WHITEPAPER

Global Coronavirus Impact: March 16, 2020

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SimilarWeb

Introduction

The **objective** of this report is to offer a **real-time assessment** of the **reverberations** on **GLOBAL** consumers and business behavior in the wake of the growing coronavirus outbreak.

We believe patterns of **web traffic momentum** in the immediate aftermath of the first reports of coronavirus can offer investors important insights on the magnitude of the impact and, going forward, the **unique sector-specific shapes** of an eventual **recovery**.

While **travel** and its adjacent industries are likely to experience the most short-term impact, a prolonged outbreak could reshape 2020 trends for categories like **web conferencing** and **grocery delivery**.

Contents

Methodology

The insights in this report are based on SimilarWeb data.

The analysis covers the period from December 1, 2019 to March 2020, including traffic to Desktop and Mobile web originating from the US.

A previous version of this whitepaper used partial February data. This update includes full February data.

Key Dates

Dec 31: First Coronavirus case in Wuhan, China

Jan 13: First case outside of China (Thailand)

Jan 19-25: First “imported” cases reported in the EU/US

Feb 4-10: Outbreak on Diamond Princess Cruise Ship

Feb 23-29: First “community” cases reported in the EU/US

Global Patterns

Measuring Impact Points

Coronavirus has been a major global headline since early January, and while the rapid spread throughout China began to pressure travel early in 2020, our analysis suggests that for the US and key EU countries, the virus didn't evolve into a "perceived threat" until the last week of February. We believe this is largely due to the fact that the first confirmed cases in the US and key EU countries and were reported as "imported" from recent travelers.

In late February, a greater "perceived threat" began to emerge when cumulative cases in each respective country surpassed **20**. The **20** cumulative case mark, as a result, is an **appropriate starting point** in our analysis, as in most markets, it corresponds to the first media reports of person-to-person or **"community"** spread, prompting the second wave of major "coronavirus" headlines.

Country	First confirmed case	> 10 cumulative cases	> 20 cumulative cases	> 50 cumulative cases	> 100 cumulative cases	> 500 cumulative cases
US	Jan-21	Feb-03	**Feb-22**	Feb-25	Mar-03	Mar-09
UK	Jan-31	Feb-24	**Mar-01**	Mar-04	Mar-06	Mar-13
Italy	Jan-31	Feb-22	**Feb-23**	Feb-23	Feb-24	Feb-28
France	Jan-25	Feb-08	**Feb-28**	Feb-29	Mar-01	Mar-07
Germany	Jan-28	Feb-04	**Feb-27**	Feb-29	Mar-01	Mar-07
Spain	Feb-01	Feb-27	**Feb-28**	Mar-01	Mar-03	Mar-09
Australia	Jan-25	Feb-02	**Feb-22**	Mar-05	Mar-10	
South Korea	Jan-20	Feb-01	**Feb-06**	Feb-20	Feb-21	Feb-23
Hong Kong	Jan-22	Jan-28	**Feb-04**	Feb-10	Mar-01	
China	<12/31	<12/31	**<12/31**	Jan-05	Jan-20	Jan-22

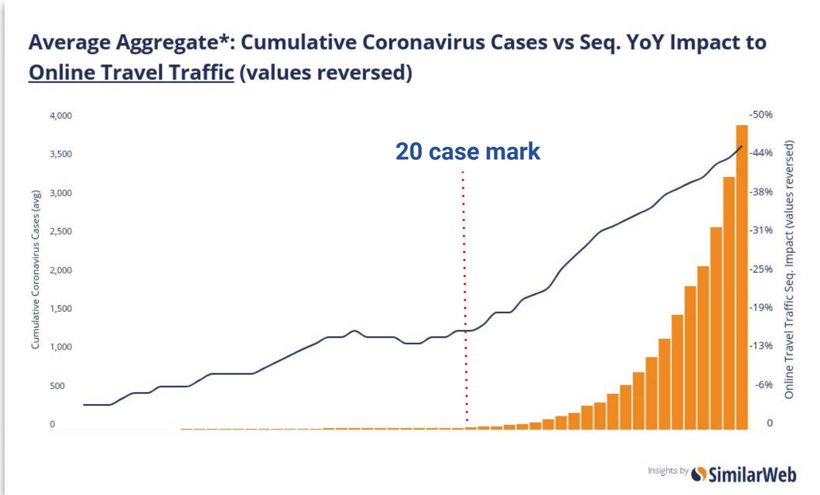
Case Interval	**1st & 10th case**	**10th & 20th case**	**20th & 50th case**	**50th & 100th case**	**100th & 500th case**
Avg days between	15	11	5	6	5

Exponential Impact

Traffic patterns to key travel platforms (and adjacent industries) are inversely correlated with the pace of COVID case accumulation, as the higher the rate at which the virus spreads, naturally the more risk-averse consumers become.

The **20 case mark** represents the critical axis point where the pressure on web traffic evolves from linear to exponential, mirroring that of the cumulative case totals. In Europe and the US, where the pace of the virus is still expansionary, so too is the pressure on travel traffic.

Optimistically, as we'll cover, it works the other way as well. In markets where the case curve had demonstrated flattening, however temporarily, traffic showed signs of stabilization.



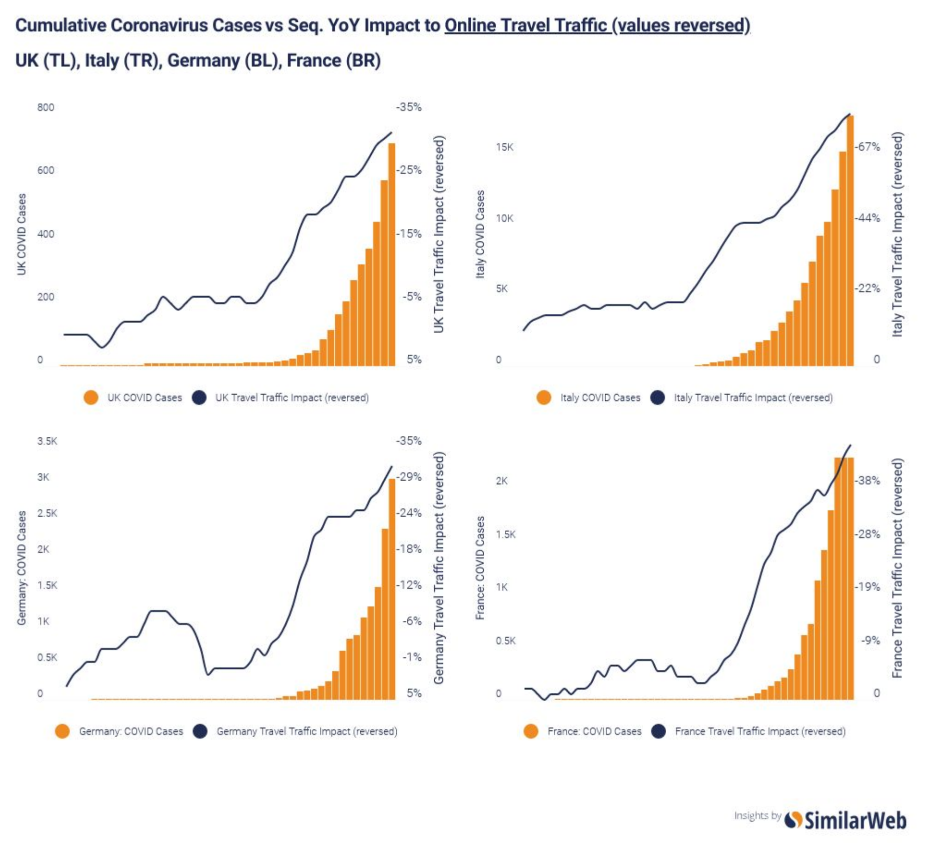
*Represents an average of cumulative cases and the average (not a weighted average) sequential YTD impact on online travel traffic (unbounced) of key countries (US, UK, DE, FR, IT, AU, HK)

Europe in Crisis

Europe is currently in throes of the crisis and at the heart of the acceleration phase of the pandemic. As a result, the majority of the YTD sequential traffic decline in travel and related industries have occurred in the last two weeks.

To be clear, while pressure on traffic accumulated before the virus was deemed a serious threat, most of the recent move can be largely explained by mandated restrictions on travel and event as well as the reverberations of lockdowns implemented over the last week.

As expected, given the level of severity, the impact has been most acute in Italy, with sequential YoY travel platform traffic down 75%.

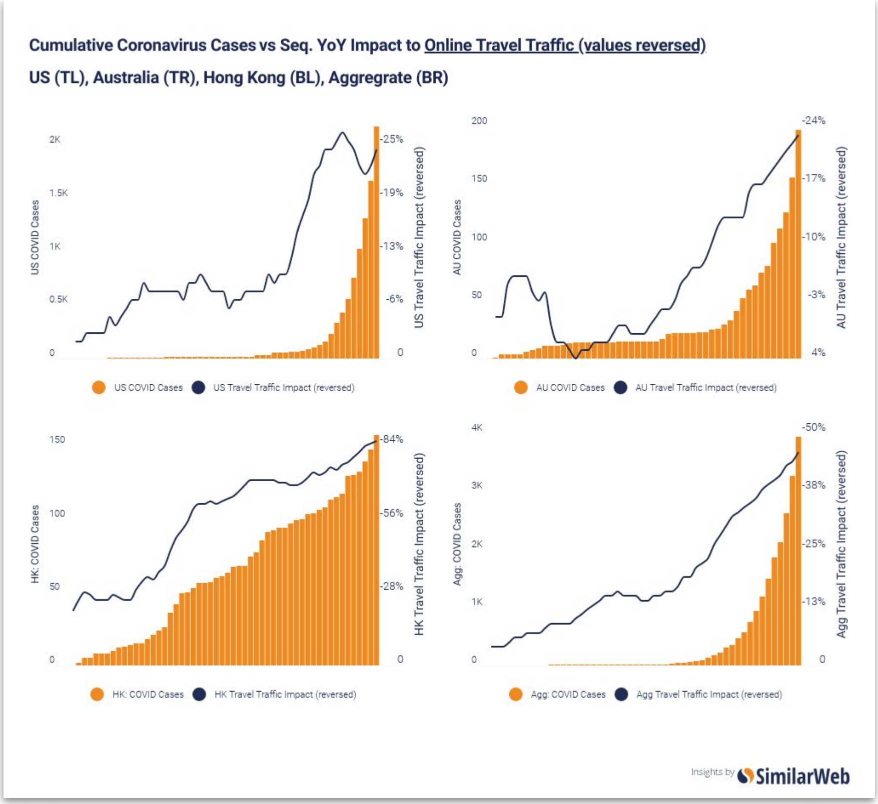


Other Key Markets

Most markets in our focus group show no signs of pressure abating in the near-term, and travel restrictions cement that trend for the forseeable future. Like Europe, US is in early stages of the acceleration phase, and major cities enter mandatory lockdown periods, any stabilization in travel traffic trends are likely short-lived.

On the other hand, we would note that a flattening of the “case curve” in Hong Kong during late-February and early-March produced a stabilization in trends. This mirrors recent comments by Uber CFO Nelson Chai that there’s been some evidence of a bottoming in recent weeks. However, new cases have accelerated again in recent days.

Note that we use online travel traffic as a barometer of consumer apprehension in the immediate aftermath of the outbreak. However, with travel restrictions and mandatory lockdowns, this category may produce fewer clear signals of immediate demand in the coming weeks.

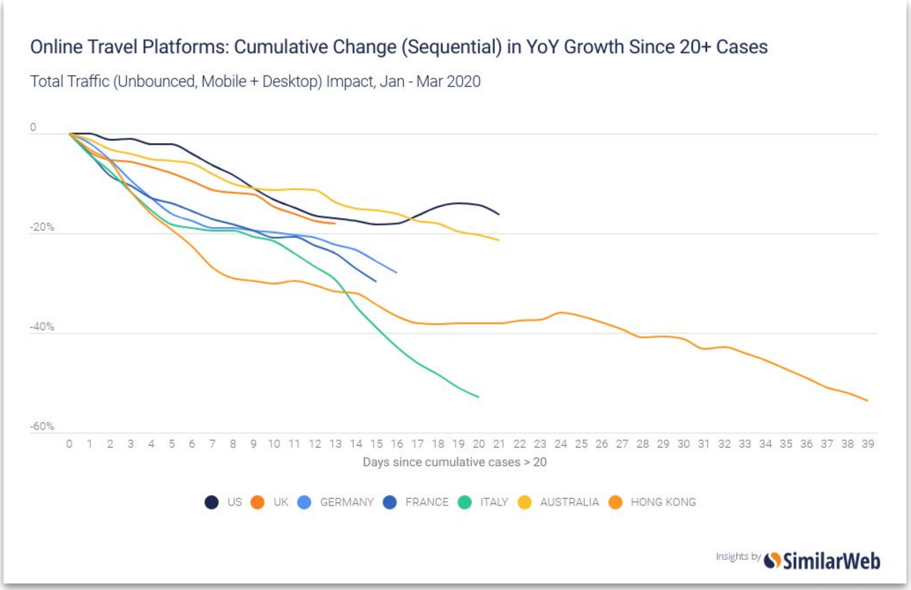


*Represents an average of cumulative cases and the average (not a weighted average) sequential YTD impact on online travel traffic (unbounced) of key countries (US, UK, DE, FR, IT, AU, HK)

Comparing Global Travel Platforms

When mapping each country on a time horizon, relative to when each hit the 20 case mark, there are few signs on stability. Hong Kong and Italy travel platforms have fared the worst, and suggest more downside for rest of EU and US as travel restrictions are put in place. While bargain hunting may have driven some traffic to US sites in the last week, we believe major city lockdowns and significant cuts to airline seat capacity will likely drive more downside in the coming weeks

As mentioned, following a brief stabilization for Hong Kong around week three (when new cases slowed), an acceleration in cases over the last five days has led to another leg down.



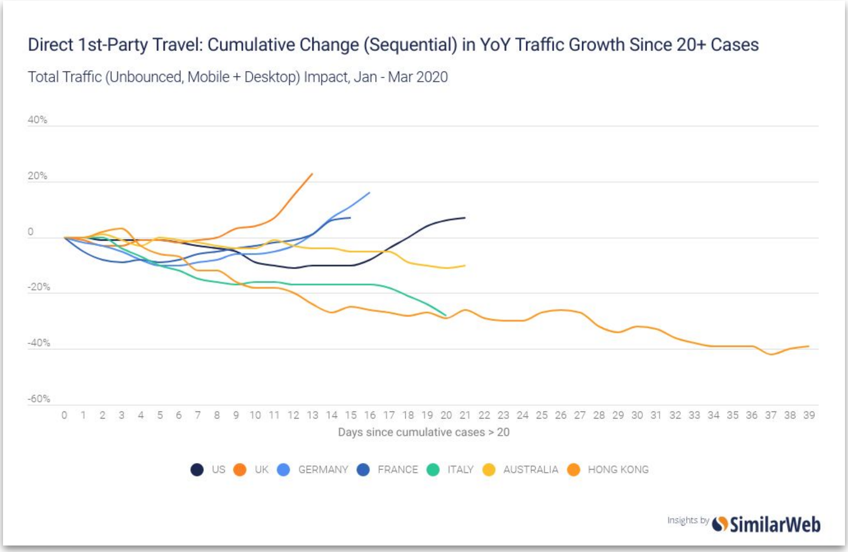
> 20 cumulative cases

US	UK	Italy	France	Germany	Australia	Hong Kong
Feb-22	Mar-01	Feb-23	Feb-28	Feb-27	Feb-22	Feb-04

Comparing Global Direct Travel

Patterns in direct first-party travel, where we've combined airlines, hotels, rental cars and cruise lines, have spiked in recent weeks. Our analysis suggests most of that incremental traffic is related to passengers seeking cancellations/refunds or updates and information on future travel. Airline websites are also a great source of guidance on new travel restrictions, as well as information around coronavirus best practices while travelling. In the short-term, the bump can also be explained by international travelers rushing to return home before travel restrictions take effect.

In the coming weeks, traffic on direct travel sites is likely a contra-indicator of future demand, as customers seek compensation for trips already booked. Delta, for instance, has asked all travelers to wait 72 hours before their trip to cancel.



*Direct travel includes all airlines (e.g. delta.com), hotels (e.g. hyatt.com), rental cars (e.g. hertz.com), and excludes aggregators, OTA, metasearch platforms

> 20 cumulative cases

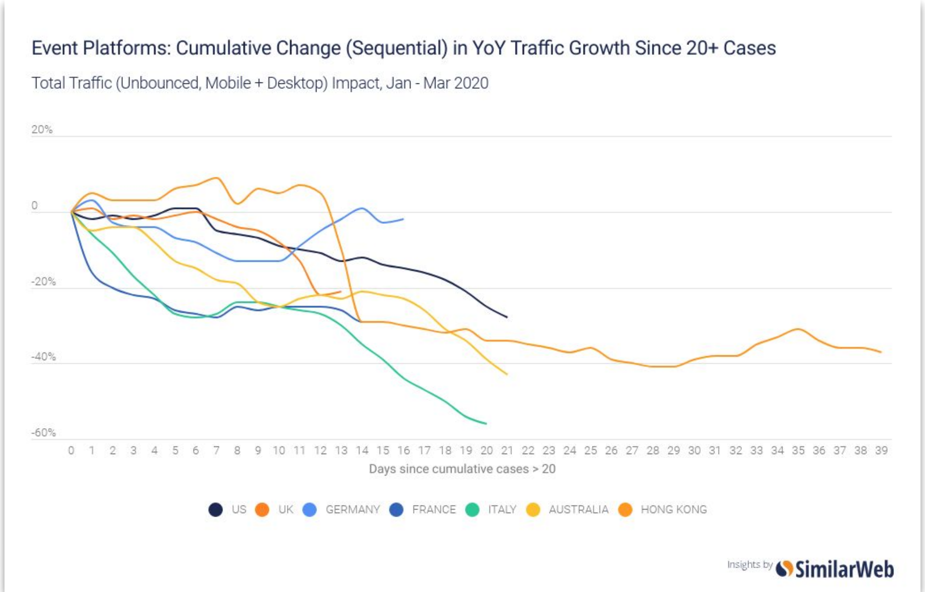
US	UK	Italy	France	Germany	Australia	Hong Kong
Feb-22	Mar-01	Feb-23	Feb-28	Feb-27	Feb-22	Feb-04

Comparing Global Event Platforms

Event and ticketing platforms could share a similar trend as airlines in the coming weeks with regards to the impact of refund interest on web traffic. However, given mandatory cancellations of events in major cities, most major platforms have automatically returned money to customers, resulting in less of a need to follow-up. As a result, for the most part, global event platform traffic has trended in one direction.

Unlike travel, event platforms won't benefit from a thinning group of consumers that may decide to "risk it." Major cities are enacting mandatory restrictions of events over a certain size, in some cases (like Austin, Tx), those prohibitions last all the way through May.

While it's difficult to point to any one market as a landing strip, it is interesting to note that Hong Kong at least appears to have found stabilization at four-five weeks from the 20 case mark. Italy, having gone into a full lockdown, possibly hasn't bottomed yet, even after falling ~60%.



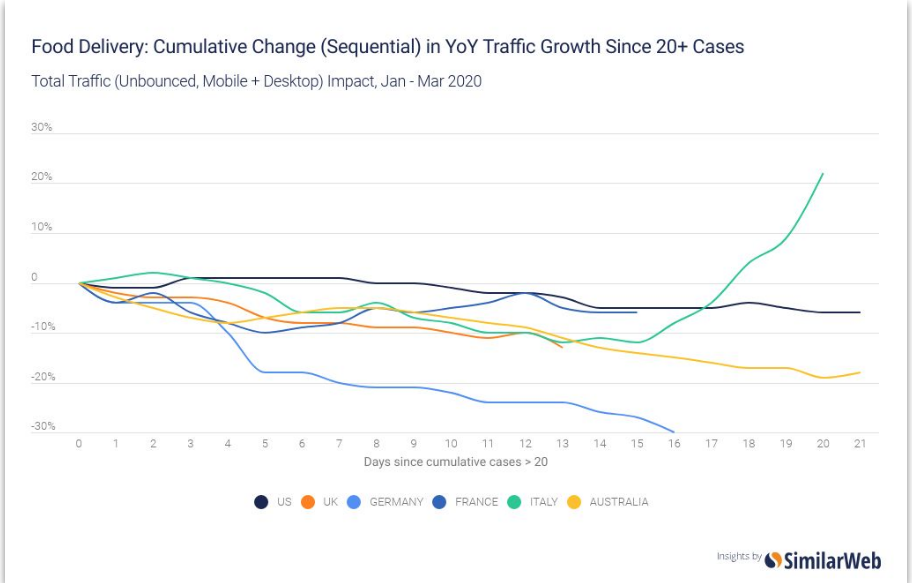
> 20 cumulative cases

US	UK	Italy	France	Germany	Australia	Hong Kong
Feb-22	Mar-01	Feb-23	Feb-28	Feb-27	Feb-22	Feb-04

Comparing Global Food Delivery

The impact on food delivery has been a point of contention among investors. On one hand, services that cater to an immobilized base of consumers would certainly benefit during a lockdown. On the other hand, restaurant operators are also facing difficult decisions in staying open, both from an economical and health standpoint. As a result, supply of takeout food, and therefore delivery options, might be significantly limited. As a result, some have pointed to major pizza chains as the bigger relative winners given product consistency, provided franchisees can stay open.

It also might be a matter of timing. Consumers pantry load in the early stages of a crisis, which dampens the demand for food delivery. Over time, as households settle in to a more normal routine and pare down the inventory, demand could pick up, as it has in Italy. However, certain channels, such as corporate food delivery, will have a longer tail of pressure.



> 20 cumulative cases

US	UK	Italy	France	Germany	Australia	Hong Kong
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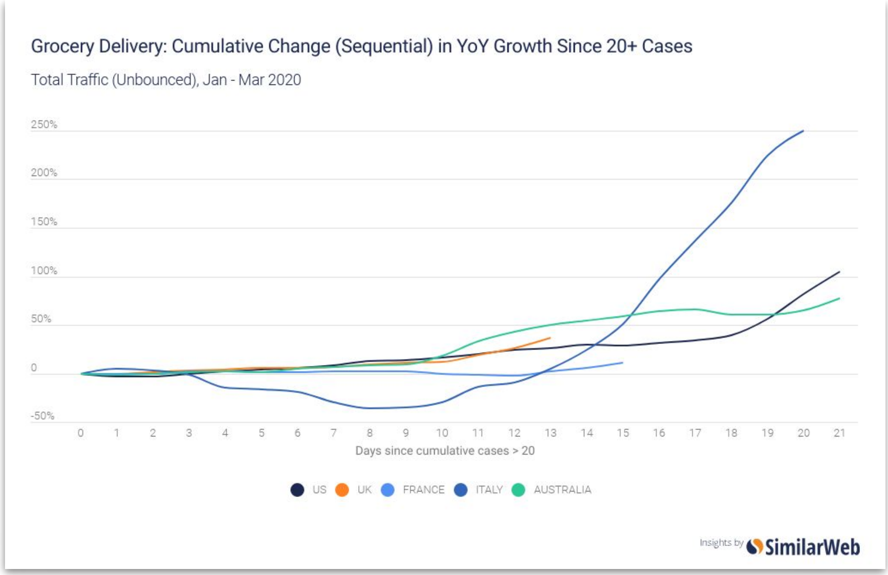
Comparing Global Grocery Delivery

Comparatively, web traffic on grocery delivery has surged, nearly doubling in the US and tripling in Italy over the span of two weeks. In contrast to travel, the exponential growth of grocery delivery mimics that of the cumulative case totals, and as a result, we expect trends to continue to accelerate over the coming weeks before stabilizing after a few purchase cycles. Major city lockdowns and compounding headlines of in-store shortages will likely elevate the urgency to overstock.

A spike in grocery purchases has a long impact tail on both food delivery and dining out, and signals a meaningful disruption in household behavior and routines. It's also important to recognize that, amidst the panic, there's likely to be a fair amount of first-time customers of online grocery delivery services. Events like these have a way of structurally reshaping or accelerating certain consumer trends, and industries that have struggled with customer penetration may benefit.



> 20 cumulative cases

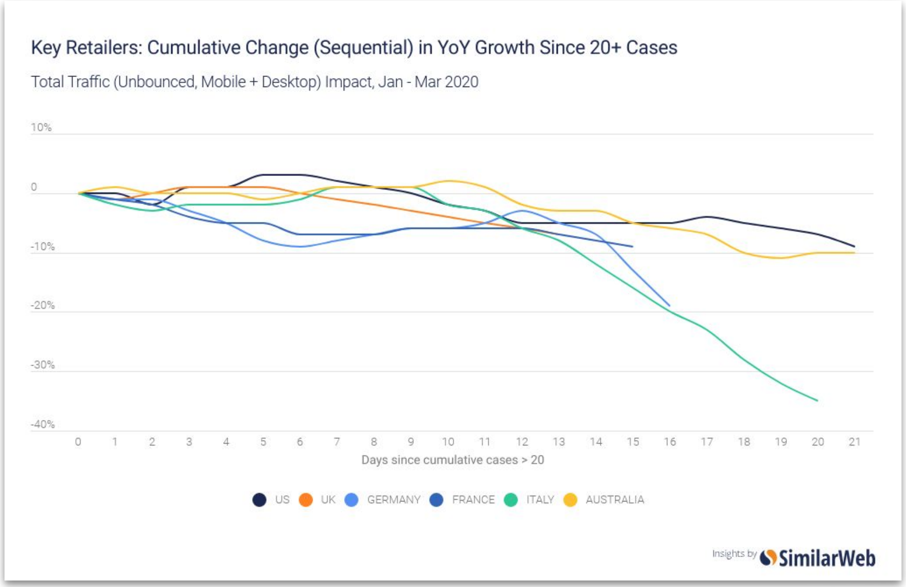
US	UK	Italy	France	Germany	Australia	Hong Kong
Feb-22	Mar-01	Feb-23	Feb-28	Feb-27	Feb-22	Feb-04

Comparing Global Retail

As a broad measure of consumer health, retail traffic points to a decelerating trend. Given the substantial disruption, the online retail industry in Italy has been the hardest hit.

In the coming days and weeks, SimilarWeb's global group of industry consultants will thoroughly examine the behavior of consumers through various retail channels and categories, and offer up a more comprehensive assessment of the health of the global consumer.

Today, we can assess the category at a high-level as challenged by the uncertainty of what the outbreak might mean for income sustainability, particularly on the lower end. While it's still early, lower-end retail has been underperforming higher-end since mid-Feb.



> 20 cumulative cases

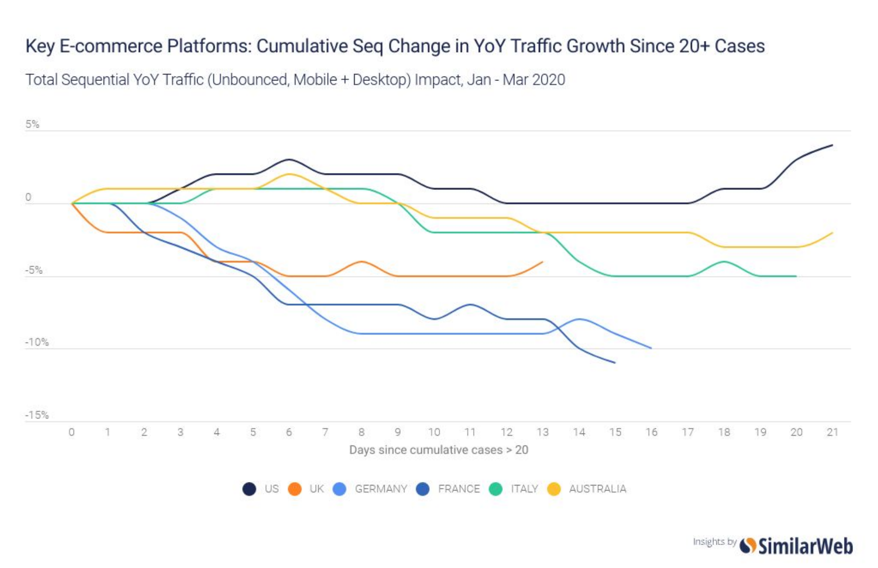
US	UK	Italy	France	Germany	Australia	Hong Kong
Feb-22	Mar-01	Feb-23	Feb-28	Feb-27	Feb-22	Feb-04

Comparing Global eCom

E-commerce is trending downward globally, despite the clear benefits of an immobilized consumer base.

We anticipate that whatever benefit is currently accruing to major eCom sites from the hyperactive stocking of the household inventory is being largely offset by the same pressures facing the broader online retail category.

The US, however, has bucked the trend in recent weeks, aided by mass market brands like primary walmart.com.



> 20 cumulative cases

US	UK	Italy	France	Germany	Australia	Hong Kong
Feb-22	Mar-01	Feb-23	Feb-28	Feb-27	Feb-22	Feb-04

Summary

March trends widen the February divergence: Consumers, globally, made clear cut choices in the immediate aftermath of each respective outbreak, including handling priorities such as grocery shopping, which has come at the expense of food delivery, and canceled travel plans. Trends in February are accelerating throughout March.

How to read the charts in the report: the growth rates expressed in this report are **SEQUENTIAL YOY** relative to January of this year. In other words, consider January the index, and all subsequent growth rates in February and March relative to the January numbers, which largely reflect a pre-crisis period for most of EU and the US.

March 1st Half (1H) vs Week Ending (WE) March 14th: We show two March numbers for sequential YoY growth. **1H** March represents all of March to-date (from March 1 - 14), while **WE** March-14 represents the **7 days ending Mar-14.** The comparison of these two numbers relative to January show **the intra-month trend**. If WE number is **higher** than a 1H number, that means the category is **trending up** during the month .

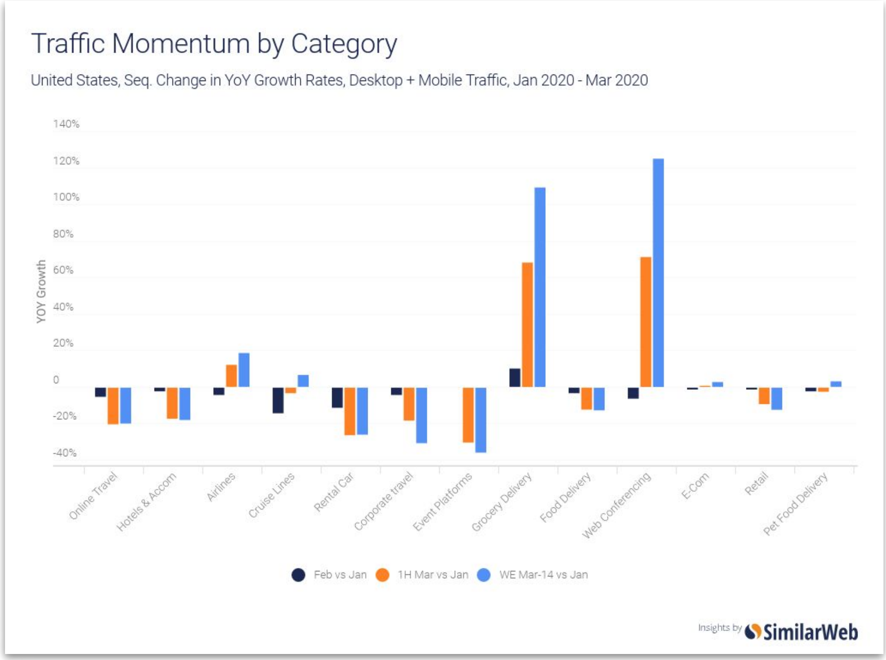
United States

March Trends Widen the Divide

Unsurprisingly, travel and related industries have continued to experience sharp traffic declines amidst an increasingly cautious consumer and business environment. The second week of March marked significant escalation of policy targeting travel and large gatherings.

Grocery delivery, which had already been experiencing robust growth, has trended higher in the 1H of March, accelerating the trend from 2H Feb. Food delivery traffic momentum, meanwhile, remains sluggish and has trended down since Jan despite the benefits of an immobilized consumer base. Pantry stocking and fewer expense account orders may be driving fewer delivery occasions in the short-term.

Web conferencing services like Zoom and Google Hangouts are driving new usage occasions and, in the case of Google, offering premium features for free.

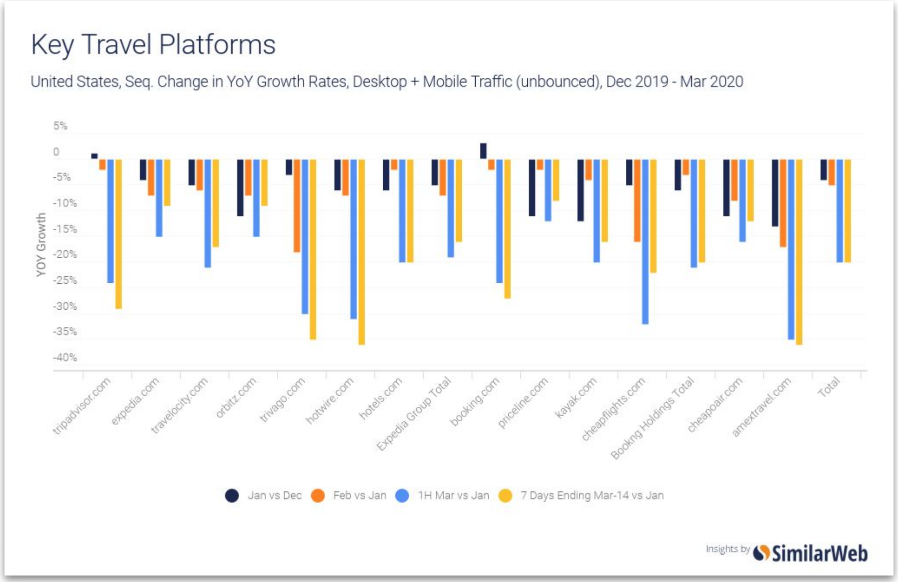


Online Travel Platforms

Online travel platforms (including OTAs and metasearch) have been universally and uniformly impacted, as is to be expected in the immediate aftermath of first US headlines. Negative trends accelerated during February, with each week progressively worse and have continued into March.

While there may have been a short-term boost from bargain hunters early last week, as well from international travelers shifting plans, the escalation of the outbreak and the significant cuts to airline seat capacity will likely drive another leg down in the coming weeks.

As of early March, rolling 7-day unbounced traffic for the aggregate group is down nearly 30% YoY (range down 7-35%), compared to down low-double-digits (range cown ~5-25%) prior to Feb 26th.

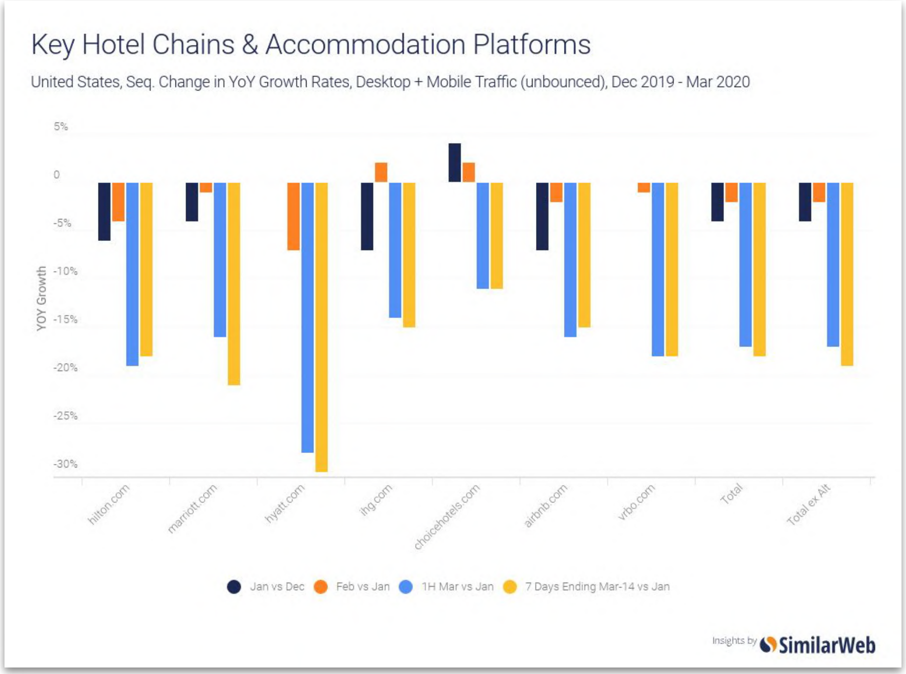


Hotel Chains

Both retail and corporate travel customers are proactively scaling back future travel plans, and canceling altogether, which impacts direct hotel bookings. Major cities, such Austin and San Francisco, have announced bans on all major events through May at the earliest. The impact across chains is fairly uniform, though Hyatt is among the most impacted in the group.

We suspect there's a fair amount of influence in the traffic data surrounding corporate and retail clients seeking refunds for cancelling future travel plans or events, which has reportedly been a stickier process in the industry. Of note, alt accommodation platforms are trending slightly better than chains, likely for this very reason.

Rolling 7-day traffic growth trends have dropped 15ppt for the group since Feb 22th (20 case mark), now down mid-teens YoY (range down 7-32%), and down ~25% excluding the alternative accommodation platforms (down ~18% since Feb 22).

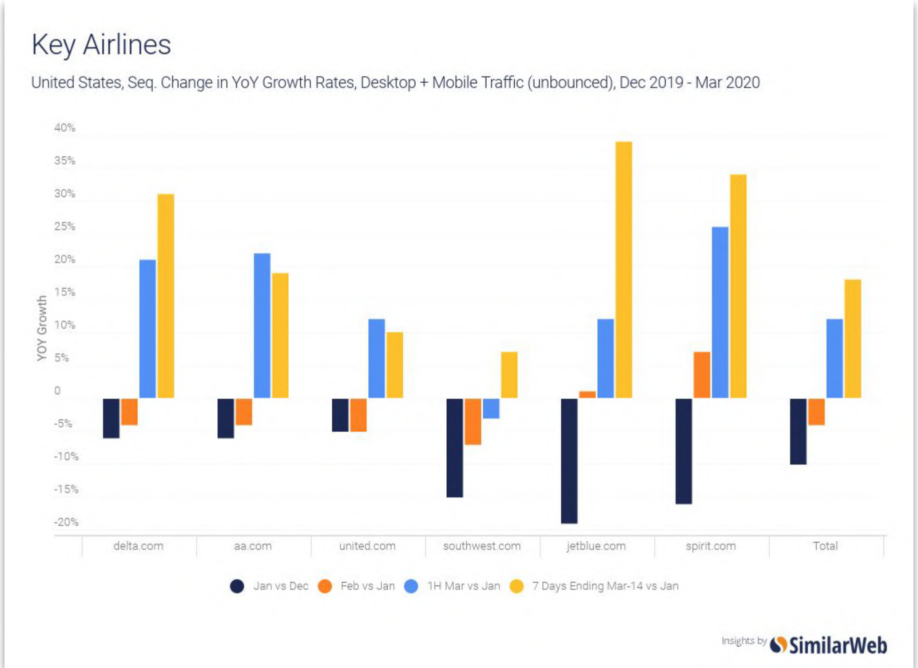


Major Airlines

Trends in direct airline web traffic have spiked across the board, which as we discussed in the global view, despite significant slowdowns in air travel, customers are flocking to direct sites to seek refunds and cancel trips, as well as check statuses and guidance amidst new travel restrictions and coronavirus advice. Similar trends can be observed across the EU

As a result, we suspect that any traffic in the next few weeks is a contra-indicator of travel demand as it reflects customer cancellations of future travel plans. Traffic may be inflated for a prolonged period as major carriers like Delta have requested that users only submit cancellations 72 hours before the trip.

Both hotels and airlines are beginning to experience the pressures from mandated restrictions on corporate travel, and recent cancellations of conferences and major events, the effects of which will likely escalate throughout the remainder of March-April. Major cities are beginning to cancel events 8-12 weeks into the future.

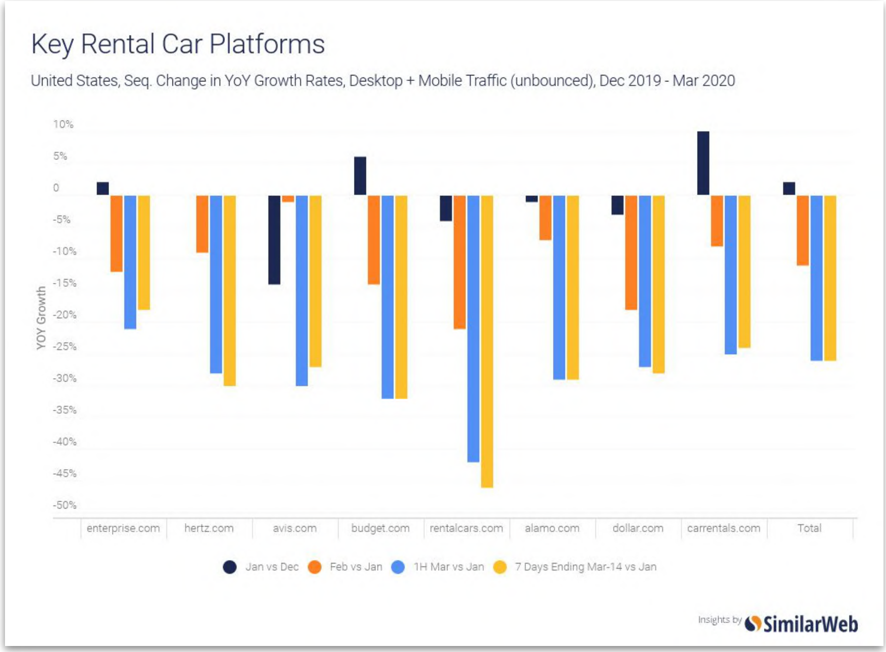


Rental Cars & Platforms

After a relatively healthy January, rental car providers and platforms have experienced sharp declines in the first two weeks of March, a continuation of the trend in February. Rental car demand is a good indicator of of future business travel plans.

Overall YoY trends are somewhat in line with hotel chains, **down ~20%** into March on a rolling 7-day basis, down nearly 12ppt from Feb 22th.

No service was safe from the late February decline, but aggregator rentalcars.com (BKNG) saw less favorable trends.



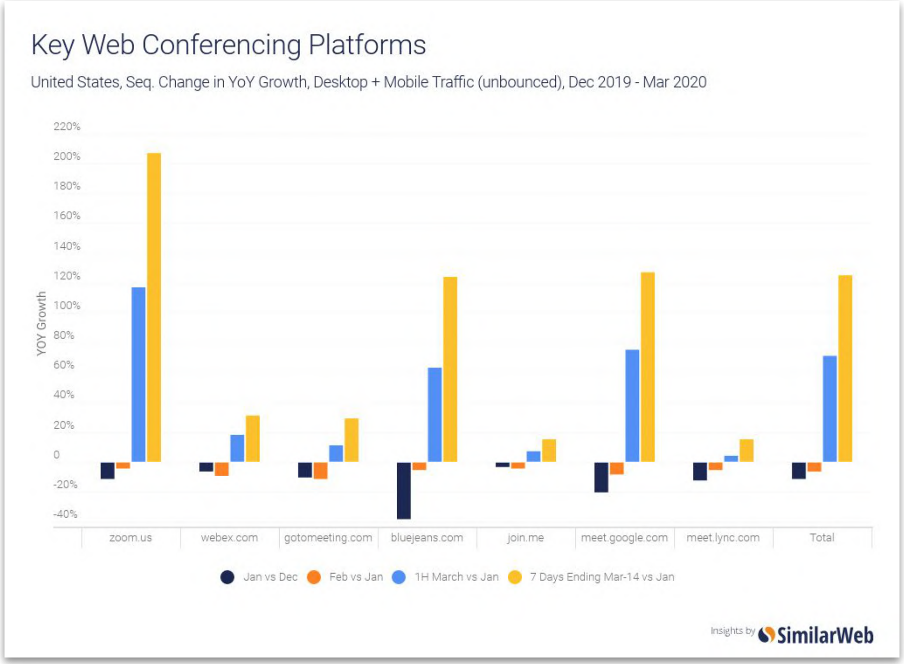
Web Conferencing Platforms

As employees increasingly work from home and corporates ground travel, web conferencing services are seeing a boost in usage. Trends have accelerated into March, with unbounced traffic up >140% on a rolling 7-day period.

Zoom (ZM) provides a generous free tier that may be attractive for smaller companies facing new friction of a scattered workforce. The company recently lifted its time limits on its free product in China.

On March 3rd, Google announced that it is making the premium paid features of Hangouts free until July 1.

For existing clients, expansion of the number of necessary hosts may lead to a strong upsell opportunity.

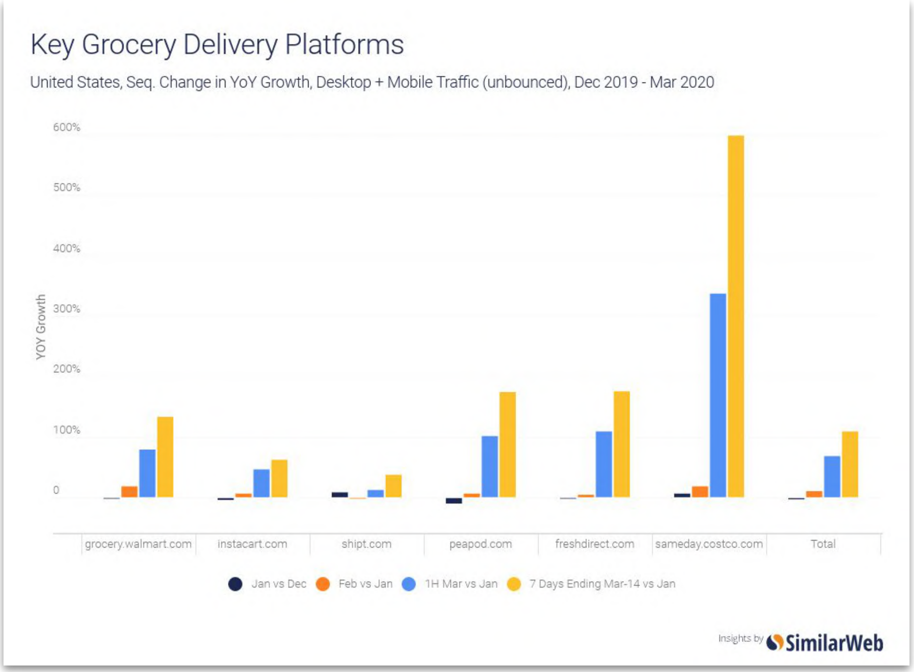


Grocery Delivery

Grocery delivery platforms are experiencing a substantial surge in traffic. Trends have accelerated into March, with unbounced traffic up >135% on a rolling 7-day period, which is, perhaps coincidentally (or perhaps not) in line with web conferencing services.

As we noted in in global trends, we expect trends to continue to accelerate over the coming weeks before stabilizing after a few purchase cycles. Major city lockdowns and compounding headlines of in-store shortages will likely elevate urgency to overstock.

A spike in grocery purchases has a long impact tail on both food delivery and dining out, and signals a meaningful disruption in household behavior and routines.Costco (COST) and Walmart (WMT) are winning the channel.

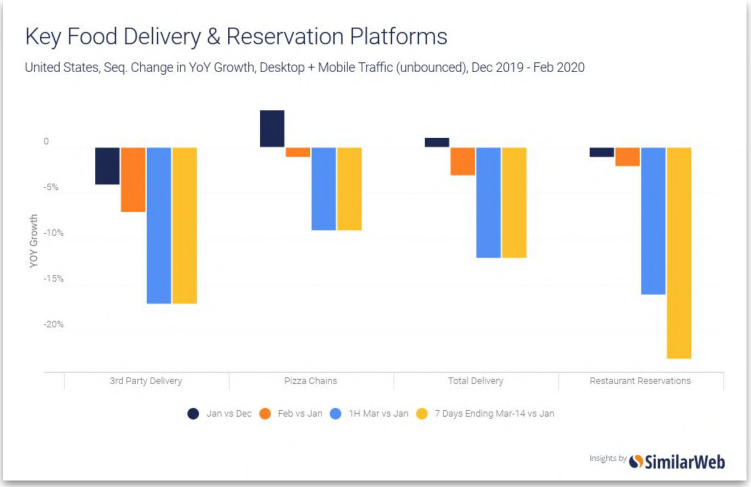


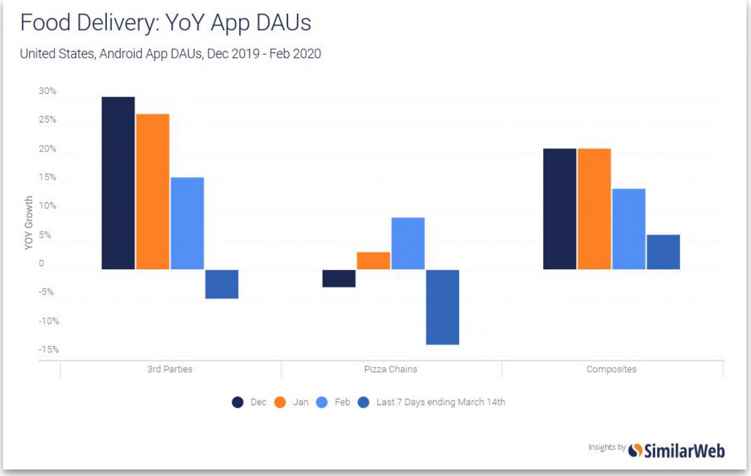
Food Delivery

Food delivery platforms are trending in contrast to grocery delivery. A spike in grocery purchases has a long impact tail on both food delivery and dining out, and signals a meaningful disruption in household behavior and routines.

While heavy promotional volume in the prior year adds noise to the sequential data, mobile app DAU growth is also trending down from December through last week.

Pantry stocking may be contributing to a dampening effect of delivery occasions over the next month, or so. However, as consumers move through inventories, demand trends may normalize. Supply trends may not, however, as many independent restaurants face tough economic and health decisions in the coming weeks in staying open. Orders on the corporate expense account, however, may experienced prolonged pressure as employees increasingly work from home in high value urban markets, such as NYC..

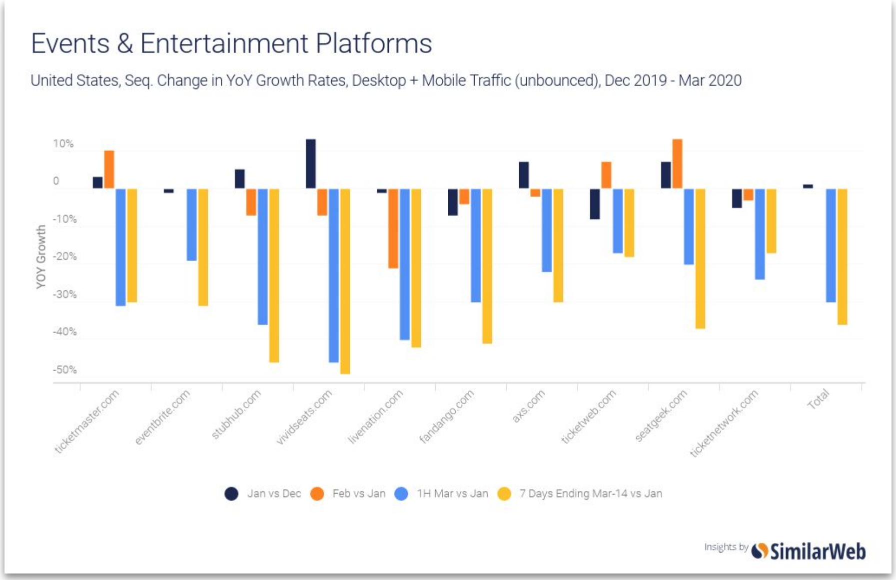




Events & Entertainment

Events and entertainment sites have experienced significant negative trends into March, as to be expected. While the category is correlated with travel, to an extent, the data suggest consumers are beginning to noticeably alter behavior. As we mentioned in global patterns, unlike travel, event platforms won't benefit from a thinning group of consumers that may decide to "risk it." Major cities are enacting mandatory restrictions of events over a certain size, in some cases (like Austin, Tx), those prohibitions last all the way through May.

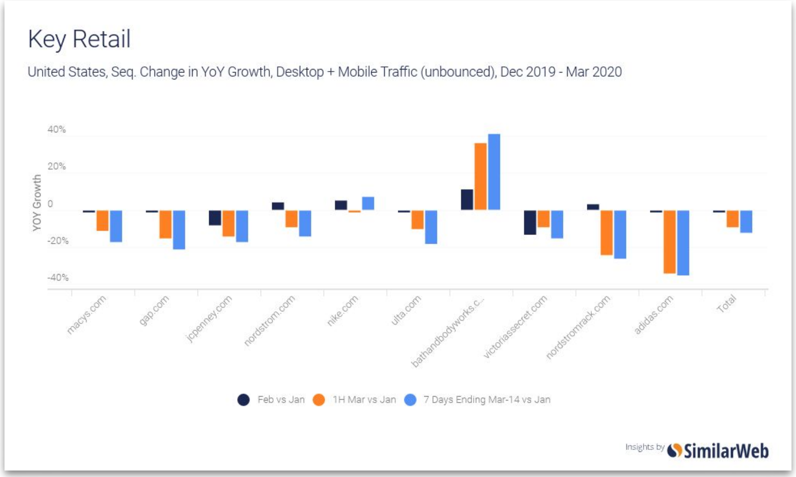
Rolling 7-day unbounced traffic is trending down ~40%, down >30ppt from Feb 22th (20 case mark), a steeper loss in momentum than the aggregate travel categories.

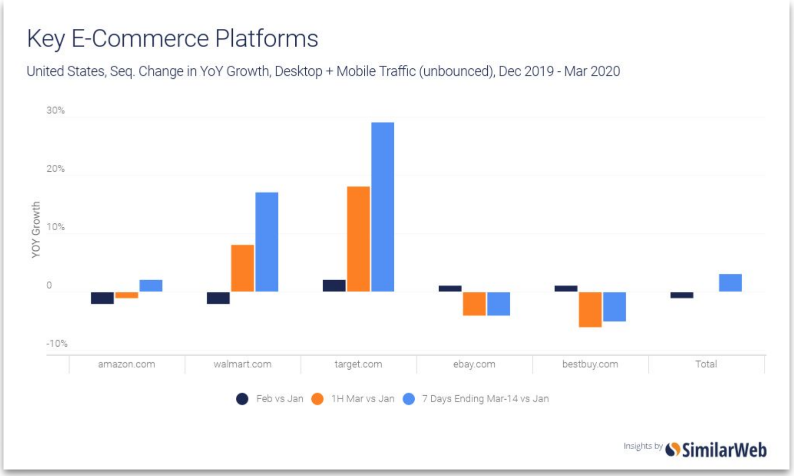


Ecom & Retail

As a broad measure of consumer health, retail traffic points to a decelerating trend. While we can certainly attribute much of the near-term softness to wallet share (and mindshare) shifting to high-priority products, considering most households are undergoing a major disruption in lifestye and routine, that's likely to continue for the forseeable future. However, we do note that low-end retail has underperformed higher-end, and should income sustainability come into question for lower-earning families, that will be the divergence to watch.

In E-Commerce, the US has bucked the global trend in recent weeks, aided by mass market brands and a more established household good supply chain. However, we anticipate that whatever benefit is currently accruing to major eCom sites from household stocking will be offset by the same drag of income uncertainty that will challenge the broader online retail category.





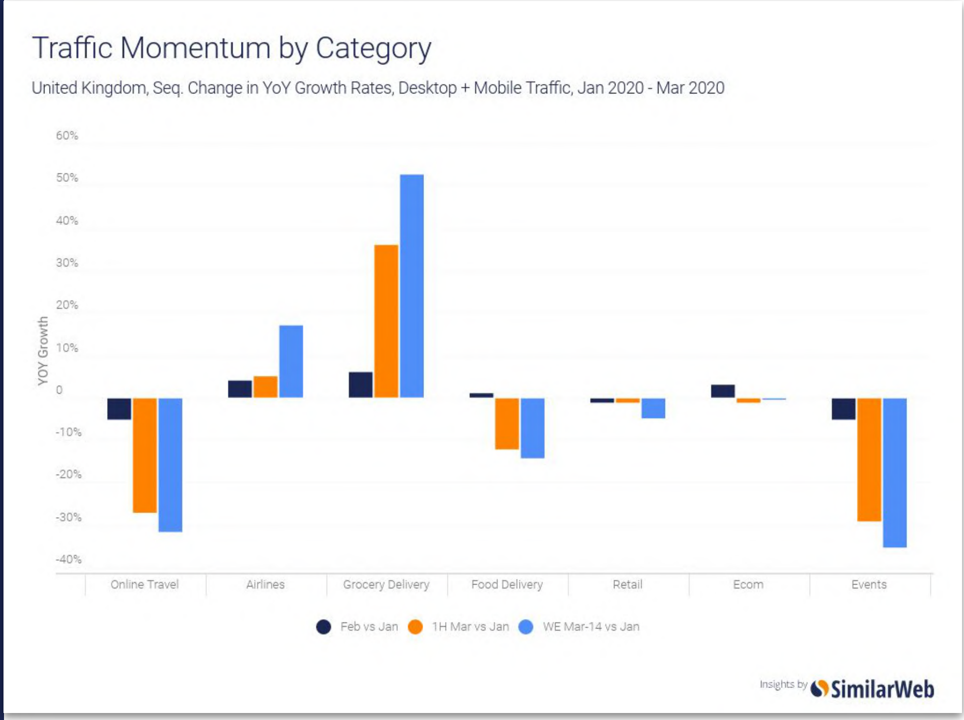
United Kingdom

Coronavirus Impact Overview

From Online Travel to Food Delivery, we explored the latest UK traffic data pertaining to industries that are likely to be most affected by the coronavirus outbreak.

Unsurprisingly, travel and related industries have experienced sharp traffic declines amidst an increasingly cautious consumer and business environment

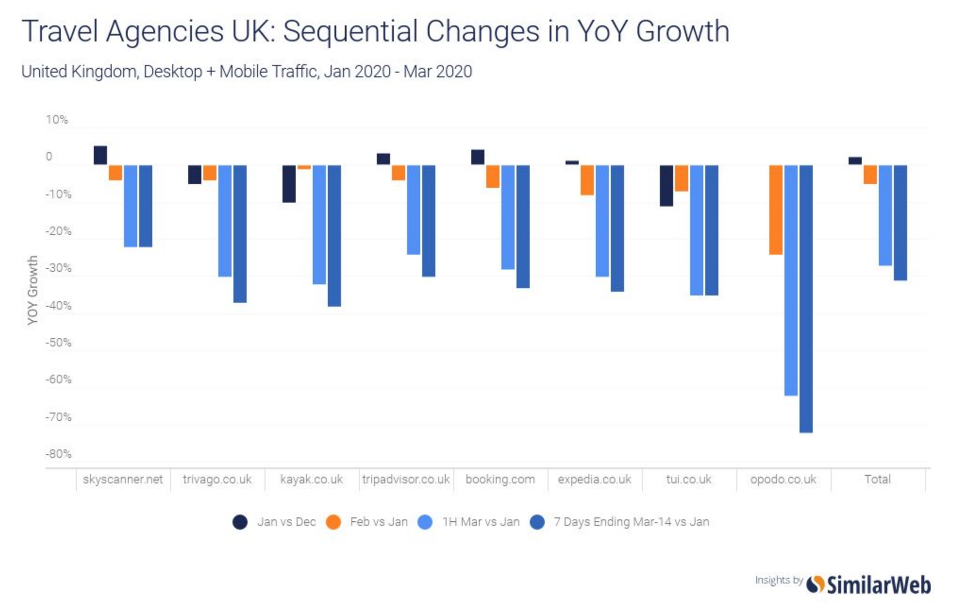
Grocery delivery, has trended higher in the first week of March. On the other hand, food delivery traffic momentum has been downward trending since Jan despite the benefits of an immobilized consumer base. Similar to the US, pantry stocking and fewer expense account orders may be driving fewer delivery occasions in the short-term.



Online Travel Platforms

Online travel platforms (including OTAs and metasearch) have been universally and uniformly impacted, as is to be expected in the aftermath of first UK headlines. Negative trends have continued to accelerate during the second week of March. This acceleration of the negative trend can be attributed to more severe travel restrictions and a decreasing willingness to travel as the virus spreads.

As of mid-March, rolling 7-day traffic for the aggregate group is down more than 30% YoY. When compared to the US, it appears UK travel agencies are experiencing stronger headwinds from the virus, with all travel agencies suffering a decline of 30% or more, save one - Skyscanner.

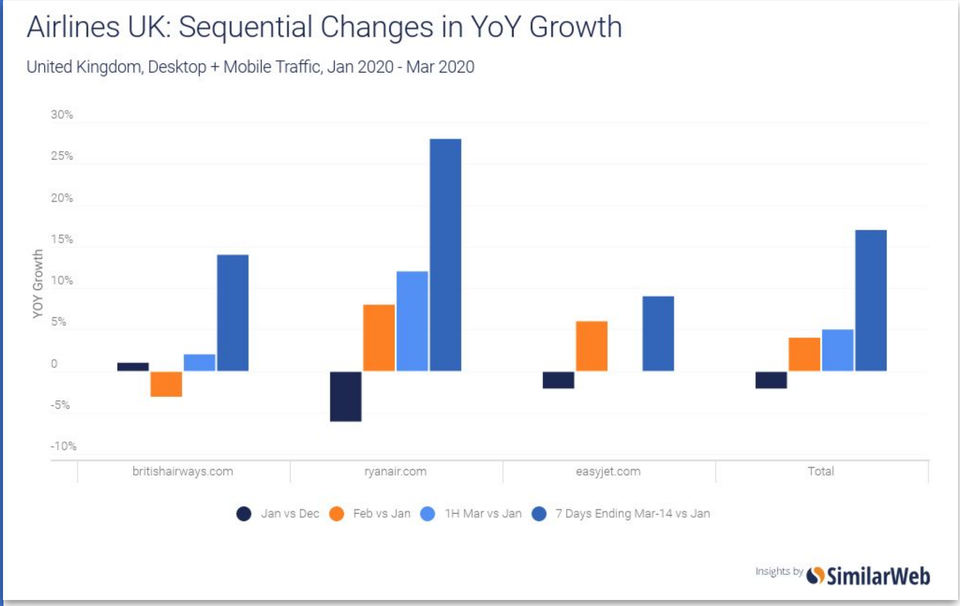


Major Airlines

Trends in direct airline web traffic, as a whole, are generally more favorable than 3rd-party travel platforms.

Both travel agencies and airlines are beginning to experience the pressures from mandated restrictions on corporate travel, and recent cancellations of conferences and major events (Geneva Car Show in Europe, etc), the effects of which will likely escalate throughout the remainder of March.

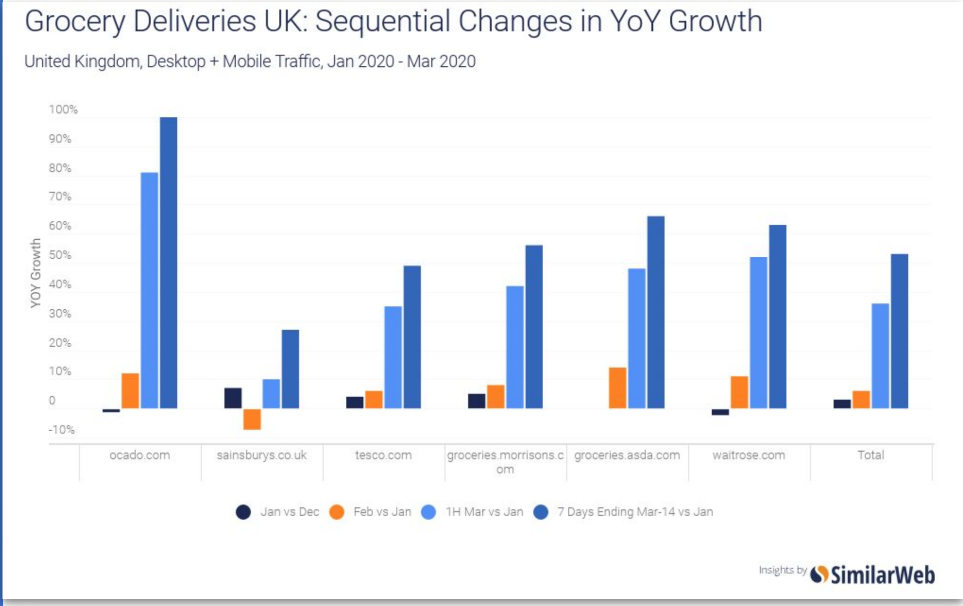
As a result, we suspect that any traffic in the next few weeks is a contra-indicator of travel demand as it reflects customer cancellations of future travel plans, as well as potential travellers looking for information and updates on their booked flights.



🎁 Grocery Delivery

Similar to trends we've observed throughout the world, grocery delivery platforms are experiencing a substantial uptick in traffic as consumers prepare for isolation.

Visits have surged since January, with Ocado (OCDO) and Asda leading the channel. Nearly all players in the category have benefitted, with visits to groceries.asda.com, tesco.com, waitrose.com and groceries.morrisons.com up significantly.

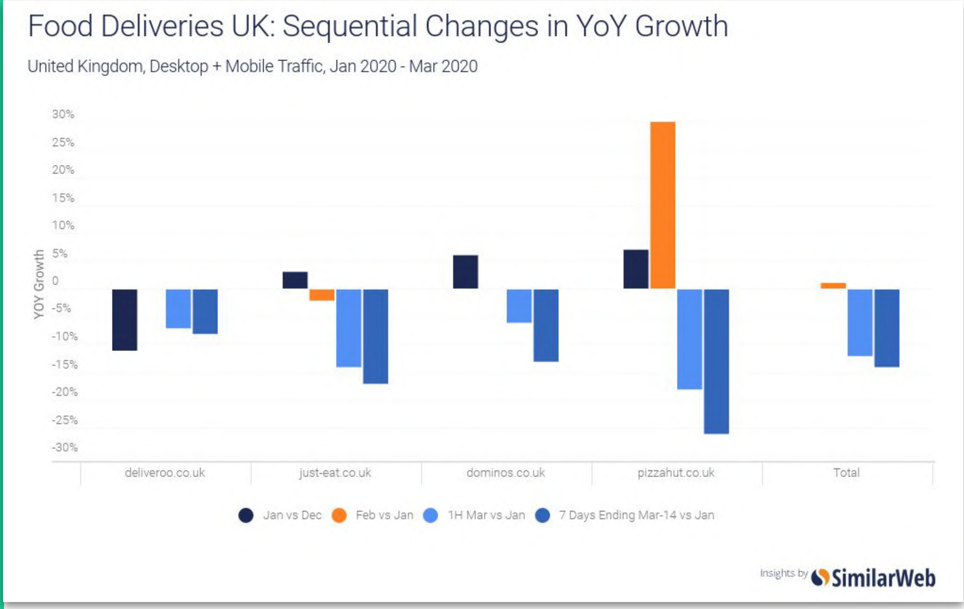


Food Delivery

Food delivery platforms are trending in contrast to grocery delivery in Feb. Pantry stocking may be contributing to a dampening effect of delivery occasions over the next month or so.

There are multiple forces at play here. On the one hand, as consumers move through inventories, trends should normalize. On the other hand, restaurants are shutting down across the country, affecting the supply.

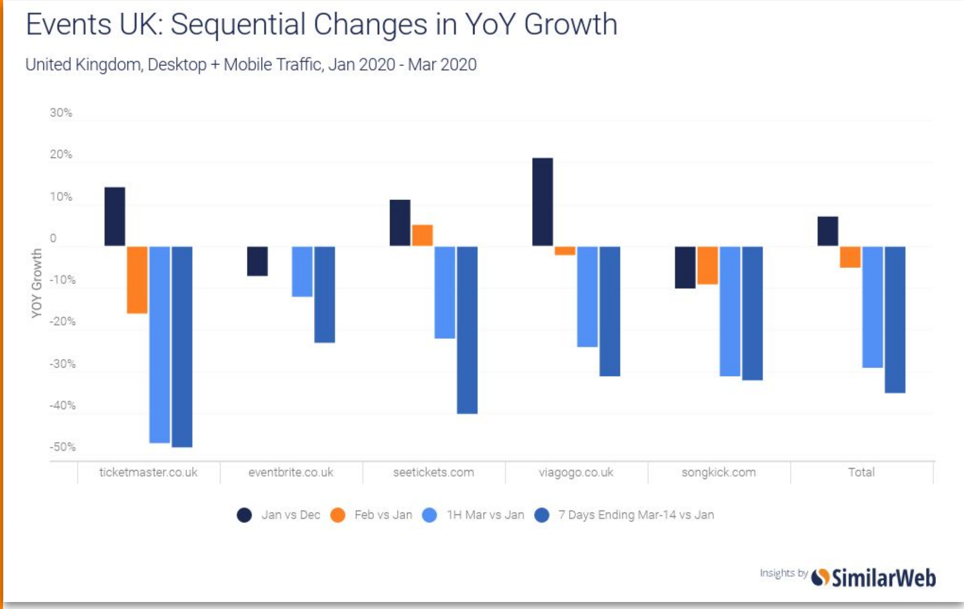
With the evolvement of the situation and if the population goes into quarantine, it will be interesting to monitor this section and see which companies win from an immobil consumer base.



Events

Event and Entertainment platforms have started to show negative trends in February. During the first two weeks of March, traffic to events and entertainment platforms has plummeted.

The drop in traffic reflects the many event cancellations happening throughout the world, as countries are banning gatherings to slow the spread of the virus.

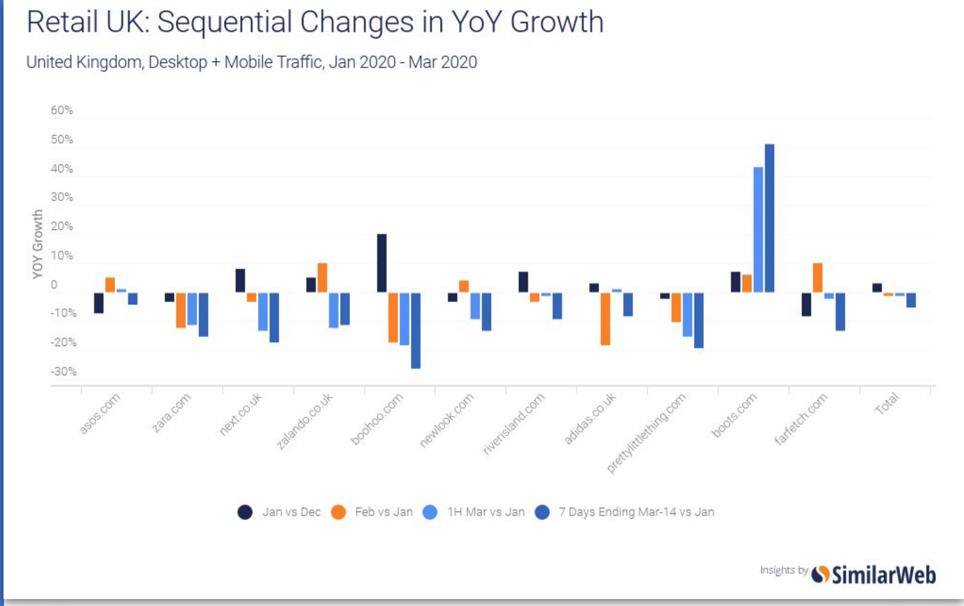


Retail

Retail platforms are experiencing mixed trends. Fashion and clothes outlets are seeing decreases in traffic which have accelerated in the second week of March.

On the other hand, Boots, an online pharmacy, is seeing very significant positive growth.

As the virus spreads, economic uncertainty is starting to take a toll on businesses and consumers, especially affecting any non-essential businesses, such as fashion outlets.



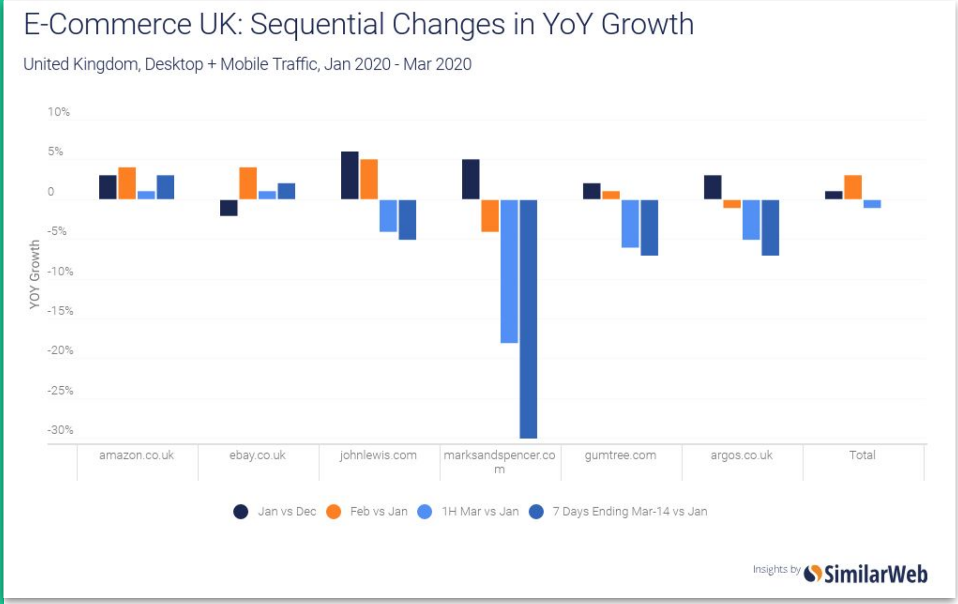
E-commerce

E-commerce players in the UK are experiencing mixed trends. Marks and Spencer, a high-end retail outlet focusing on clothing and beauty is experiencing the largest decline, as consumers shift their focus on the essentials.

E-commerce retailers are subject to the same pressures as the rest of the economy. Diversified retailers, such as Amazon and Ebay, appear to be less affected, or even positively affected by the shifts in the British consumer's spending habits.

Should the UK enter a lockdown and mass quarantine, we expect increased traffic to diversified retailers, as the population avoids going outside.

Upcoming events in the UK may put a strain on consumers. It will be interesting to monitor these sites and see if their traffic starts to increase when consumers are quarantined and immobilized.



Germany

Coronavirus Impact Overview

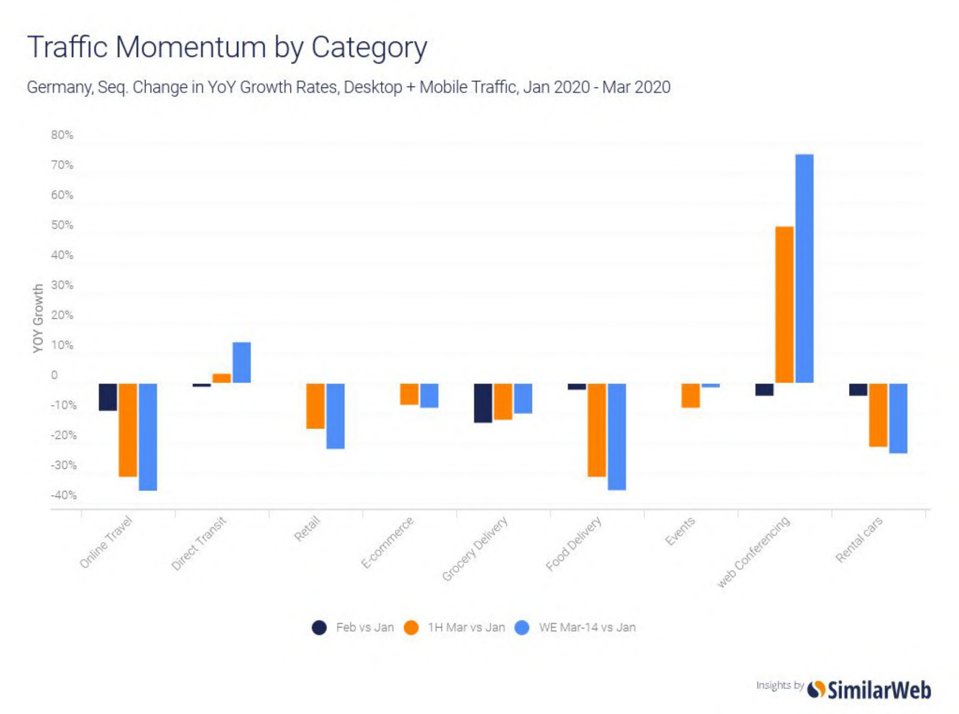
From Online Travel to Events, we have explored the latest German traffic data pertaining to industries that are likely to be most affected by the coronavirus outbreak.

Airlines seem to have been affected from the onset, while the second week of March is the first time events and entertainment are experiencing a decline in traffic.

Online travel websites have seen an aggressive drop in traffic over the past week as consumers are affected by uncertainty regarding summer holidays.

It’s worth noting that, with the exception of grocery delivery, which is still in its infant stages in Germany, category trends mirror that of the rest of the world

How to read the charts in the report: the growth rates expressed in this report are **SEQUENTIAL YOY** relative to January of this year.



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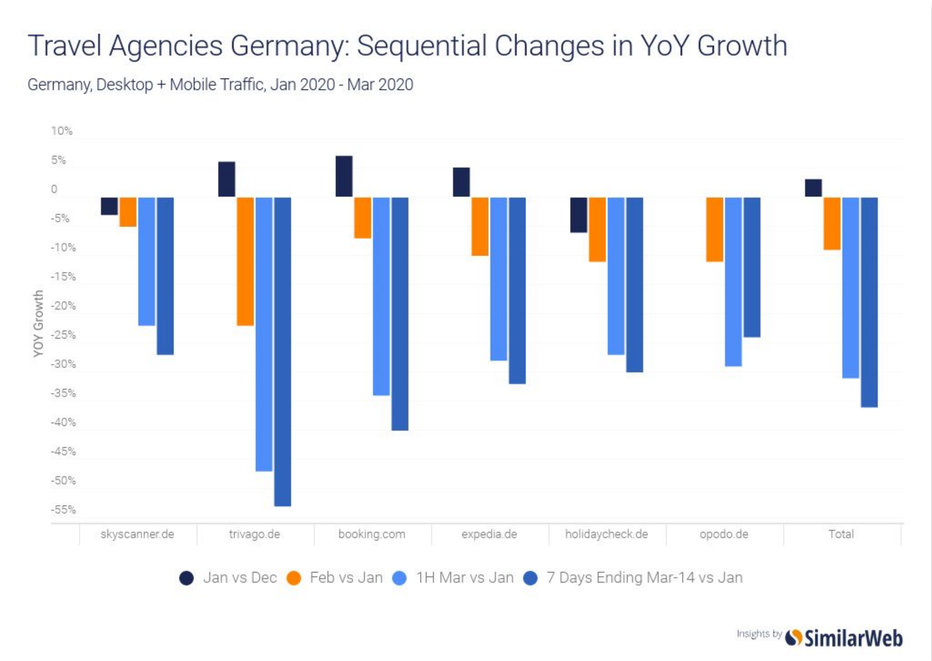
Online Travel Platforms

Online travel platforms (including OTAs and metasearch) have been universally impacted in the aftermath of the first German headlines.

Trivago leads the losses in traffic, and experienced a drop of 50% in the second week of March, the harshest fall in traffic measured in the industry.

These negative trends are more severe than those that we are seeing in other European and international markets. While on aggregate, US traffic to online travel platforms dropped by 20% in the second week of March, German traffic fell by over 35% on aggregate.

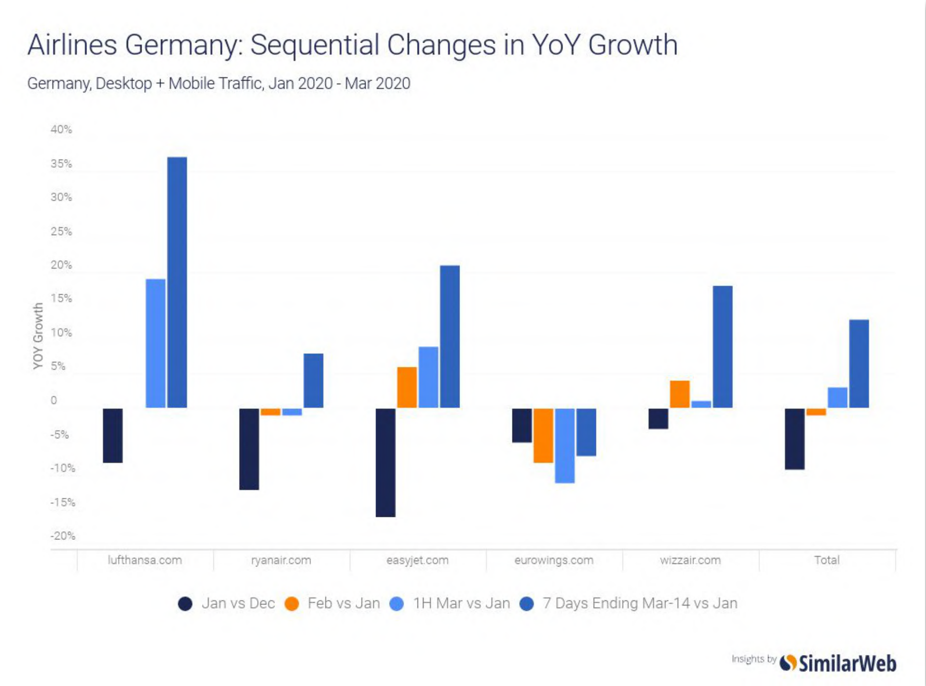


Major Airlines

LIke travel agencies, airlines are beginning to experience the pressures from mandated restrictions on corporate travel, and recent cancellations of conferences and major events , the effects of which will likely escalate throughout the remainder of March.

However, that may not immediately show up in traffic data. As we discussed in global patterns, similar to other countries, airline traffic in Germany has spiked in recent weeks. Our analysis suggests most of that incremental traffic is related to passengers seeking cancellations and refunds or updates and/or information on future travel.

In the coming weeks, as a result, traffic on direct travel sites is likely a contra-indicator of future demand, as customers seek compensation for trips already booked.

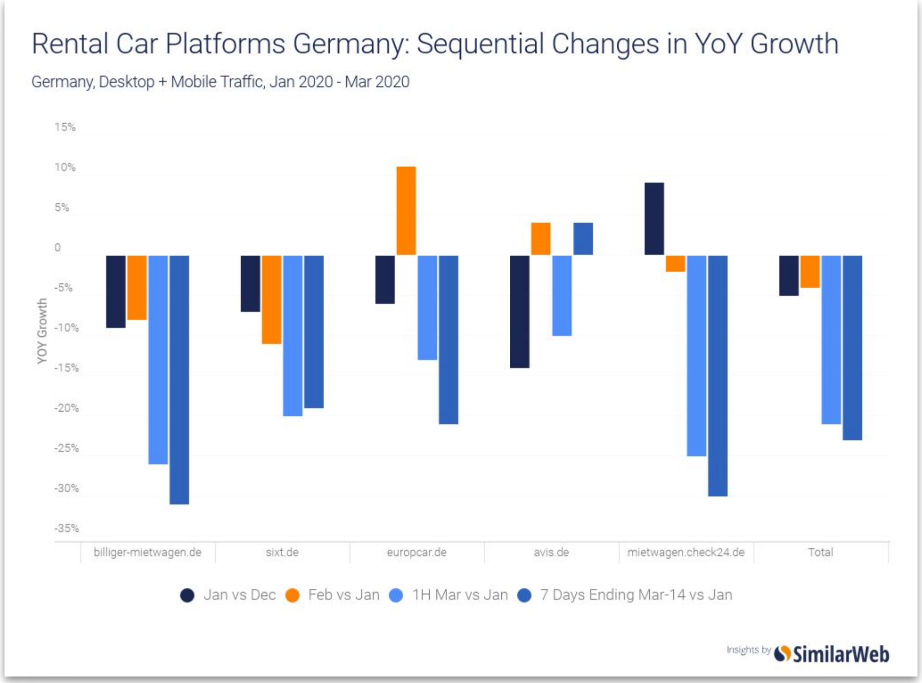


Rental Cars & Platforms

Rental car providers and platforms have experienced sharp declines in the first two weeks of March. On a YoY basis, its down mid-teens, which is in-line with online traffic in Germany, though comparatively sanguine relative to trends in broader EU.

Directionally, rental car platforms, which are a key indicator of business travel, haven't faced as stark of downside as online platforms.

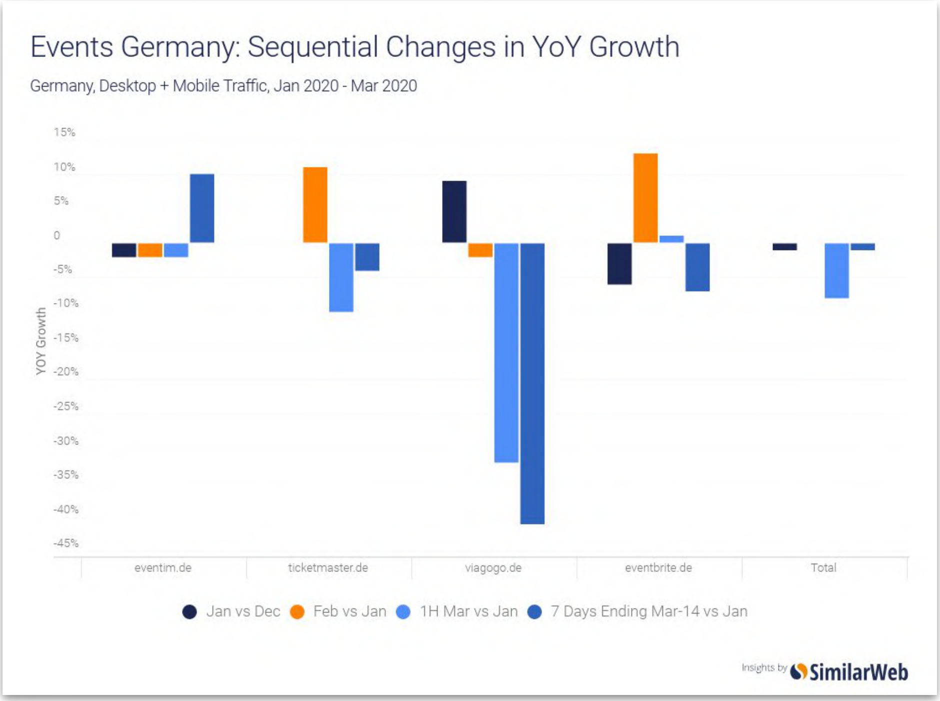
The impact is also less uniform relative to other travel categories. Car rental comparison sites Billiger Mietwagen and Check24 experience more than 30% traffic decreases. Avis is the only player to experience growth of its traffic YoY during the second week of March compared to the month of January.



Events

Event and Entertainment platforms show mixed results: While most event platforms have experienced a decrease in traffic in the past week, the aggregate traffic lost is only just over 1%. Eventim, the largest provider, saw an increase in traffic over the last few weeks, which can at least be partially explained by refund and status check-ins.

On March 8, German Health Minister Jens Spahn called for the cancellation of events with over 1,000 attendees, while many countries have banned gatherings of 10 or more. This may explain the discrepancy between the worldwide trend and Germany's data.

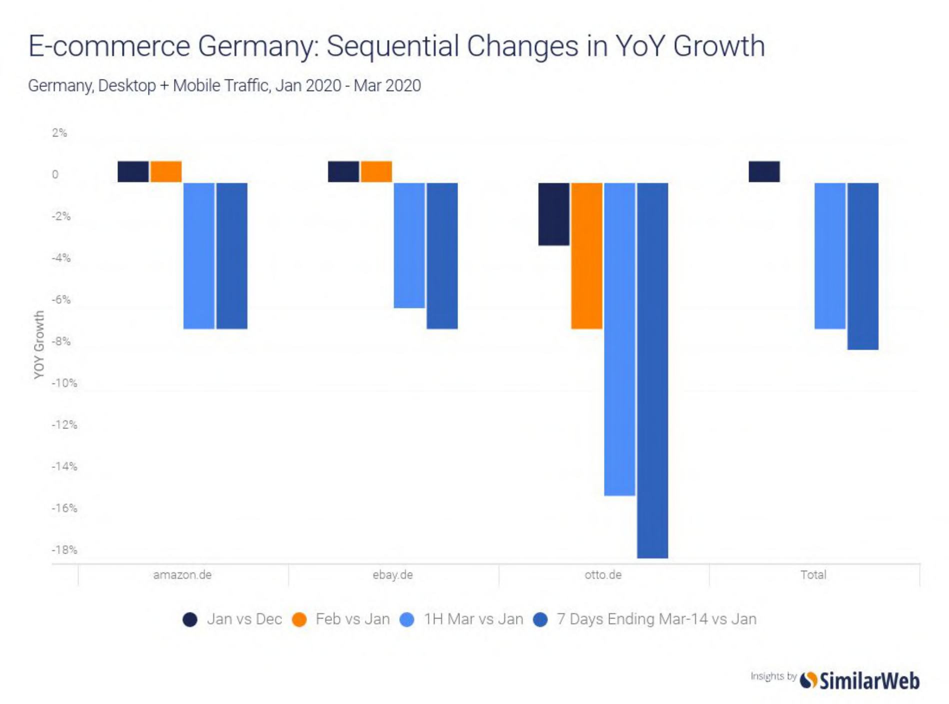


E-commerce

The top three e-commerce websites in Germany all suffered traffic declines in the second week of March.

While the international players, Amazon and Ebay, saw a relatively small decline in traffic, the local player Otto experienced an 18% fall in traffic.

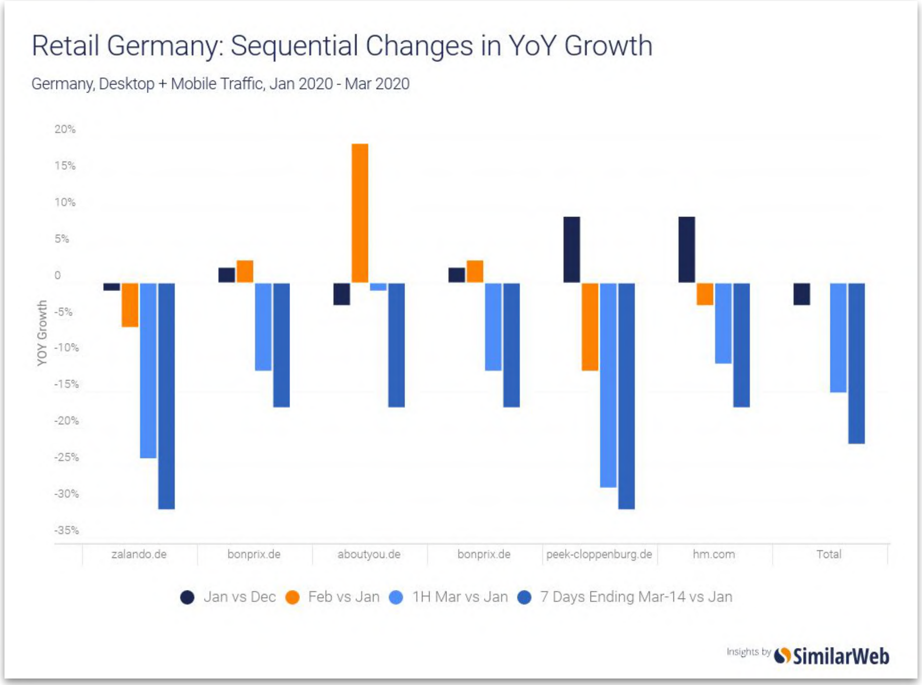
As is the case with much of the world, online non-grocery retailers are dealing with lowered demand as consumers focus on food and essentials.



Retail

Retail platforms across Germany are experiencing negative trends. Fashion outlets such as Zalando have seen their traffic decrease by over 30% in the second week of march.

Germany's retail trends are similar to the trends observed in the US and in the UK. As the virus spreads, economic and income uncertainty may be starting to take a toll on businesses and consumers, especially affecting any discretionary businesses, such as fashion outlets.

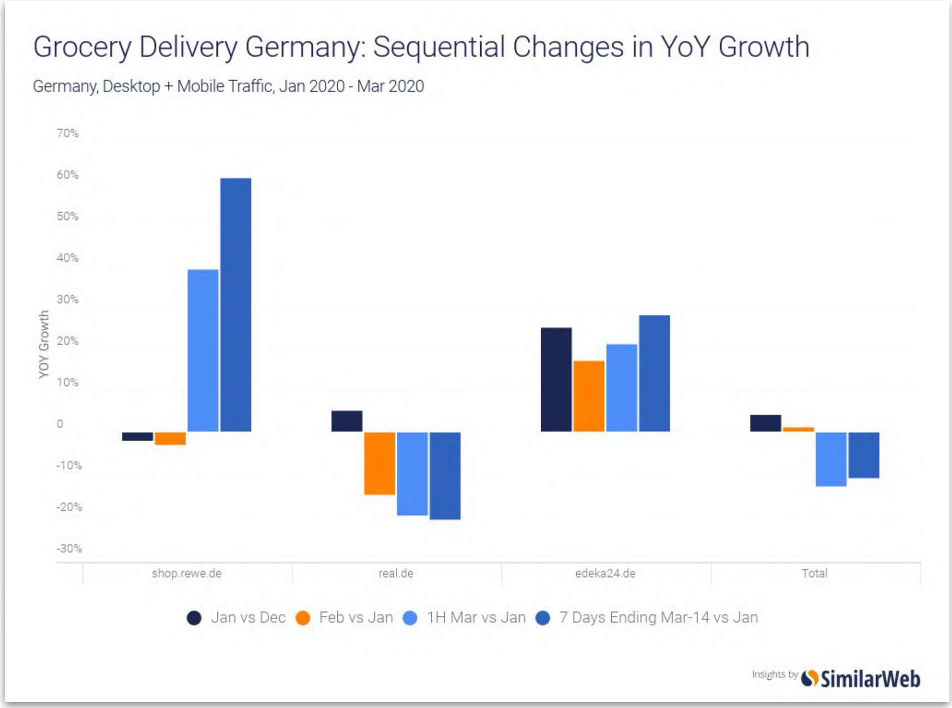


Grocery Delivery

We are seeing non-uniform trends across the young grocery delivery sector in Germany. Certain supermarket brands are benefiting from this period and are seeing increased traffic, while the larger brands (real.de) aren't participating, at least not yet.

As Germany is still not under full lock down, consumers may still be opting to go to supermarkets in person, nor are the advantages of grocery delivery readily apparent.

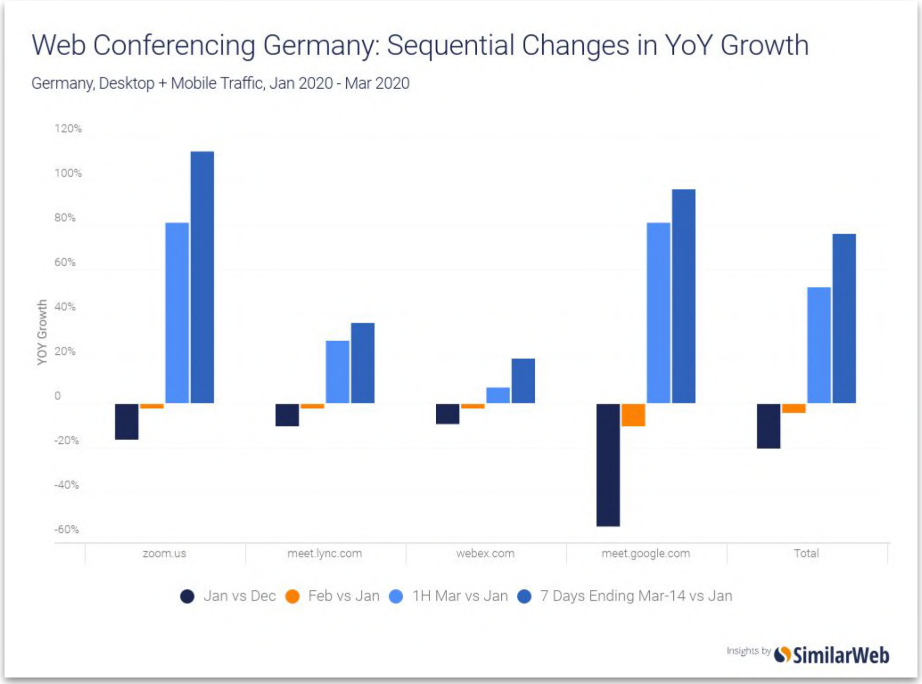
That may change. Germany's online grocery delivery industry is not as developed as in other countries, and immobilization may be the catalyst to unlock the category.



Web Conferencing

As employees are advised to work from home and corporates ground travel, web conferencing services are naturally more in demand. Trends have accelerated into March, with traffic up by 76% on a rolling 7-day period.

In Germany, the freemium platform Zoom (ZM) has seen the largest demand surge, followed closely by Google's Hangout platform. Both companies have expanded free tiers in the short-term.



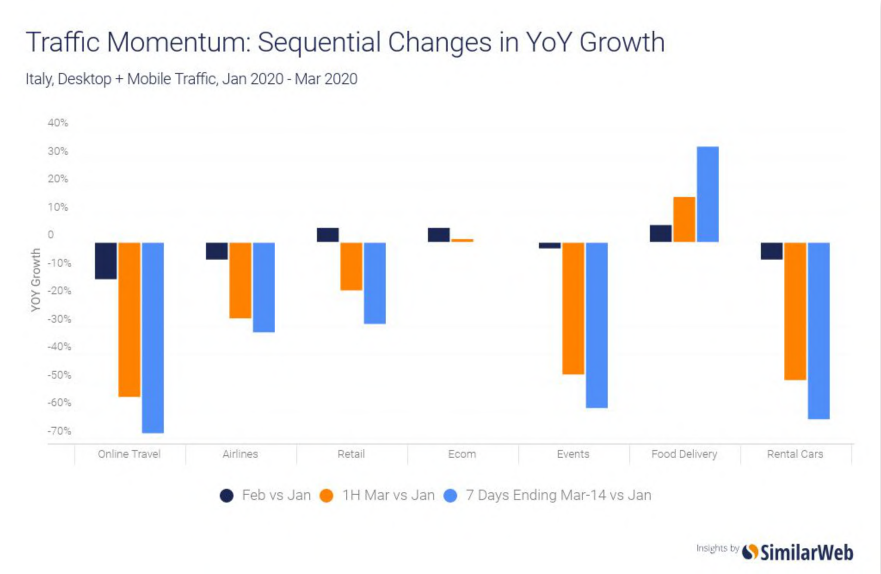
Italy

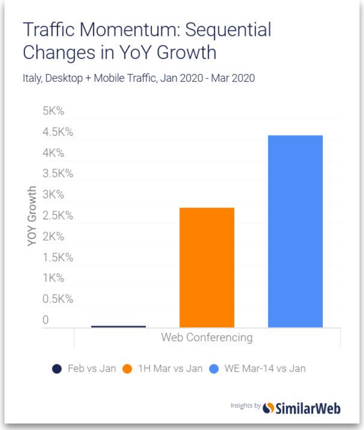
Coronavirus Impact Overview

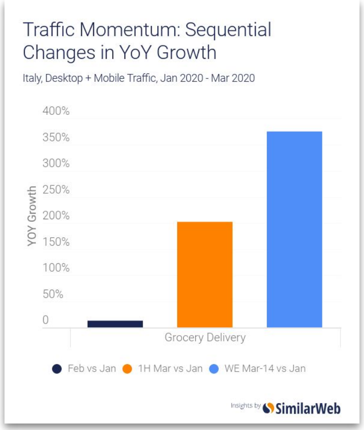
As observed in other regions, Travel and related industries have seen the steepest drops in traffic. Those declines, however, are even more dramatic in Italy, which was the first European country to put its population in quarantine.

Given the escalation in the past few weeks, traffic to travel and adjacent categories have essentially ground to a halt. At the same time, Italian consumption and communication patterns have notably shifted. Traffic to Web Conferencing and Grocery Delivery platforms have skyrocketed, by 4000% and 400%, respectively.

Interestingly, Italy is one of the few markets where food delivery has increased in recent weeks. While it's still too early to call it a trend, it's a notable divergence that can be explained by a restrictive quarantine. Similar trends were observed in China, and could signal what's to come for other countries that may be right behind Italy in locking down movement.





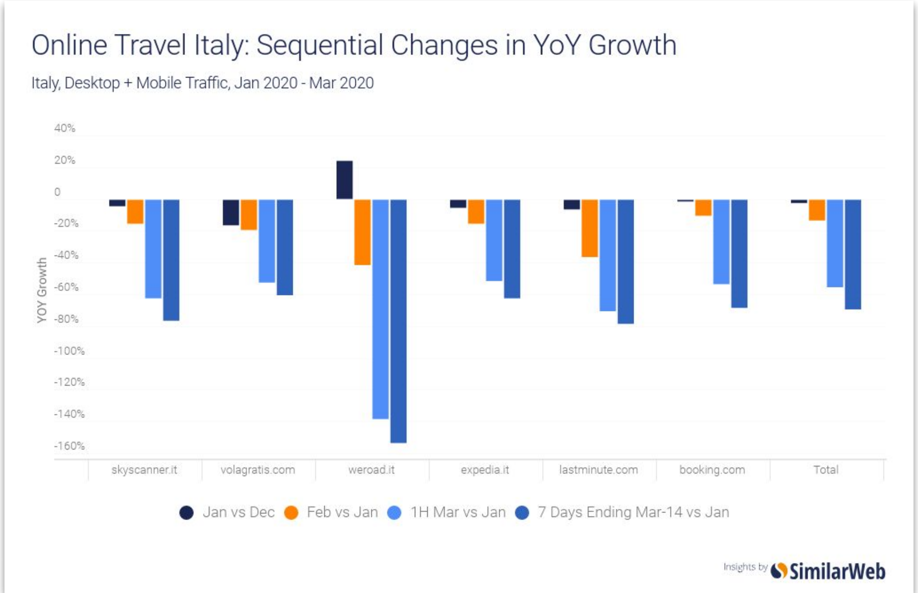


Online Travel Platforms

Online travel platforms (including OTAs and metasearch) have been universally impacted. As of mid-March, rolling 7-day traffic for the aggregate group is down more than 69% YoY.

WeRoad is looking at a 153% sequential drop of its traffic during the second week of March, demonstrating that even popular, fast-growing websites related to travel planning have hit a wall in interest as consumers are clouded in uncertainty regarding the duration of the outbreak.

Sites like weroad, while small, will be important barometers of consumer sentiment and pent up demand in the coming months. Among the larger platforms, Booking and Expedia, the impact has been severe and uniform.



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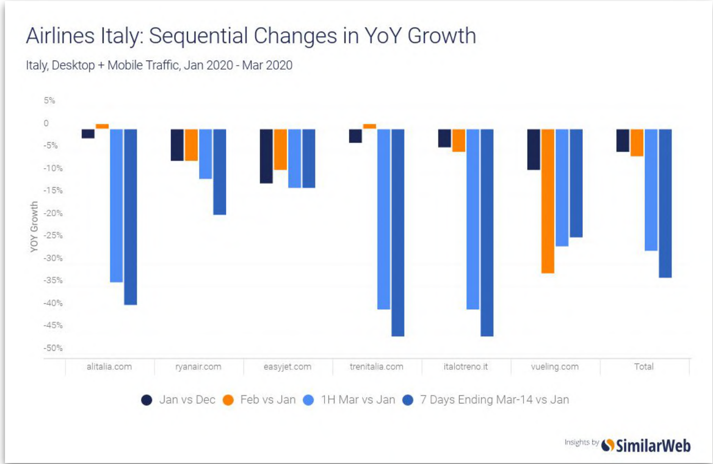
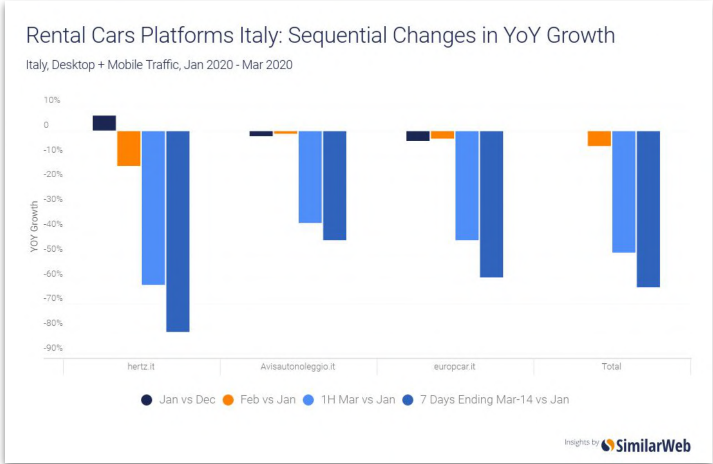
Planes, Trains & Rental Cars

Direct Transit traffic mirrors that of online travel. Local players, including train travel, have suffered the most: Alitalia, Trenitalia and Italotreno showing declines >40% sequentially.

The trend is not unilateral, while Easyjet's traffic is stagnating between early March and its second week, Vueling shows an reversing trend of its traffic. As we discussed in global patterns, our analysis suggests any incremental traffic is related to passengers seeking cancellations/refunds or updates and information on future travel.

Car rentals platforms have fared worse. As of early March, rolling 7-day traffic for the aggregate group is down ~70% YoY, down >60% from January, in-line with the broader travel category. Hertz, the largest provider, has seen the biggest momentum declines with > 81% traffic decrease.

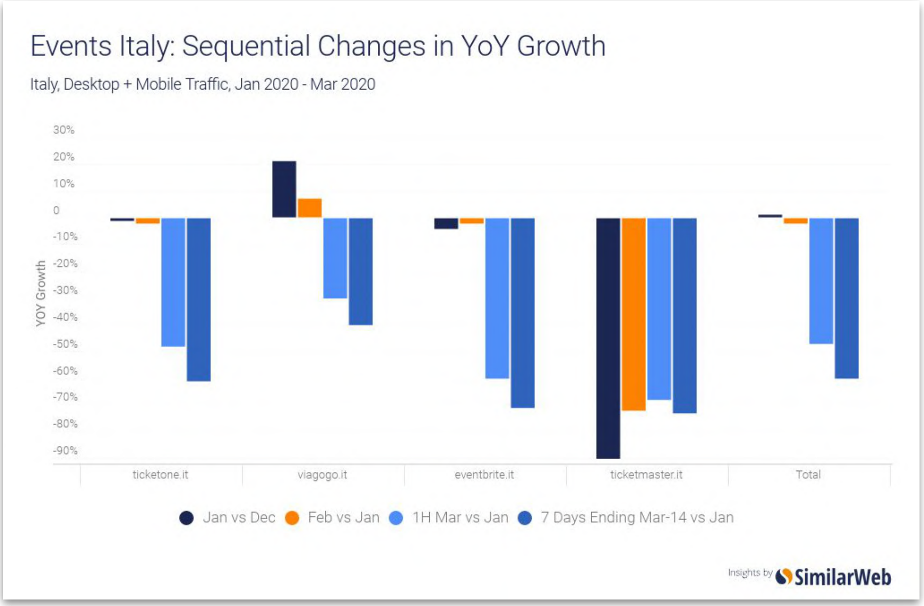




Events

Visits to Event platforms' in Italy has decreased in early March and continues to fall during the second week of the month. Traffic to the category is down by 60% during that period.

TicketMaster and Eventbrite, which are smaller players in Italy, seem to suffer the most. By the second week of March traffic to both sites was down by >70%. Given lockdowns of uncertain duration, trends are likely to trend in one direction.

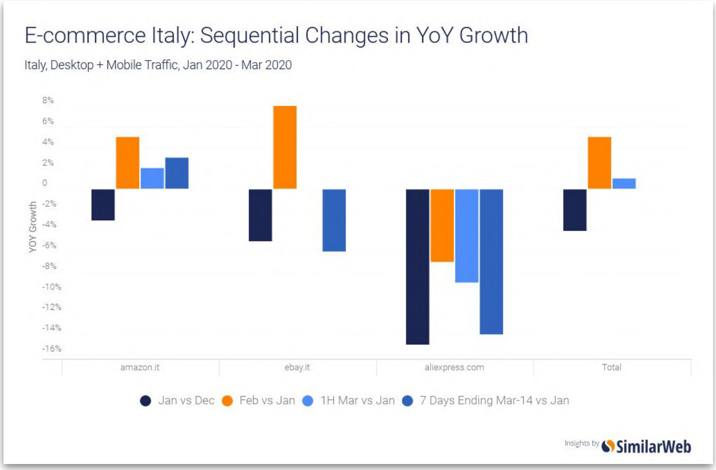


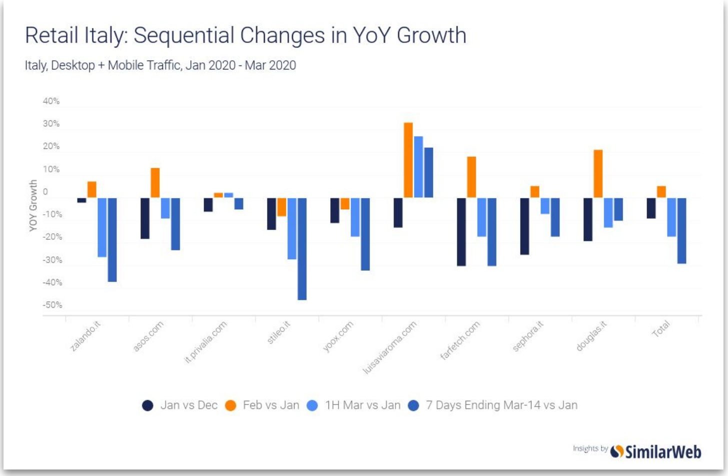
E-Commerce & Retail

E-commerce platforms have seen rather interesting divergences. For the moment, Italy consumers are trending more to Amazon. Additionally, similarly to what we have observed in France, visits to chinese website Aliexpress has dropped sharply. This may be at least partially related to concerns over contamination of packages originating from China.

Among retail platforms, the impact on traffic hasn’t been universal, through the majority of the group have seen drops of more than 30% in March.

By category, declines have ranged from -5% to -45% for Fashion Apparel retailers and from 10% to 17% for Beauty Retailers. Luxury Fashion retailers such as Farfetch have also performed equally poorly. Income uncertainty among lower earning households may drive divergences in performance in the coming week.





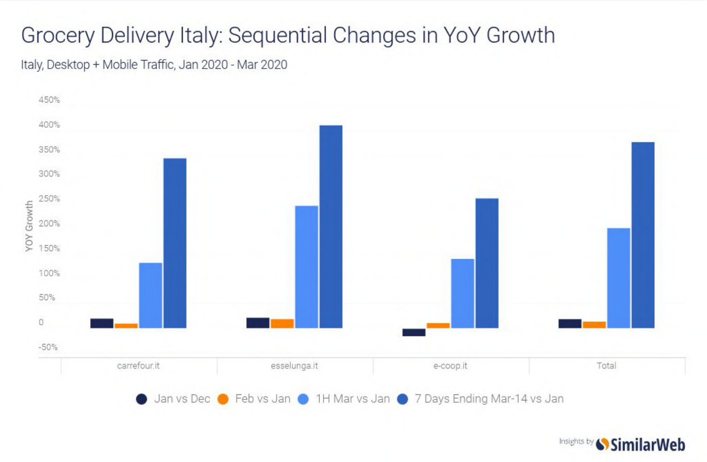
Grocery & Food Delivery

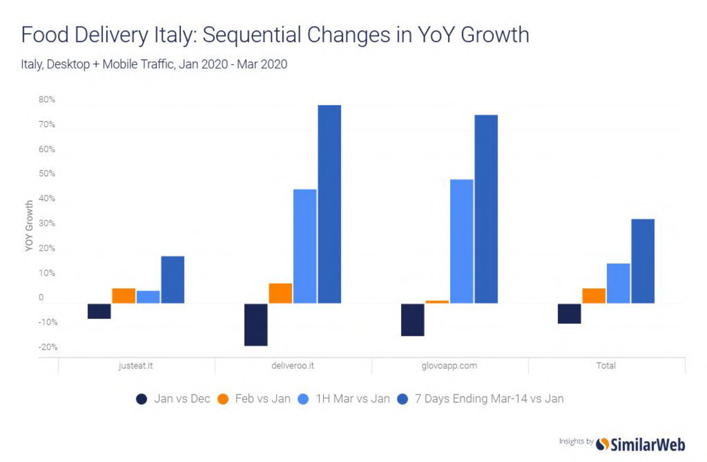
Like the rest of the world, grocery delivery platforms are experiencing a substantial increase in traffic as consumers are immobilized (by mandate). Daily visits to the category have quadrupled since mid-February.

Local player, Esselunga, has experienced one of the highest traffic increases amongst players, ~250% in early March and over 400% last week.

Interestingly, unlike the rest of EU and the US, food delivery platform traffic has also spiked. Category visits are up by~ 30% in March, a mid-teens sequential increase from January. Trends are similar following lockdowns in China, and signal future trends in other countries.

Smaller players, Deliveroo and Glovo (which delivers more than restaurant food), have outpaced leader Just Eat.



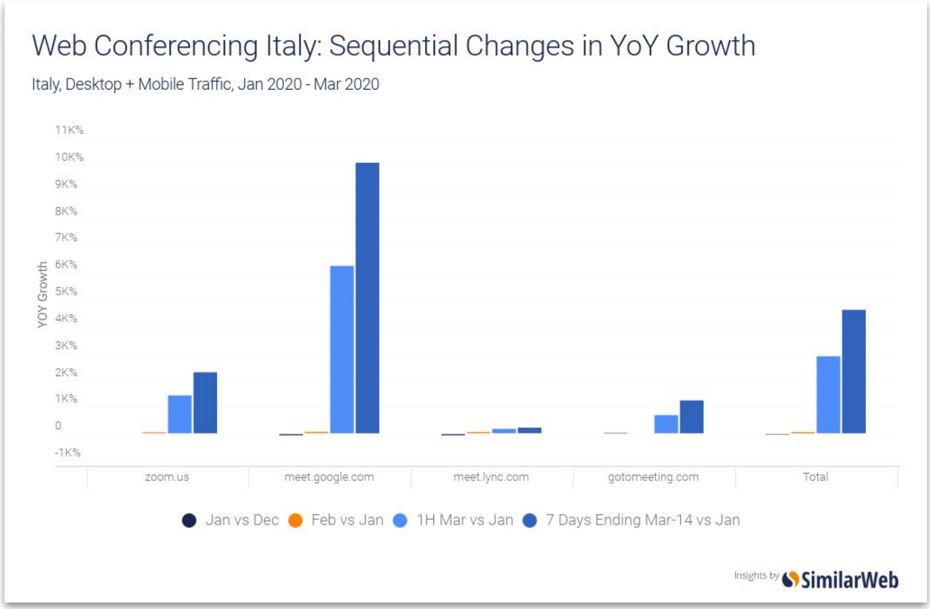


Web Conferencing

Web conferencing has become an essential tool for a workforce confined to their homes, a trend shared with the rest of the world.

Traffic to the category has surged 40x the daily rate in March. Compared to our other focus markets, Google Hangouts have led the way (vs Zoom), though all players have seen unprecedented numbers.

It's also entirely possible that the majority of the volume to google hangouts are retail consumers are using these services to connect and share news (as opposed to conduct business), which can explain why traffic on a weekend day in March was still 10x the volume of a weekday in February. As a result, we may see trends normalize in the coming weeks.




France

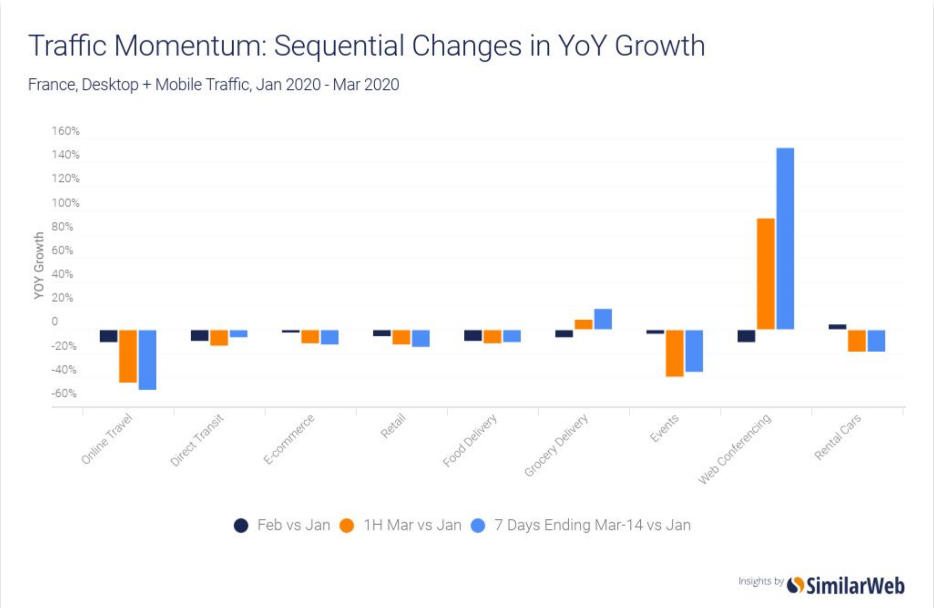
Coronavirus Impact Overview

From Online Travel to Web Conferencing platforms, we explored the latest French traffic data pertaining to industries that are likely to be most affected by the coronavirus outbreak.

After preventive measures such as mandatory event cancellations and workers being advised to work from home. France has recently entered phase 3 of the coronavirus epidemic, ramping up containment measures to control the spread.

While Travel and related industries like Events and Car Rental, have experienced the biggest downturns in traffic, expectedly, other categories, like Web Conferencing and Grocery Delivery, are better positioned.

How to read the charts in the report: The growth rates expressed in this report are **SEQUENTIAL YOY** relative to January of this year.



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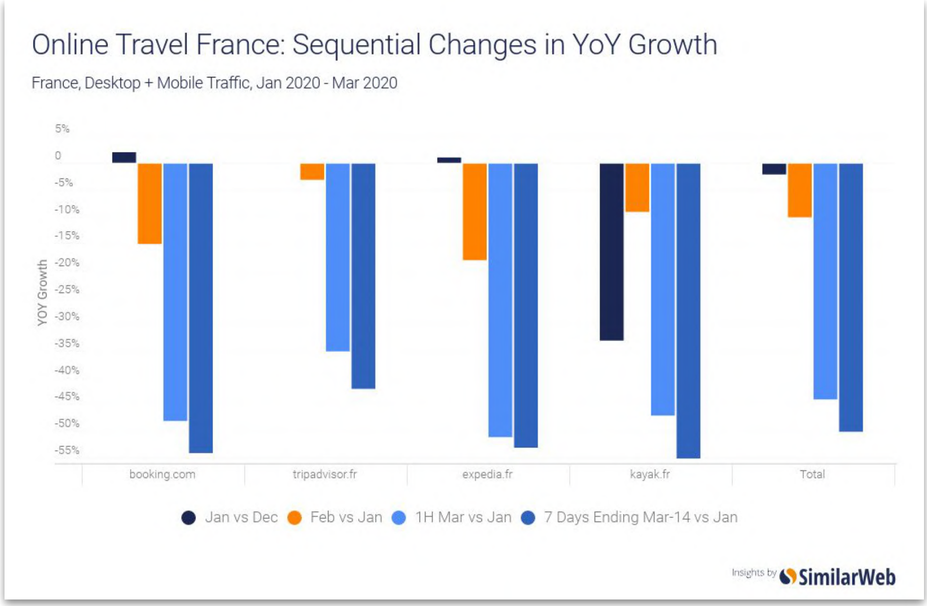
Online Travel Platforms

While second to Italy, France's online travel industry (which includes OTAs and metasearch) has experienced one of the most severe traffic declines. As of early March, rolling 7-day traffic for the aggregate group is down by 20% YoY, and >50% sequentially (from jan).

The impact has been largely uniform, with most falling in line with the largest player, booking.com.

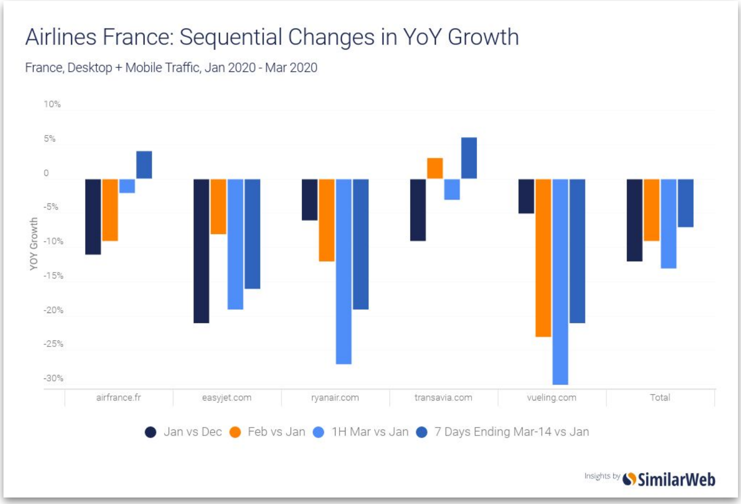


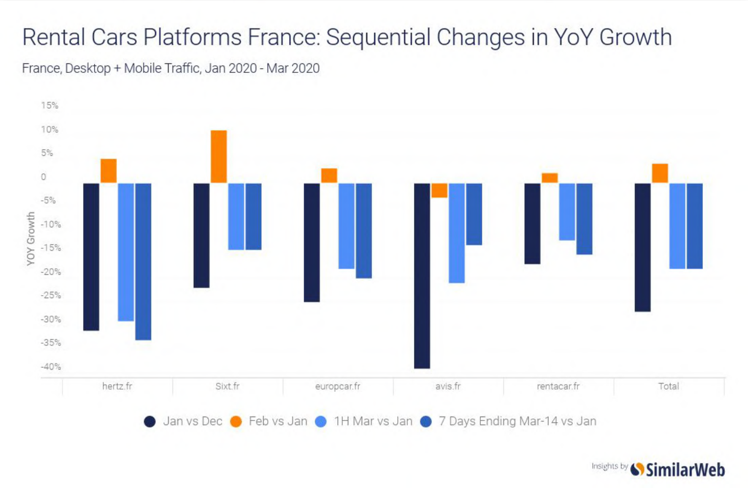
Planes and Rental Cars

After major drops in February, traffic to major airline companies in France have reversed in March, in line with UK, US, and Germany.

As we discussed in global patterns, our analysis suggests any incremental traffic is related to passengers seeking cancellations/refunds or updates and information on future travel. In this cas, we know that any traffic in the next few weeks is a contra-indicator of travel demand as it reflects customer cancellations of future travel plans.

Rental car traffic has mirrored the overall travel trend, down >20% in 1H March. The impact has been fairly uniform, though US operators (hertz, avis) have fared worse than the larger EU-centric players (Sixt, Europcar), likely reflecting the drop in future international business travel.

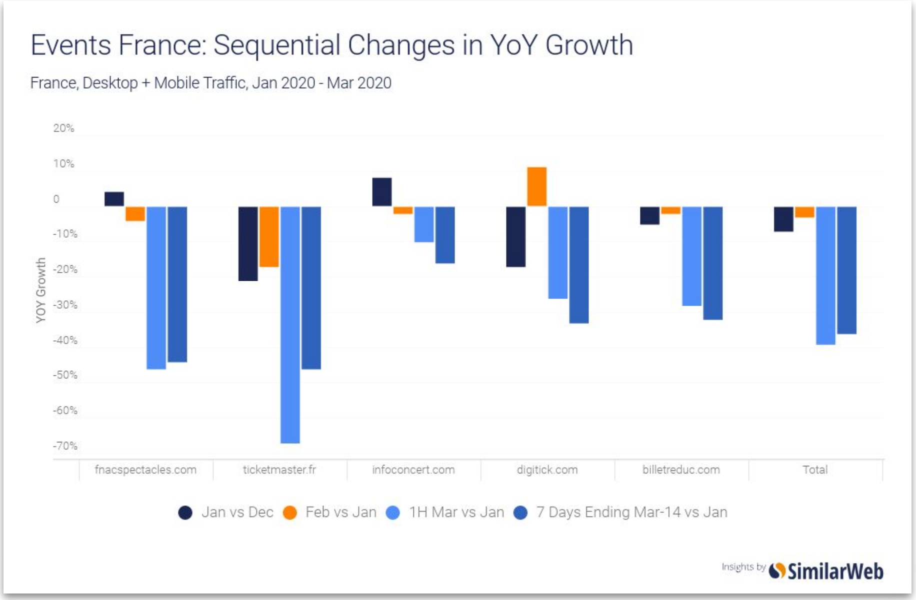




Events

Event platforms have faced pressure from mandatory restrictions on large gatherings from the French government, which is the reality for the foreseeable future. Nearly all platforms large and small have faced declines of >30% in March, with pressure accelerating week to week.

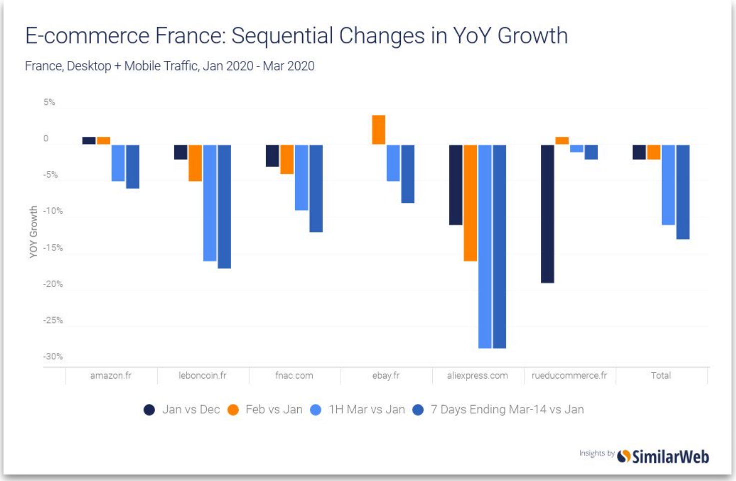
In the short-term, there may be excess noise in the traffic as, similar to airlines, consumers are likely checking sites for information on cancellations, postponements and refunds. In the coming weeks, we expect traffic on event platforms to trend with with headlines, and, down the line, produce a signal of pent up demand.

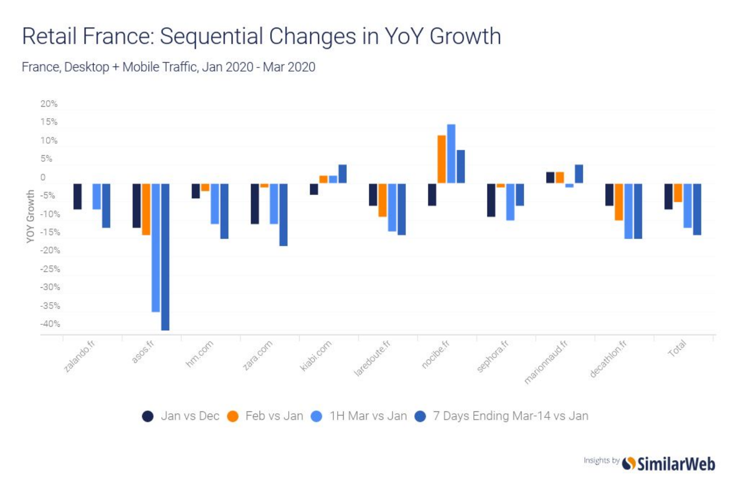


E-commerce & Retail

E-commerce in France is performing materially worse than the rest of Europe and the US, with category traffic down mid-teens on both YoY and sequential basis (relative to Jan, which was flattish). Leader Amazon, has fared somewhat better than the groupd, down HSD sequentially (vs Jan YoY). Le Bon Coin, meanwhile, has seen a 17% sequential decrease in engaged traffic vs January. Similar to Italy, It is interesting to note the 28% sequential traffic decline at AliExpress, which can be partially explained by contamination fears.

In retail categories, online fashion are seeing mid-teens drops in sequential traffic with few exceptions, including Kiabi. Beauty retailers, including Marionnaud and Sephora, have seen stabilization. Globally, we've witnessed divergent paths for “essential” vs “non-essential” categories, and while there are (generally) better employee protections in France relative to our focus markets, income uncertainty among lower wage households may drive a wide divide in online shopping.



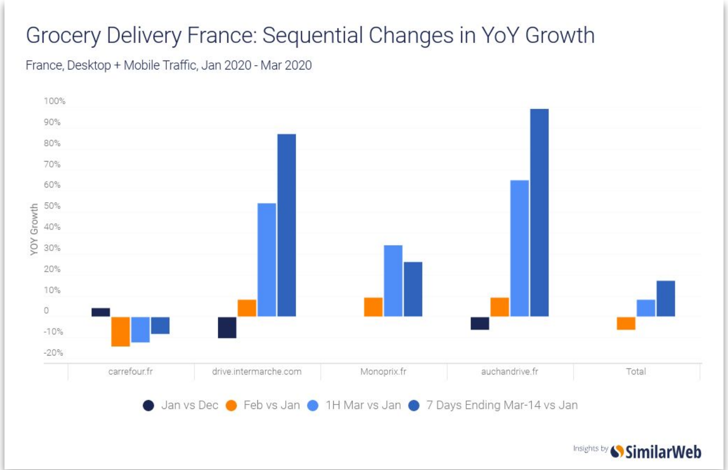


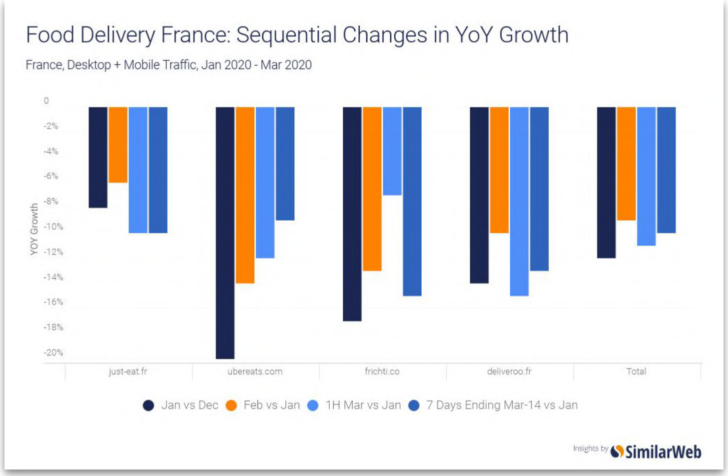
Grocery & Food Delivery

Like the rest of the world, grocery platforms are experiencing a substantial increase in traffic as consumers are immobilized (in certain cases, by mandate). Daily visits to the category, which is more established in France relative to Italy and Germany, have increased 40% since mid-February.

Demand for the drive-in option is booming: daily visits to Auchandrive.fr and Drive Intermarché have doubled in March relative to mid-Feb.

Food delivery, meanwhile, has struggled, similar to the rest of the world. However, there are early signs of stabilization. While restaurant supply will be a critical issue, similar to Italy and China, a lengthy quarantine may serve as an undercurrent as consumers pare down their grocery inventories. Trends on ubereats, for example, are beginning to pick up.

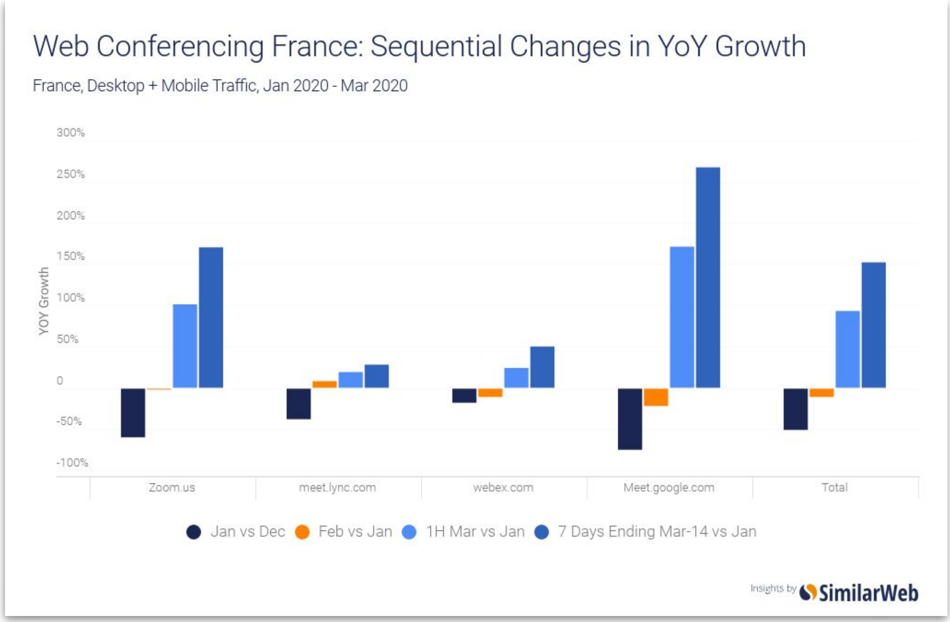




Web Conferencing

Similarly to what is observed in other regions, traffic to web conferencing platforms have grown tremendously. Daily visits have more than doubled in the first two weeks of March compared to mid-Feb. As a confinement measure has been into place on March 17th, that trend will likely.

Similar to Italy, the key question, however, is to what extent these data reflect business vs consumer. Unpacking the weekday vs weekend numbers (as a proxy), suggests about 75- 80% of the traffic increase is related to business.




Israel

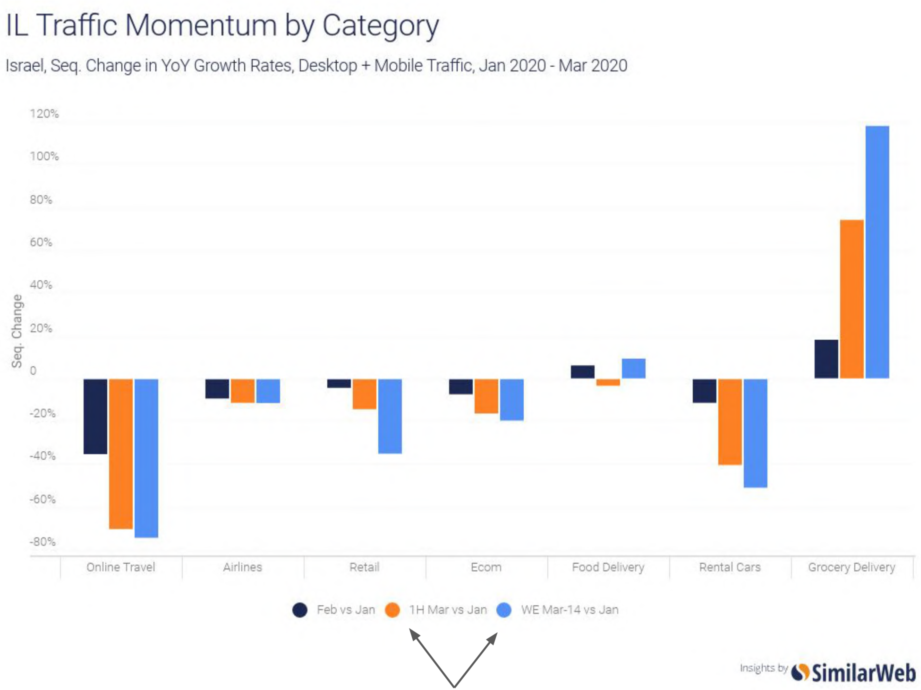
Coronavirus Impact Overview

From Online Travel to Food Delivery, we explored the latest Israeli traffic data pertaining to industries that are likely to be most affected by the coronavirus outbreak.

Unsurprisingly, travel and related industries have experienced sharp traffic declines amidst an increasingly cautious consumer and business environment

Grocery delivery has trended higher in the first and second week of March. On the other hand, food delivery traffic trends have been less uniform and slightly more choppy. In the past week, we can see it has started to trend upwards but on a lower scale than that of grocery delivery.

How to read the charts in the report: the growth rates expressed in this report are **SEQUENTIAL YOY** relative to January of this year. In other words, consider January the index, and all subsequent growth rates in February and March relative to the January numbers, which largely reflect a pre-crisis period for most of Europe

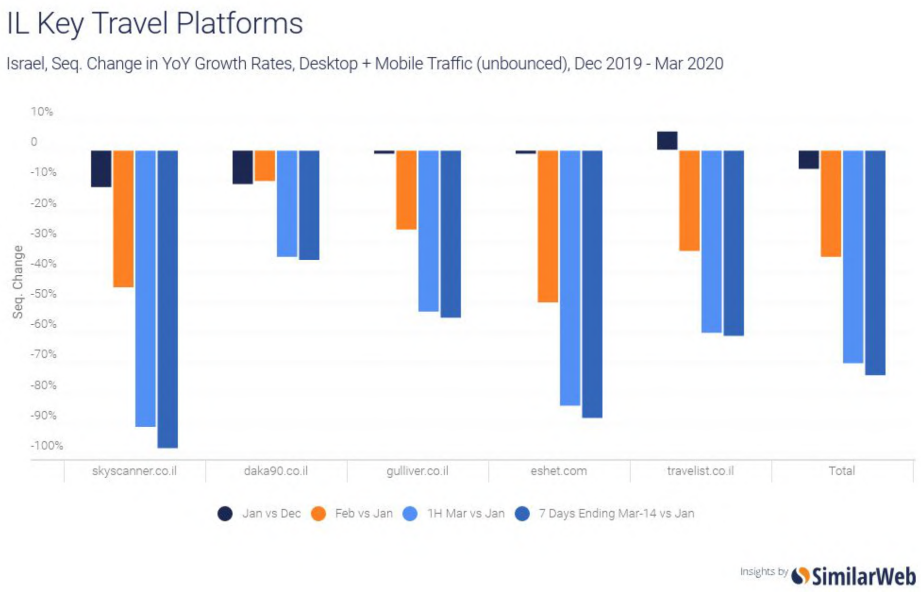


March 1st Half (1H) vs Week Ending (WE) March 14th: We show two March numbers for sequential YoY growth. **1H** March represents all of March to-date (from March 1 - 14), while **WE** March-14 represents the **7 days ending Mar-14.** The comparison of these two numbers relative to January show **the intra-month trend**. If WE number is **higher** than a 1H number, that means the category is **trending up** during the month .

Online Travel Platforms

Online travel platforms (including OTAs and metasearch) have all been impacted, as is to be expected in the aftermath of first Israeli headlines. Negative trends have continued to accelerate during the second week of March. This acceleration of the negative trend can be attributed to more severe travel restrictions and a decreasing willingness to travel as the virus spreads.

As of mid-March, rolling 7-day traffic for the aggregate group is down more than 70% sequentially. When compared to the US, it appears Israeli travel agencies are experiencing stronger headwinds from the virus, with all travel agencies suffering a decline of at least 30% and the vast majority seeing declines above 50%.

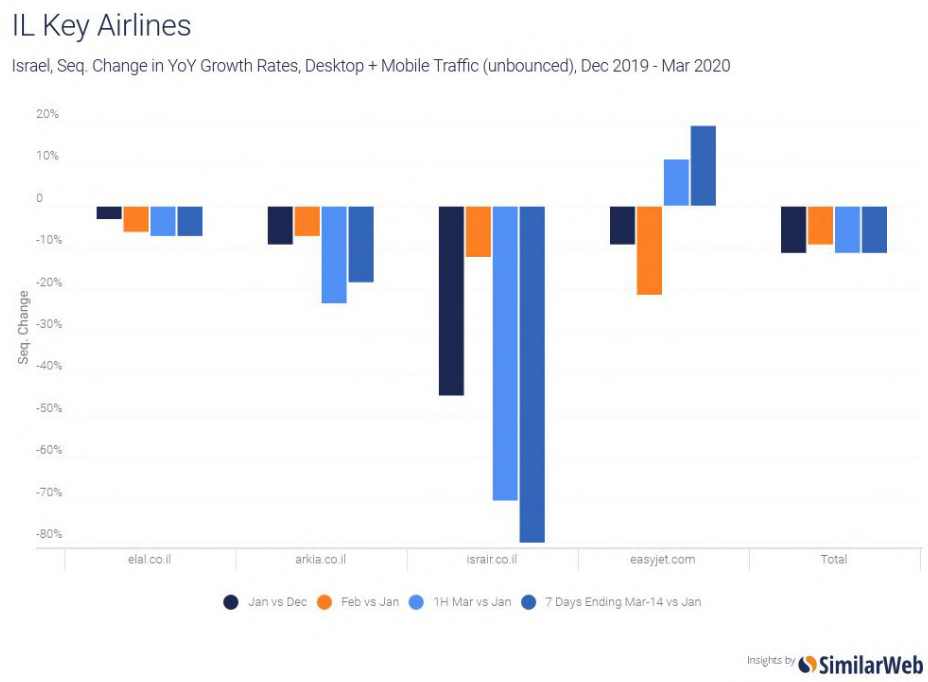


Major Airlines

Trends in direct airline web traffic, as a whole, are generally more favorable than 3rd-party travel platforms.

Both travel agencies and airlines are beginning to experience the pressures from mandated restrictions on corporate travel, and recent cancellations of conferences and major events, the effects of which will likely escalate throughout the remainder of March.

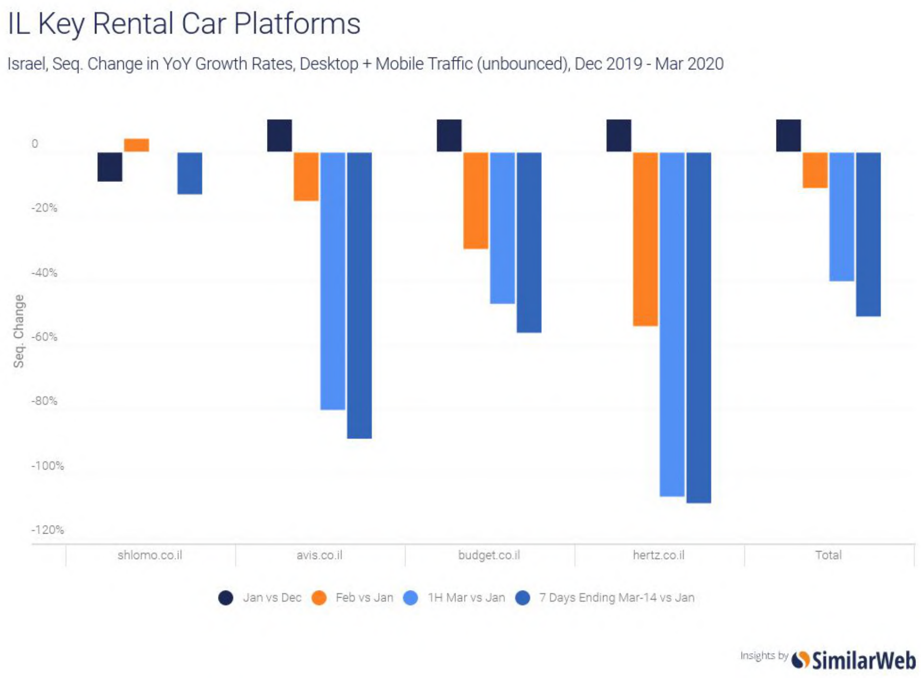
Many Israeli Airlines have already announced that the bulk of flights is expected to be cancelled. El Al, Israel's leading airline, has been reported to placeas much as 80% of its workforce on unpaid leave.



Rental Cars & Platforms

Rental car providers and platforms have experienced sharp declines in the first two weeks of March. Sequentially, traffic is down more than 50%.

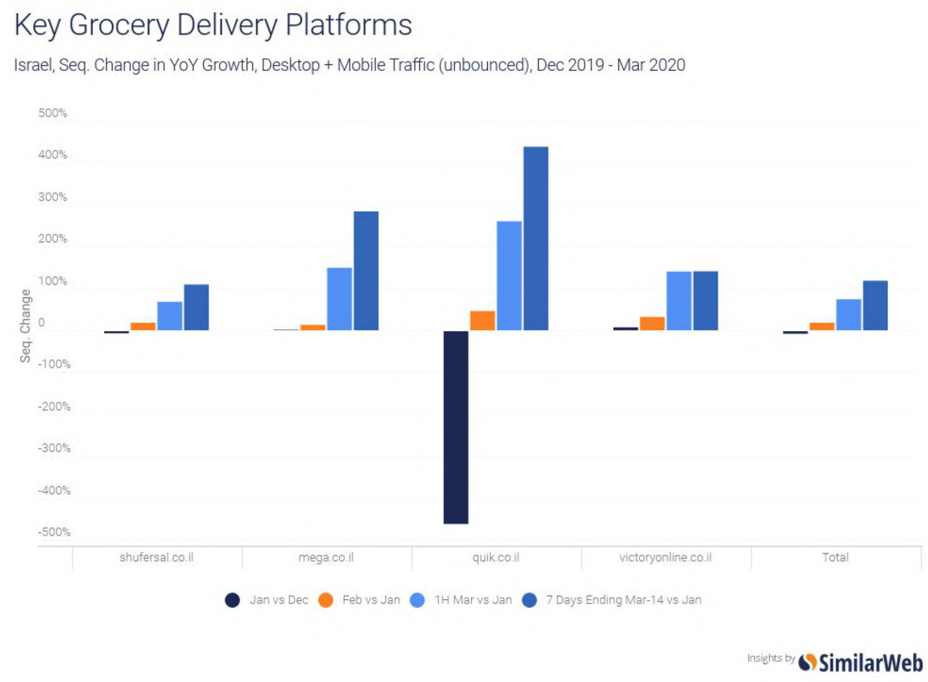
Directionally, rental car platforms, which are a key indicator of business travel, have faced similar downside trends as online platforms.



Grocery Delivery

Similar to trends we've observed throughout the world, grocery delivery platforms are experiencing a substantial uptick in traffic as consumers prepare for isolation.

Visits have surged since January, with Quik and Mega leading the channel. However, all players in the category have benefitted, with visits to all platforms seeing continued growth.

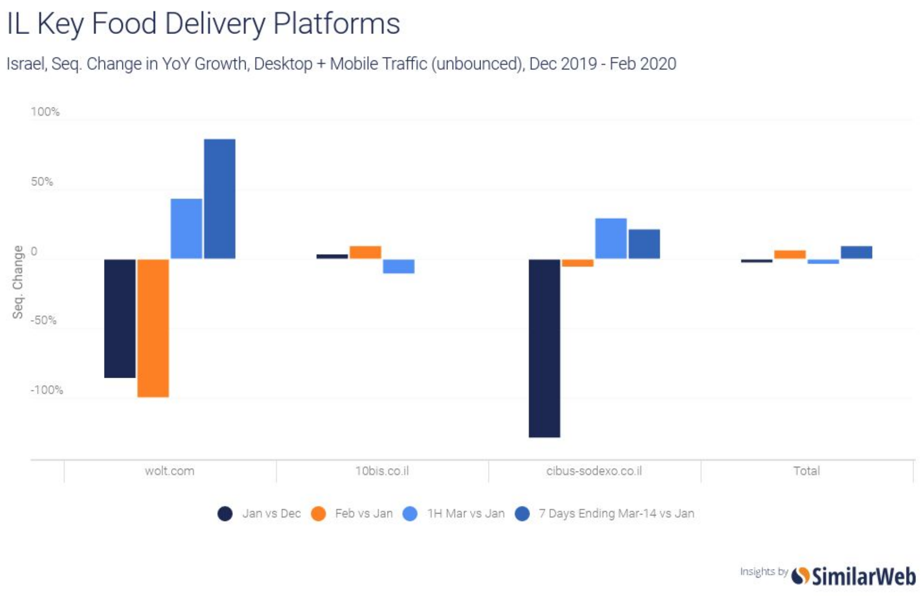


Food Delivery

Food delivery platforms are trending in mixed directions, but are still up overall. We can see that Wolt is the clear winner with sustained growth.

We believe that pantry stocking may be contributing to a dampening effect of delivery occasions over the next month or so. However, there are multiple forces at play here. On the one hand, as consumers move through inventories, trends should normalize. On the other hand, restaurants are shutting down across the country, affecting the supply.

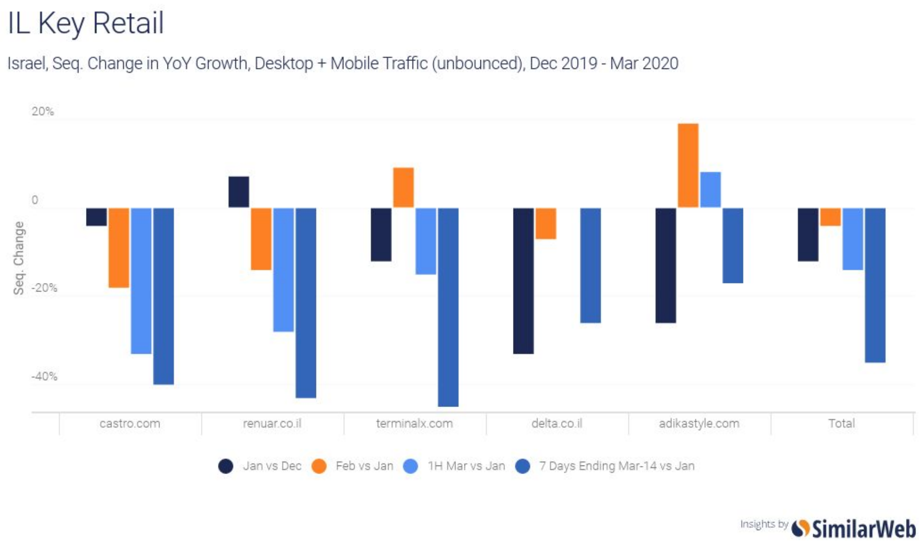
With the evolvement of the situation and if the population goes into quarantine, it will be interesting to monitor this section and see if Wolt can capitalize further from an immobil consumer base.



Retail

Retail platforms are experiencing mixed trends. However, they are mostly seeing decreases in traffic which have accelerated in the second week of March.

As the virus spreads, economic uncertainty is starting to take a toll on businesses and consumers, especially affecting any non-essential businesses, such as fashion outlets.

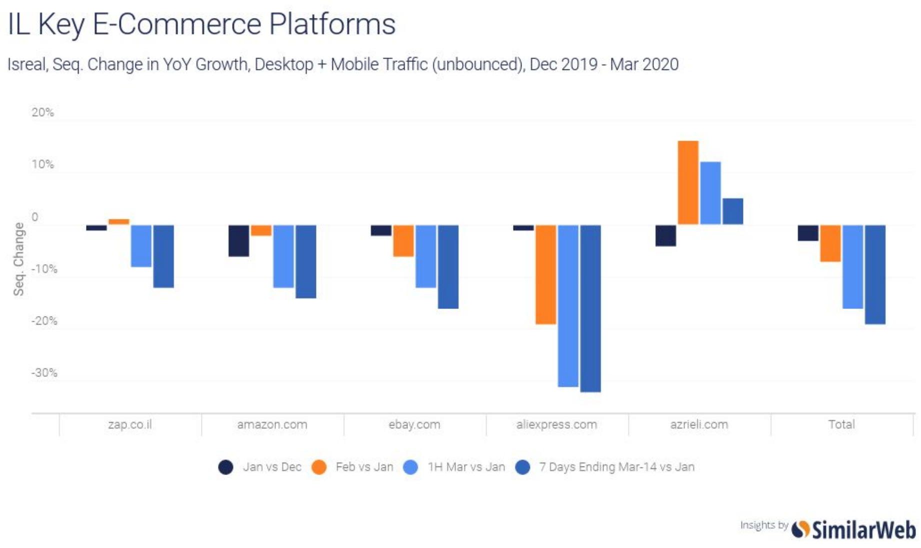


E-commerce

E-commerce players in Israel are experiencing mostly downward trends. Aliexpress, an e-commerce site that is very popular with Israelis for all types of gadgets and merchandise is experiencing the largest decline, as consumers shift their focus on essentials.

Azrieli.com, the only website not losing traffic, has recently launched aggressive promotions ahead of the passover religious holiday, which may partially explain why it is less affected than its counterparts.

Upcoming events in Israel may put further strains on consumers. It will be interesting to monitor these sites and see if their traffic starts to increase when consumers are quarantined and immobilized for a longer period.



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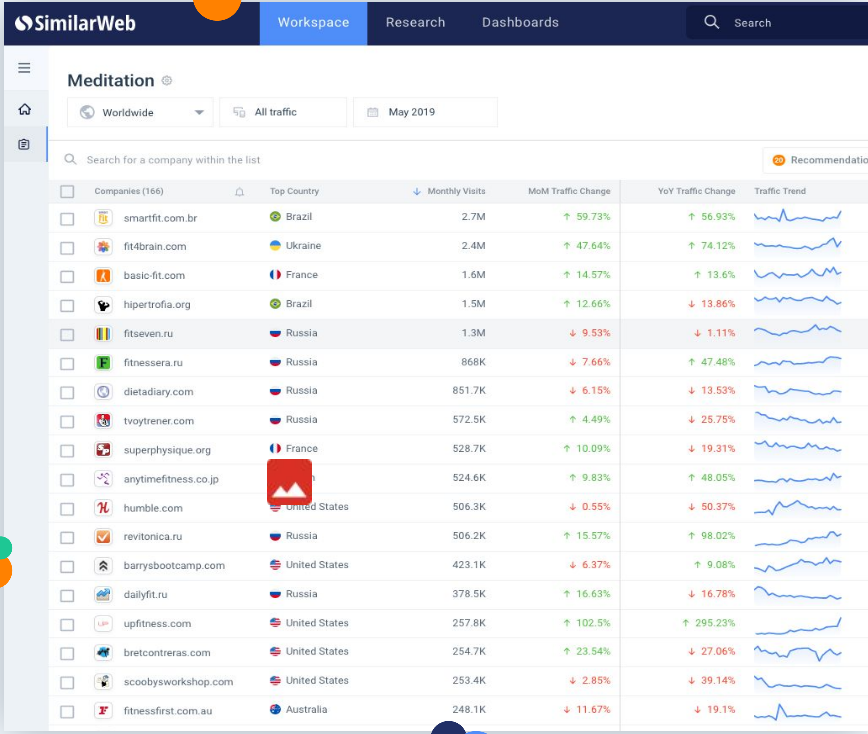

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