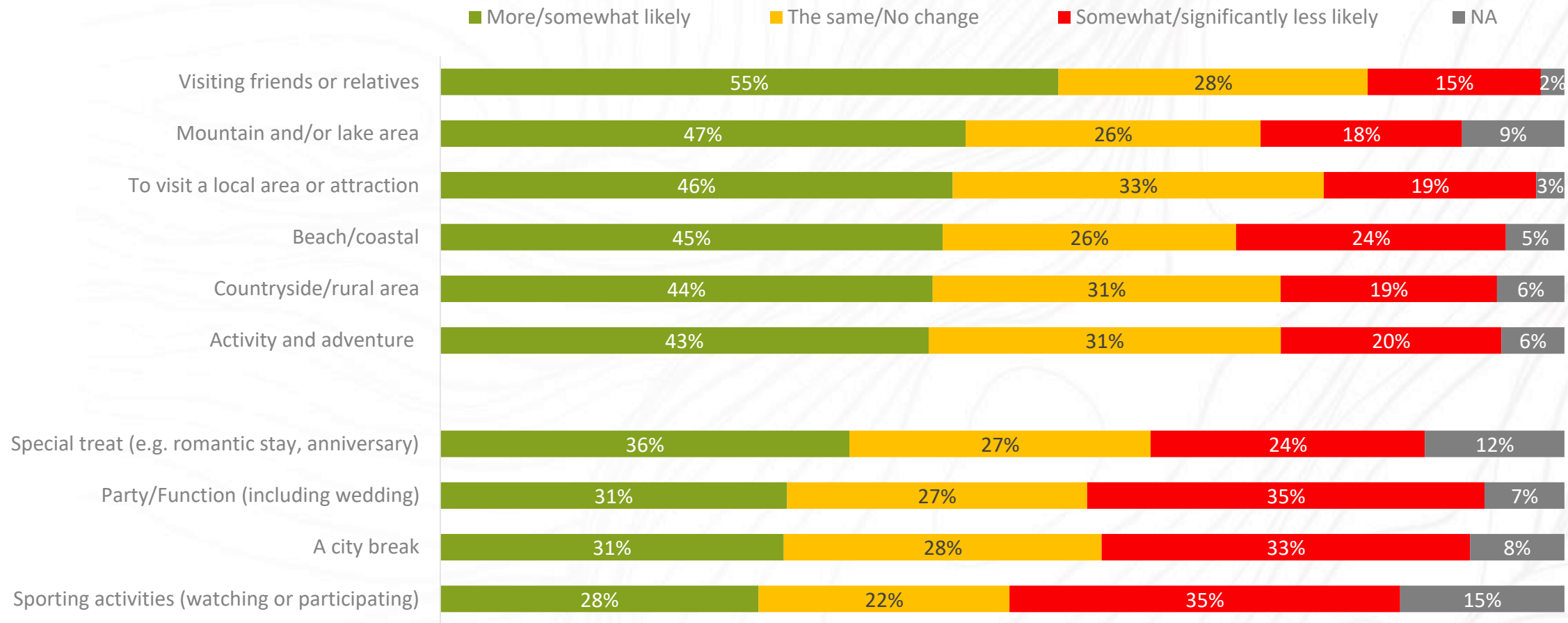


Q. For your next leisure trip and/or vacation, please indicate the type of accommodation you plan to book this year and what accommodation you would book in a typical year?
Among those who plan to stay in a hotel on their next trip.



Visiting friends or relatives this year is the type of trip expected to increase most, followed by outdoor (e.g. mountain and beach) and local destinations. There is lower expected participation for trips that involve more public interaction, like a city break or sporting activity.

Type of leisure trip/vacation



Q. Compared to normal, what type of trip and/or vacation destination are you more likely to take this year compared to previous years?
 NA = Do not take this type of vacation.

