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Mass tourism will be roaring back by summer, Expedia CEO says

By **Nikki Ekstein** Bloomberg, Updated November 16, 2020, 5:11 p.m.

Things are looking good for Expedia Group. Well, relatively, anyway.

Its third-quarter earnings report shows a company that's still pulling in \$1.5 billion in quarterly revenue, exceeding mid-pandemic expectations, even if that it represents \$221 million in losses. Parts of the business, such as airfare sales, may have tanked, but others, like rental home platform VRBO, are compensating.

Instead of looking back at the last few months of bumpy business, though, Chief Executive Officer Peter Kern, who assumed leadership of the company in April, would rather look forward. Even in comparison to other bullish industry leaders, Kern is steadfast in his conviction that travel's recovery isn't just on the horizon but around the corner. And it won't be just on forested hiking trails and scenic byways but in big, dense, boarded-up cities, too.

"Rome has been through a plague or two," he says, repeating an idea he's expressed during many engagements through the pandemic. "And it's still there. New York has been through all kinds of things. It's not the first time we've had civil unrest," he explains. "It was a much different place, in terms of safety, when I was growing up in the '70s, yet we still went there."

And while it's true that a quieter New York still holds the vibrancy of many small towns combined, Kern feels that this arc of history will bend sharper and faster toward full recovery than any before. "This is a time with more science, more technology. We're not going to give up."

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"This is just one man's opinion," he continues. "This [process] will be less than the three to five years others are predicting. If you said tomorrow that there was a vaccine with 100 percent efficacy, and everyone gets it, do people want to live on a cul-de-sac or in a city? They'd rush back and realize there was a reason they weren't living in a cul-de-sac before."

Dim prospects for the suburbs aside, here are Kern's broader (and rosier) predictions for the short-term future of travel, from a due-any-minute spike in bookings to a "re-upping" of investment into urban restaurants and culture.

Kern firmly holds that news of an impending vaccine — rather than the vaccine itself — is what will jump-start travel

again. “People will think, ‘Well, by the summer Europe might be open, or I might have the vaccine, so let’s book it,’” he explains.

Pfizer’s announcement last week that its vaccine candidate was 90 percent effective has not yet shown a quantifiable impact on Expedia’s sales, but it did send the company’s stock price up 22.5 percent that morning — along with similar spikes for such travel companies as Marriott International and Park Hotels & Resorts.

A shift in consumer confidence doesn’t happen overnight, but it’s been steadily rising, Kern says.

“Barring the vaccine, my sense is that people were getting increasingly comfortable with how safe air travel and hotels are —the precautions that the industry has been taking —and the numbers [of bookings] have been creeping up,” he says. “Of course, it helps if everybody does their part” to keep the virus in check.

The latter half of that thought is crucial: Trusting in airline and hotel protocols matters only when people are physically able to travel. With a second wave forcing lockdowns in much of Europe (and possibly the United States, soon), consumer confidence may well be a moot point.

Like others in the industry, though, Kern sees his decent-enough summer sales as proof that there is pent-up demand and reason to be hopeful that business can swell quickly again. “It’s all terrible — but it’s way less terrible than one might have imagined,” he concedes.

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