Dear Fellow Shareholders:

We hope you are all safe and healthy. We want to extend a heartfelt thank you to all the front-line workers who are making heroic sacrifices day-in and day-out.

In these challenging times, we have been doing all that we can to ensure our employees' safety. Since late March, our employees have taken on the challenge of working remotely. We know everyone’s lives continue to be profoundly affected and I am so proud to see everyone has risen to the occasion, working day and night to ensure travelers and our travel partners receive the high service levels they deserve. From our dedicated customer service professionals fielding unprecedented levels of service requests in our Experiences and Restaurants transaction-based businesses, to our global information technology teams who have enabled our entire organization to seamlessly transition to remote workplaces, we have not missed a beat.

Additionally, we are doing everything in our power to serve the needs of our customers and other constituents. There is a lot of great work being done across the company to help travelers and our travel partners navigate this crisis: from encouraging consumers via social media to write reviews about their favorite hotel, restaurant or tour experience; to our #LoveYourLocal campaign aimed at promoting restaurant gift cards and takeaway purchases; Hotels for Health, a program connecting front-line medical workers with available lodging globally; to ongoing efforts to provide insights to tourism destinations about consumer travel demand; to providing hotels and restaurant partners with financial relief on subscription services. We also mobilized the Tripadvisor foundation once again, delivering support in the form of $1 million in contributions for impacted populations.

Thank you, everyone, for your resilience and your dedication to help travelers and travel businesses find the good out there. Our shared experiences navigating this challenging period will prove immensely valuable for us as people, and as an organization, in the years ahead.

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In normal times, Tripadvisor helps travelers discover and explore the world. In recent months, however, increased impacts of the COVID-19 pandemic have created unprecedented uncertainty for consumers and businesses worldwide. The travel, hospitality, and leisure industries have been particularly challenged as government actions, including travel bans, shelter-in-place orders and
physical distancing requirements, have profoundly impacted consumers’ willingness – and ability – to travel.

As an industry, we are currently experiencing the darkest of days. Industry data points show consumer demand down 80% to 100% year-over-year. Online travel agents, hotels, activity suppliers, destination marketing organizations, and restaurants comprise a majority of Tripadvisor’s revenue, and our partners have significantly reduced their advertising budgets to align with the reality that there is essentially no consumer travel demand. This backdrop has dramatically impacted our financial results. Q1 revenue decreased 26% year-over-year, we incurred a net loss of $16 million, and Adjusted EBITDA decreased 55% year-over-year.

Year-over-year performance trends deteriorated precipitously throughout March and bottomed heading into April, where they have remained since that time. We expect Q2 year-over-year performance will be materially worse than Q1’s given it will include a full quarter’s worth of COVID impacts on consumer travel demand. While forecasting when consumers will be willing and able to travel remains very difficult, some lodging, hospitality and airline industry reports imply that global consumer demand trends will remain significantly challenged for the balance of the year.

With that said, three factors give us confidence as we look ahead:

- Firstly, while COVID’s full impacts are unpredictable, in the periods following past disruptions, the travel, hospitality and tourism industries recovered and thrived.
- Secondly, we are operating prudently, have taken concerted actions to preserve cash, and believe we are adequately capitalized to weather the current storm.
- Thirdly, we are confident in our long-term business prospects and strategy and are taking this unique opportunity to streamline efforts toward our long-term, customer-focused, One Tripadvisor vision, which we believe will drive long-term value creation.

We are confident that travel will rebound. We also believe Tripadvisor will play an influential role with consumers and partners worldwide in the recovery and beyond.

**Q1 update and current state of the business**

While this is not the first major disruption we have endured, its negative impacts have been unparalleled, both in terms of speed and magnitude. As we outlined in mid-February, we entered 2020 executing our One Tripadvisor vision: to transform the product experience, deepen customer relationships and engagement with our platform, and convert more of Tripadvisor’s influence into monetization.
At that time, we observed limited business impact from COVID-19. In fact, January and February results had us largely on track with our operating plan, and we were quite pleased with the progress we were making in our stated focus area of driving diverse revenue outside our hotel auction. Through February, we had made traction expanding our media offering, and we delivered strong Experiences & Dining segment bookings growth.

In March, however, the world changed dramatically:

- COVID-19's impact grew materially as the outbreak spread and achieved pandemic status on March 11.
- In the back half of March, government response actions further curbed consumer demand for travel, and year-over-year performance trends worsened further. We estimate bookings driven by our products, as well as the observed revenue generated across our segments and products, declined year-over-year generally by more than 90% in the back half of March.
- Our March results were well below February results, and we note that April stabilized at these materially depressed year-over-year performance levels.

Q1 revenue decreased 26% year-over-year. We incurred a net loss of $16 million, and Adjusted EBITDA decreased 55% year-over-year.

In addition, we have seen a spike in customer cancellations and re-bookings related to future accommodations and tour bookings, which had been reserved by travelers in the pre-COVID timeframe and recorded as deferred revenue on our consolidated balance sheet. However, while not a help to our Q2 financial prospects, we have seen modest sequential uptick in travel interest over 90 days out.

**Concerted actions taken to support solid financial position**

We are facing unprecedented uncertainty and are prepared for the case of a prolonged recovery. Importantly, we believe that the following concerted actions ensure our solid financial position regardless of how the balance of 2020 plays out.

*Expense Management*

We have taken, or are in the process of taking, the following cost measures:

- Removing a majority of discretionary costs including, but not limited to, brand marketing, business travel, non-critical vendor relationships, and contingent staff;
- Implementing the following workforce-related actions:
  - Enacting a workforce reduction that has affected approximately 700 employees and will likely impact approximately 200 additional employees, totaling approximately 900 employees, or 23% of our workforce.
○ Furloughing a further approximately 850 employees, or 22% of our workforce, most significantly at The Fork.

○ Making targeted reductions to the Company’s office lease portfolio.

○ Commencing in March 2020, Stephen Kaufer, President and Chief Executive Officer of the Company, elected to forego his base salary for the remainder of the 2020 calendar year. The Company’s Board of Directors agreed to forego their annual cash retainer and reduce to their annual equity award.

○ Executing on a temporary 20% reduced work schedule and corresponding pay reduction for most of our remaining North American employees, and planning to do the same in other markets, subject to local employment processes.

We estimate that these actions - which are incremental to the cost reductions we enacted early in the first quarter of 2020 and communicated on our earnings call in February - will generate approximately $45 million and $65 million of cost savings versus our Q1 operating expense level in Q2 and Q3, respectively. We note that these cost savings do not consider depreciation, amortization, estimated restructuring and related reorganization costs, and stock based compensation.

Additionally, we expect that we will have a material reduction of variable costs (e.g., cost of revenue and performance-based marketing) in Q2 and Q3 as these will decline proportionate to year-over-year revenue declines. In Q2, we expect these variable expenses to decline by approximately $55 million versus the corresponding level in Q1. In Q3, we expect variable expenses to rise relative to Q2 commensurate with potential improvement in performance-based revenue and/or bookings, but still show a significant reduction versus Q1. This cost reduction will be additional to the workforce-related and discretionary cost savings identified above.

We incurred pre-tax restructuring and reorganization costs of $9 million during Q1 2020 related to workforce reductions enacted early in the first quarter of 2020 and communicated on our earnings call in February. In Q2, we estimate we will incur approximately $30 million to $35 million of pre-tax restructuring and related reorganization costs.

We believe these workforce actions, while painful given they affect so many exceptional employees, will provide the business with a foundation for more cost-efficient throughput as we progress through the recovery period.

Liquidity

As of March 31, 2020, we had $798 million of cash and cash equivalents. We have taken the following actions to reinforce our liquidity position:

● During March, we borrowed $700 million from our revolving credit facility.
On May 5th, we amended our existing revolving credit facility to, among other things, suspend the leverage ratio covenant through the fiscal quarter ending September 30, 2021, and replace it with a minimum liquidity covenant that requires the Company to maintain $150 million of unrestricted cash, cash equivalents, short-term investments less deferred merchant payables plus available revolver capacity, as well as downsize its capacity to $1.0 billion from $1.2 billion.

With this amendment complete, we believe we are appropriately capitalized, have ample liquidity even in the case of a prolonged COVID-19 driven downturn, and will be able to meet our covenants in 2020 and through 2021.

We believe we are appropriately balancing our short-term financial needs with our long-term business objectives.

Outlook

As a reminder, we endeavor to be as accurate as possible with our forward-looking commentary; however, a number of factors outside of our control can limit our visibility into future financial performance and can cause our results to vary materially from our current expectations.

With our near-term financial position secured, we are maintaining strategic focus to ensure efficient execution along our long-term One Tripadvisor vision. As we outlined last quarter, with traction in membership growth, new product enhancements, and double-digit growth in our newer media and B2B growth areas, we were making nice progress along our customer-focused strategy. We entered 2020 with great excitement and promise, and remain confident in our long-term prospects to convert Tripadvisor’s influence into new monetization opportunities and drive long-term value creation.

With that context, we provide our updated 2020 views:

Forecasts always contain a degree of uncertainty. In current times, forecasting even the near-term is difficult. Given April performance, we expect Q2 year-over-year performance will be materially worse than Q1’s due to a full quarter’s worth of COVID-19 impacts on consumer travel demand. Also, we expect:

- Little to no revenue and significantly negative EBITDA in Q2; and
- Some revenue improvement starting in Q3, though negative adjusted EBITDA performance is likely to persist at least through Q3, assuming a slow recovery.

Final thoughts
We have had to bid farewell to a number of exceptional employees. On behalf of the Tripadvisor family, I want to extend a heartfelt thank you to these colleagues for their passion and their service.

In conclusion, the lives and livelihoods of great people in our industry continue to be profoundly affected by this pandemic, but we are confident that the skies will brighten and travel will rebound. The near term remains unpredictable but time and again, we have seen the travel, hospitality and tourism industries recover and thrive. Concerted actions have solidified our financial position and will help us to emerge a more focused business on the other side. We will continue executing our strategy and ensure Tripadvisor plays an influential role with consumers and partners worldwide in the recovery and beyond.

Sincerely,

Steve Kaufer, Co-founder & CEO
Ernst Teunissen, CFO

Conference Call and Webcast
Tripadvisor, Inc. management will host a conference call to discuss results as well as other forward-looking information about Tripadvisor's business tomorrow morning at 8:30 a.m. Eastern Time. Domestic callers may access the earnings conference call by dialing (877) 224-9081 (International callers, dial (224) 357-2223). Investors and other interested parties may also go to the Investor Relations section of Tripadvisor's website at http://ir.tripadvisor.com for a live webcast of the conference call.

* * *
Tripadvisor, Inc.’s first quarter 2020 earnings press release and supplemental financials are available on the Investor Relations section of the Tripadvisor, Inc.’s website at ir.tripadvisor.com. The earnings release is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the U.S. Securities Exchange Commission, or SEC, on May 7, 2020, which is available on the Investor Relations section of our website at ir.tripadvisor.com and the SEC’s website at www.sec.gov.

Forward-Looking Statements
These prepared remarks contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The following words, when used, are intended to identify forward-looking statements: “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “target,”
“should,” “will,” and similar expressions which do not relate solely to historical matters. We caution investors that any forward-looking statements in these prepared remarks, or which management may make orally or in writing from time to time, are based on management’s beliefs and on assumptions made by, and information currently available to, management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements are more fully described in Part I. Item 1A. "Risk Factors" of our Annual Report on Form 10-K. Moreover, we operate in a rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We caution you that, while forward-looking statements reflect our good faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events or otherwise.

Investors should also refer to our quarterly reports on Form 10-Q for future periods and current reports on Form 8-K as we file them with the SEC and to other materials we may furnish to the public from time to time through current reports on Form 8-K or otherwise, for a discussion of risks and uncertainties that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements.

Use of Non-GAAP Financial Measures
These prepared remarks may include references to non-GAAP measures, such as consolidated adjusted EBITDA (including forecasted adjusted EBITDA), free cash flow, and constant currency measurements, such as, non-GAAP revenue before effects of foreign exchange, and adjusted EBITDA before effects of foreign exchange, which are considered non-GAAP financial measures as they are not prepared in conformity with accounting principles generally accepted in the United States (“GAAP”). These non-GAAP financial measures are not prepared under a comprehensive set of accounting rules and, therefore, should only be reviewed alongside results reported under GAAP.

We encourage investors to review our earnings press release as it contains important information about our financial results, including tabular reconciliations to the most directly comparable GAAP financial measure, definitions, limitations and other related information about these non-GAAP financial measures. We have not reconciled consolidated adjusted EBITDA guidance to projected consolidated GAAP net income (loss) because we do not provide guidance on GAAP net income (loss) or the reconciling items between adjusted EBITDA and GAAP net income (loss), as a result of the
uncertainty regarding, and the potential variability of, certain of these items. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

The earning press release in addition to other supplemental financial information is available on the Investor Relations section of our website at http://ir.tripadvisor.com/. The earnings press release is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the SEC on May 7, 2020, which is available on the Investor Relations section of our website at http://ir.tripadvisor.com/ and the SEC’s website at www.sec.gov.

Key Business Metrics
We review a number of metrics, including unique visitors, hotel shoppers, and other metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across our large user base around the world. For example, a single user may have multiple member accounts or browse the internet on multiple browsers or devices, some users may restrict our ability to accurately identify them across visits, and we are not always able to capture user information on all of our platforms. As such, the calculations of our active users may not accurately reflect the actual number of people or organizations using our platform. Our metrics are also affected by applications that automatically contact our servers for regular updates with no discernible user action involved, and this activity can cause our system to count the users associated with such applications as active users on the day or days such contact occurs. As such, the calculation of some of the metrics presented may be affected as a result of this activity. We regularly review our process and may adjust how we calculate our internal metrics to improve their accuracy.
TRIP - Q1 2020 TripAdvisor Inc Earnings Call

EVENT DATE/TIME: MAY 08, 2020 / 12:30PM GMT

OVERVIEW:
Co. reported 1Q20 results.
Good morning, and welcome to TripAdvisor's First Quarter 2020 Earnings Conference Call. As a reminder, today's conference call is being recorded.

At this time, I would like to turn the conference call over to TripAdvisor's Vice President of Investor Relations, Mr. Will Lyons. Please go ahead.

Will Lyons - TripAdvisor, Inc. - VP of IR

Thanks, Cindy. Good morning, everyone, and welcome to our call. Joining me today are our CEO, Steve Kaufer; and our CFO, Ernst Teunissen. Last night, after market close, we distributed and filed our first quarter 2020 earnings release and made available our shareholder letter on our Investor Relations website located at ir.tripadvisor.com.

In the release, you will find reconciliations of non-GAAP financial measures to the most comparable GAAP financial measures discussed on this call. Also on our IR site, you will find supplemental financial information, which contains reconciliations of certain non-GAAP financial measures discussed on this call as well as other metrics.

Before we begin, I'd like to remind you that this call may contain estimates and other forward-looking statements that represent management's views as of today, May 8, 2020. TripAdvisor disclaims any obligation to update these facts to reflect future events or circumstances. Please refer to our earnings release as well as our filings with the SEC for information concerning factors that could cause actual results to differ materially from those forward-looking statements.
With that, I'll pass the call to Steve.

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thank you, Will, and good morning, everyone. Thank you for joining our call.

We're living in unprecedented times, impacting all of our personal lives and hitting the travel industry hard. First, to those on the front lines and the medical profession and to the everyday heroes working at our local grocery stores or delivery services, thank you. To our partners and suppliers in the travel industry, who are struggling with sudden drop in business, we understand your pain, and we are helping in all the ways we can. And to our employees, know that your hard work during this challenging time is meaningful as TripAdvisor will play a critical role in helping with travel industry rebound.

As we reported, estimated bookings and revenue-related activity generally has been down by more than 90% since late March. April stabilized at these low year-over-year performance levels.

We acknowledge industry estimates around travel's long road to recovery. However, we are encouraged by some early small signs in recent weeks that show consumer demand is picking back up. We, TripAdvisor and the industry, will get through this. Travel will return. It is accepted as a fundamental human right in so many parts of the world. We believe our core strategy to help guide travelers on trips that really matter to them is not only compelling and differentiated but even more essential in times like this, where travelers have high anxiety and uncertainty.

As Ernst will discuss in a minute, we have streamlined our cost profile and solidified our financial position to weather this pandemic. And we believe our trusted brand and customer-focused platform enables us to help get the world traveling again. Ernst?

Ernst J. Teunissen - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Thank you, Steve. Good morning, everyone. We've obviously been very focused on liquidity and cost since the COVID crisis has hit, and I want to highlight where we are on this.

First, our cost structure. We took a number of cost-reduction steps in response to COVID. We've reduced headcount in the form of layoff, impacting about 900 people, nearly 1/4 of our workforce. We have also furloughed about 850 people, mostly at TheFork. I that although similar in size of the layoff, the furloughing contributes much less to the cost savings as it tends to include lower-wage personnel, and we pay top-ups to what employees get from government-subsidized programs.

Further cost reductions include a temporary reduction of work for lower pay for most remaining employees and some reductions to benefits. This is all in addition to removing pretty much all of our discretionary costs we had in our plan. So these measures lower our cost significantly in Q2 and the rest of the year.

For clarity, when I quote cost reductions in these remarks, I refer to expenses between revenue and EBITDA, so not full GAAP expense.

Fixed cost, the cost excluding COGS and performance marketing expenses, fixed costs are coming down 25% in Q2 and almost 40% in Q3 versus the Q1 starting level that we had this year. In absolute terms, there is a reduction by $45 million of these fixed cost expenses for Q2 and $5 -- $65 million for Q3, so a total of $110 million for 6 months relative to the levels that we are started at. And I note that the Q1 level I'm comparing these against was already lower than the average quarter in 2019 because we had already taken other cost measures. So year-over-year, our cost savings are even more significant.

And of course, all variable cost, COGS performance marketing is coming straight down with revenue. As Steve said, we've been -- we've seen revenue-related activity down more than 90% recently. And so in Q2, we expect COGS and performance marketing to come down by about $50 million from the Q1 level to a number under $10 million. This is additional to these fixed cost reductions that I was talking about.
Of course, we will invest more in variable expenses in Q2 if revenue recovers faster than anticipated. Importantly, not only do these cost measures preserve cash, but also they will position our P&L very well in a recovery into 2021. We will be leaner, more focused on the highest priorities in the business, and we expect much of the fixed cost savings to remain when revenue recovers.

Now to our liquidity position. We’re very pleased to announce this week that we agreed to an amendment to our credit facility with our bank syndicate. We had a large facility in place before COVID hit with already enough capacity to comfortably fund us through downside scenarios. The amendment we agreed this week additionally and importantly, it gives us a holiday on the main leverage covenant until Q3 of 2021, which helps us navigate a period with EBITDA under significant pressure.

Even under very adverse scenarios with – even under scenarios with little or no recovery in travel in 2020, we are confident that we have now both the liquidity and the ability to stay compliant with covenants over the next 2 years.

As Steve mentioned, revenue visibility remains limited. We are expecting a significant EBITDA loss in Q2. And we believe this is likely to persist at least through Q3, assuming the travel industry has a slow recovery although we expect Q3 EBITDA to improve versus Q2. But as highlighted above, we believe we are well positioned to weather the storm, and we believe we are very well positioned to come out of the storm in a solid financial shape.

With that, we will now open the call for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of Deepak Mathivanan with Barclays.

Deepak Mathivanan - Barclays Bank PLC, Research Division - Research Analyst

Great. Steve, how are you thinking about positioning Trip for the recovery path, both in terms of product and business model? You obviously have a great brand of -- in travel, and traffic is always very strong. But the various assets that you have historically had have been like very disconnected from a user experience standpoint and to some extent, undermonetized compared to other media peers. So how are you thinking about perhaps first, realigning the product, using this time into a more integrated experience and then also potentially explore new monetization models around those?

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thanks, Deepak. That’s a great question and does dovetail very much with what we’re doing internally. I -- we have a fully centralized B2C organization at TripAdvisor now that kind of follows or as an extension on the One TripAdvisor vision that we had talked about for the last couple of quarters. The key element to that is truly helping the traveler plan all of the things that they need for this considered trip. So instead of or in comparison to someone first shopping for hotel and then maybe shopping for an experience later, we really are aiming to have our travelers plan the entire trip with us no matter which category they happen to start in. That considered trip, huge TAM, great positioning with respect to or in comparison to a search engine like Google or someone that just sells an airline flight or a hotel, and leverages very much the brand trust that people have in us in TripAdvisor to guide them through that whole journey.

So we have -- to the second part of your question, we have an excellent monetization vehicle for when someone is in hotel shopping mode or experience shopping mode. And we’ve grown our restaurant media business quite well when they’re looking for a place to eat. Our biggest challenge has been enabling people to plan the entire trip around it so that we get not just a bite at when they’re looking for a hotel or restaurant or attraction.
But since every considered trip involves, at the minimum, all 3 components, how do we help the traveler and therefore, monetize all those different components.

Add to that, some initial efforts on leveraging the large consumer base with direct-to-consumer products, and I think we have both the considered trip monetized more for every considered shopper that we have and some new offerings going after newer revenue streams, namely direct-to-consumer as potentially kind of opportunities ahead that we’ve never tapped into before.

Operator

And our next question comes from Naved Khan with SunTrust.

Naved Ahmad Khan - SunTrust Robinson Humphrey, Inc., Research Division - Analyst

Can you provide some color on the uptick that you’re seeing in bookings there over 90 days out? How much of an improvement is it? And is it primarily in regions where lockdowns have been eased? Or is it more broad based? Can you talk about that? And then just with respect to the headcount reduction, how does it affect your plans to build out more features and functionality for the branded display side? Yes, just those 2.

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Sure. So I want to caution folks, the uptick we’re seeing is modest. It’s not anything that I would characterized as a big rebound, which obviously makes sense given that the lockdowns in many parts of the world are easing but are not off. And so therefore, it starts to come back, and we’re probably an early indicator as people are thinking about the trip, but not yet booking it on our site. So traffic has started to come back pretty much around the globe.

To the question on how will the headcount reductions change what we invested in -- what we’re investing in, yes, we’re having to focus on some of these core things that matter to us, but growing our media business to better monetize all of our unique audience is certainly something we view as a high priority. And so I would recall the key points that I made in the past call and this one in terms of helping a traveler, guiding a traveler through their considered trip, we will continue to be investing there. We will continue to be investing in our B2B businesses, both with experiences and obviously, our hotel auction. And then the display or general media business continues to be we expect a very nice growth driver for us.

Operator

And our next question comes from the line of Lloyd Walmsley with Deutsche Bank.

Lloyd Wharton Walmsley - Deutsche Bank AG, Research Division - Research Analyst

Yes, looking at kind of longer-dated queries, it looks like there’s not a lot of auction density right now. Just anecdotally, obviously, not much demand out there right now. But wondering are your customers falling below minimum CPC levels or just kind of exiting altogether? Like what’s causing some of that beyond the obvious? And then how are your conversations with customers in terms of when they’re likely to come back to auctions, what they need to see? Or do you think it will be pretty quickly as conversions start to come up? Any sense for that? And then secondly, I guess just on the subscription listing business, can you give us a sense for how big that is, and how that’s holding up in light of everything going on?

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Sure. I’ll take the auction question then maybe Ernst on subscription. You may see a little, what I’ll call, dislocation in the auction at the moment or over the past week or 2 as many of our clients had to do a very quick reallocation, a very quick pullback. But if we look at prior recessions, prior...
big challenges to the travel industry, those companies that had an interesting demand footprint were in a good position because so many of the companies that have big fixed assets, be it planes or in our case, hotels are very hungry for demand. And the travelers on TripAdvisor and other front-end media sites become very valuable. So I would -- I'd say I'm cautiously optimistic that many of our current clients, certainly, the big folks will be very eager to get access to the auction that we have on our site. And so as demand picks up, those eyeballs are that much more valuable. I'll turn it to Ernst.

Ernst J. Teunissen - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Yes, in terms of the subscription -- the subscriptions, yes, they're holding up better than the auction. Subscriptions, obviously, are longer-dated terms, often 1 year terms. There are renewals coming up, which might be under pressure. But overall, that revenue stream has held up better than the auction revenue stream. We've been helpful to some partners by pushing out some payments. But in terms of the actual revenue, we're expecting a more limited impact to that compared to the auction.

Operator
And our next question comes from Jed Kelly with Oppenheimer.

Jed Kelly - Oppenheimer & Co. Inc., Research Division - Director and Senior Analyst

Great. Two, if I may. First question, just how do you see your meta auction evolving into the recovery? I mean is there any way you potentially can diversify your revenue among your partners? And then on your activities, I guess, traveler health and safety is going to be a pretty big priority. So how do you view your supply? Do you still want to have a lot of supply? Or will you scale it down to work with a couple of partners that are trusted?

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Sure. So on meta evolving, I really do believe we will have all the major OTAs, certainly, the major chains be eager for our demand. So I think the -- what we might call the liquidity of the auction will be strong, and people will be fighting over travelers on our site and others.

With respect to the traveler health and safety, absolutely important. Arguably, the biggest challenge, not just in an informational context, but what are the airlines and hotels and other travel companies actually doing to provide a safe experience for travel. We expect and we would hope to be a major information hub to help travelers in exactly that concern. People turn to TripAdvisor because we are a very trusted brand, and we expect to share as much information as we can gather about the safety-related issues in anywhere you're going as well as where you're staying and what you may choose to do while you were there. I -- we think that, that will be a major benefit to travelers, helping them get comfortable to get back on the road.

As many others have pointed out, probably trips will move towards more domestic travel than international, which works very well for us because we have -- we're not -- our business is not centered around a dozen top cities. Our business is centered around everywhere a traveler is interested in going. So we have great content, great choice.

I don't think, to your question specifically, we'll need to scale down supply. We're simply going to be informing our travelers about the safety considerations that they may have questions about in all of our categories. And with that -- and our community to answer questions, I would hope you would be -- I would expect we would be a major source of valuable information for our hundreds of millions or billions of travelers.

Operator
And our following question comes from Brad Erickson with Needham & Co.
Bradley D. Erickson - Needham & Company, LLC, Research Division - Senior Analyst

Just a couple. First, you talked about variable costs basically coming down as quickly and kind of in line with what you're seeing revenue-wise. Conversely, I guess, when we look towards the recovery, do you see any revenue that you might start to generate to correlate really as a function of like basically bookings rebound we might see from the hotels or the OTAs? Kind of is that the right formula for how to think about any sort of a shape of recovery? And then just what you're hearing from your customers specifically that leads you to comment just generally that Q3 will be better than Q2? And then just a quick follow-up.

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

So I'll take that to begin with...

Ernst J. Teunissen - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

I'm sorry, I was on mute, some of the technical glitches in the COVID era. Brad, thank you. In terms of variable costs, so variable cost, mostly COGS and performance marketing, it's very linear with revenue and bookings. And so for our Hotel business, but also for our Experiences & Dining business and across the board really. So expect -- when revenue comes back, expect these variable costs to grow broadly in line with these.

And you asked about partners, yes, if our partners on the hotel side see bookings growth, they are likely to spend on our channel. And we're likely to want to invest variable marketing expense as well against that. And across other parts of the business where we have our own supply, for instance, Experiences, we will also, when we see the demand pick up, that has been more on the variable cost side.

So I said in my opening remarks that we expect those levels to be very down in Q2. I said maybe under $10 million between COGS and external marketing and performance marketing. Of course, we're happy, if revenue comes back more quickly, we're happy to pick up the pace and spend more of that because that means more revenue will come.

The reason why we believe Q3 will look better than Q2 is Q2, our assumption for Q2 is that it stays pretty much at where we are today. And so we've commented on bookings and other revenue-related indicators for our business to be down over 90% right now in end of March and in April. We expect that to more or less extend into the rest of the quarter. Maybe there's upside to that. Maybe there's a recovery faster in June, but we're not banking on that near term. We are expecting that there will be more of a recovery of revenue into Q3. Still very much down year-over-year, but more of a recovery than we've seen in Q2, and we believe we're now really at the sort of bottom level.

Also, I highlighted some of other cost savings that we're instituting and taking benefit of. And I said that we expect Q3 benefits to be higher than Q2 benefits. That's because we get a full quarter of some of these cost reductions that we made. In Q2, we only get part of the quarter for that. So that together is in the statement that we expect Q3 EBITDA performance to improve from Q2.

Bradley D. Erickson - Needham & Company, LLC, Research Division - Senior Analyst

Got it. And then just a quick housekeeping. You guys report average monthly uniques for the quarter anywhere. I saw there's a number for Q3 of '19. Just curious where that number shook out for Q1 of '20.

Ernst J. Teunissen - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Average monthly mix of what, sorry?
**MAY 08, 2020 / 12:30PM, TRIP - Q1 2020 TripAdvisor Inc Earnings Call**

**Bradley D. Erickson** - Needham & Company, LLC, Research Division - Senior Analyst

Just average monthly uniques on the...

**Ernst J. Teunissen** - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Oh, uniques? No, we have not reported that this quarter or some quarters.

**Operator**

And our next question comes from the line of Eric Sheridan with UBS.

**Eric James Sheridan** - UBS Investment Bank, Research Division - MD and Equity Research Internet Analyst

Maybe one big picture and one sort of housekeeping matter. Steve, bigger picture, you talked a little bit about some of the dynamics where you would invest in the portfolio of assets you have. Can you share your world view on how you think maybe the industry might consolidate or there might be pockets of the industry that scale becomes more important on the other side of COVID-19? Obviously, pretty unprecedented in what we're living through right now. And I'm just kind of curious for your views on how the industry might evolve on the other side of this.

And then coming back to the deal that was announced in November with Trip.com in China. My understanding of that deal was they had to purchase in the open market within 1 year to maintain the Board seat here. Have they made any such purchases? And how is that relationship evolving? Or how could that be implemented in the next couple of years?

**Stephen Kaufer** - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thanks, Eric. I'll take the first part about it. In terms of -- at the biggest macro level from a traveler perspective, how do I think things are going to change in travel in a 2-, 3-year time frame? I got to say not much. People love to travel. It's more and more of the younger generation is growing up, looking for experiences in travel, always rate super highly on what people want to do. So the demand, I believe, will be there.

And so then what happens in the supply side, especially in the midst of this pandemic? Certainly, we feel for all of these hotels out there that are going through an incredibly rough patch. And unfortunately, one can guess that a number are going to be recapitalized in one form or another. But if you believe my prediction that the demand will be returning within a couple of years at least, then you have the same need for accommodations. And so the hotels may come under a different flag or maybe reborn under different ownership in general, but they're there. And perhaps more will join chains, perhaps the reverse. That's a bit tough for me to read right now.

On the attraction side of things, one of the other big suppliers that we care about, yes, again super tough time and there may be a thinning out. That would be unfortunate from our perspective. But where there's a need and where that demand will grow, those tour providers will quickly come back into business. And many of those are not highly capital intensive, so they can spring back.

Restaurants, again, some closures, some reopenings as demand emerges. But the big, super big macro level, you already have such a consolidation amongst the big OTAs that there's kind of not much further that, that can go, in my opinion at least. So it's not clear that there's going to be tectonic shifts in the travel space that we will look back in 3 or 5 years and say, wow, look what this pandemic caused in terms of the big supply -- the big suppliers and the big intermediaries being consolidated. But again, just my two cents.
Ernst J. Teunissen - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

To your second question about Trip.com. Yes, excited about that relationship, excited about the opportunity that we have together. The joint venture in China that we’re working on together now has moved through its transition phase and is now implementing the strategy for the business. And we’re excited to work on that with Trip.com.

As you point out, there is an ongoing step with the Board seat. There are some regulatory approvals that are still required before we get there. But we continue to have a strong relationship with Ctrip and are excited about the partnership that we’ve forged.

Operator

And our next question comes from the line of Tom White with D.A. Davidson.

Thomas Cauthorn White - D.A. Davidson & Co., Research Division - Senior VP & Senior Research Analyst

Steve, I think you made some comments about expecting kind of a rebound in the hotel auction in a recovery. And on one hand, I guess that makes sense that the large OTAs kind of might be in sort of a land grab mode, given that everyone’s been dark for a while. But I’m just curious if there’s any more color you can give on kind of what gives you confidence about that, given that those big advertisers have been kind of leaning away a bit from the metasearch channel in recent quarters. And then just a follow-up. Just curious if there’s any update on how you guys are thinking about alternative accommodations or vacation rentals, that category? Have your views changed there given the pandemic?

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thanks, Tom. Good question. I’d say when looking at how I expect hotel chains and OTAs to play in our metasearch environment or any metasearch environment, I’m simply going off of prior downturns. And the basic economics that say the individual hotels are going to be very hungry for demand because they’ll be operating, and there’s a huge difference to them, whether they’re operating at a 40% occupancy or a 60% occupancy. And so they will naturally turn to us as well as the OTAs to help fill the rooms. And as they are willing to pay more in a marketing way, that ends up coming back directly to us or through the OTA channel. If they’re making more money then they’re willing to spend more on various channels.

More succinctly, I’m drawing on past experience in this case. Demand hasn’t really brought back -- hasn’t really come back yet in a way that allows me to have evidence to prove it one way or the other. But I certainly think it’s a very reasonable thesis based upon history.

To the second question on rentals, we know rentals, alternative accommodations are clearly an important choice for consumers to have. We believe in maintaining that choice on our platform. It’s all about helping guide the travelers on their considered trip. And in many, many cases, having an entire home is better than a couple of rooms in a hotel. So I don’t think our views have changed at this point, certainly not with respect to the pandemic. There’s an argument that says alternative accommodations come back a little quicker than hotels, but probably on the margin, and I’m not even sure that I personally buy into that. I find anecdotally different opinions depending on different demographics I speak with.

Operator

And our next question comes from the line of Lee Horowitz with Evercore.

Lee Horowitz - Evercore ISI Institutional Equities, Research Division - Co-Head of Internet Research

Great. Just one, if I could. I guess with travel likely remaining much more localized in the near term, people getting in their car and driving to their new vacation destination, how are you thinking about adjusting your business model in order to capitalize on that trend, if at all? And how may that affect the model, I guess, in the near term in terms of revenue per user? Or any kind of color there on localized travel would be helpful.
Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Yes. Great comment, great observation. We certainly agree with it. And our research would say and all the research I’ve seen says a domestic trip is going to be much more common than before. That’s great with us. We have all the content we need in every country to help folks have a great local trip. So on the TripAdvisor home page, if you’re coming from a U.S. IP, you’re going to see -- fewer times will you be seeing Paris and Bangkok. And much more often, it might be an Austin or a San Francisco. So we just think it’s easy for us to market destinations that we already cover very, very well to more of a – with more of a local audience. And initially, it will be drive trips, but I think the big delineation is just going to be domestic versus international.

And if you were thinking about going -- you’re sitting in Boston, and you were thinking of going to Paris for the summer, it’s a considered trip. And you’re going to be just as interested, in my opinion, about taking that considered trip somewhere else in the U.S. And so whether it’s a drive or a flight, it’s going to be -- you need the best place to stay. You need advice from your community. You need memorable things to do and wonderful restaurants to eat at. And we’ll have all of that. We already have all of that information, and we hope to be one of, if not, the most accurate source for wonderful things to do in each of the countries in which we serve.

Ernst J. Teunissen - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

In terms of revenue per user, we would expect that to be just a shift in spending towards domestic spending. So not necessarily a change of the revenue we can generate per user.

Shweta R. Khajuria - RBC Capital Markets, Research Division - Assistant VP

Great. Well, how do you see the current environment from COVID different from maybe the past recessions? In your letter, you did call out prior recessions and a potential for a quicker recovery because demand for travel will be there, because travelers will want to travel. But how do you compare this COVID-related downturn versus what you’ve seen in the past in ’08 and ’09? How is it different? And how will the recovery be different?

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thanks. I’ll start and let Ernst toss in some comments. I think it certainly will be different. Past downturns have been very economically forecast so -- or economically impactful, meaning there was always a class of individuals who could afford to travel and would happily go anywhere. It was just economically impaired. Whereas here, even though in this pandemic, even those with the ability to take the trip are not going on the trip anywhere at the moment and when the restrictions ease up, will likely much more stay domestic.

It’s going to be a little hard to fathom how travel completely returns to normal until there’s a vaccine or months of no new cases taking hold. And so we all think or many of us think that, that’s quite a ways out. So what the airlines and hotels and travel suppliers are doing to make people comfortable traveling and the information that we can provide, of course, helps bring it back. But our forecast, we think, would be quite different were it, and I say this painfully, were it merely a recession versus something that causes people meaningful health concerns when traveling. Ernst, I don’t know if you want to add.
Ernst J. Teunissen  - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Yes, not much to add. It's obviously much sharper for the travel industry, a much sharper reaction and a much sharper reduction of revenue than '07, '08, '09 were, but that may be -- that doesn't mean that the recovery path is much longer than it was at that time. It is -- that is difficult to forecast. What I do observe is that the economic support structure, the financial markets are functioning really well. And it feels that there is enough liquidity available for companies, which at least bodes well for the potential shape of the overall economic recovery.

Operator

And our next question comes from the line of Kevin Kopelman with Cowen.

Kevin Campbell Kopelman  - Cowen and Company, LLC, Research Division - Former VP

I just had a question about Google. They made some changes to their -- a different vertical in shopping. They made some changes to allow free-price ads or organic price ads essentially. And do you have any thoughts on whether you expect something like that to happen in travel? And if so, if TripAdvisor would be able to participate?

Stephen Kaufer  - TripAdvisor, Inc. - Co-founder, President, CEO & Director

This is Steve, my thoughts. Yes, we noted what they were doing with shopping. I think the competitive dynamics are pretty different in the shopping category versus travel. So look, when Google makes a change or Google offers a new product, we certainly happily look at it and see if it fits our business needs. But I'm not spending a lot of time sort of guessing about whether or something like that is coming into the travel category.

Operator

And our next question comes from James Lee with Mizuho.

James Lee  - Mizuho Securities USA LLC, Research Division - MD of Americas Research & Senior Internet Sector Analyst

Hope everybody is healthy and safe. Steve, just curious, as you go through the portfolio review process, how should we think about your ability in terms of streamlining your business even more? I'm thinking about maybe your TripAdvisor China JV. Would you necessarily want to be that business or potentially exiting some of the geographies or even vacation rental business, so in other words, looking at categories where do not -- where you do not have a leading position specifically?

Stephen Kaufer  - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thanks, James. So I think we did, a year back, look at our China offering and said, "We're not going to be able to do this alone." So we put it into the JV, which does effectively take it off of our books. And to the extent as the junior JV partner, Ctrip or Trip.com, can use all of our content information to help Chinese travelers, that's clearly a win for us, and it's clearly a win for Trip.com. So kind of on my checklist, that's a great, done, already achieved the streamlining that I think you're alluding to.

For rentals, it's still an evolution. We want the alternative accommodations to be part of the experience that TripAdvisor offers. We have our own rental supply augmented by some other partners. And so how can we further both improve the supply on our site and knowing that we're not going to be the king in the supply area, is there a better way that we can deal with that part of our business? We also did announce that our SmarterTravel business is being -- some of the brands folded into -- to TripAdvisor, and we're looking to see whether there are some other better homes for some of those brands that we had acquired many, many years ago.
So the streamlining and the portfolio review did happen. It's obviously ongoing, so that we're enabled -- so that we are able to really focus on what we expect and what we would hope would be the big wins in the next 3- to 5-year time frame.

**James Lee** - Mizuho Securities USA LLC, Research Division - MD of Americas Research & Senior Internet Sector Analyst

Great. If I can ask a follow-up question. I was wondering, are you expecting any maybe structural changes to your customer behavior, whether it's on supplier side or user side? For example, I'm thinking about maybe Experience suppliers moving to online faster. So maybe you're anticipating to capitalize on that. And also maybe help us think about maybe potentially new business model emerging, where you can provide content to raise consumer confidence or potential results, some of the potential frictions when it comes to travel.

**Stephen Kaufer** - TripAdvisor, Inc. - Co-founder, President, CEO & Director

So you raised 2 things. Certainly, online, more experience providers coming online. I think a number are doing that. We have a business unit called Bokun, which is dedicated to exactly that, and they continue to sell in the marketplace. It's combined with the channel on both Viator and TripAdvisor for when people are ready to do those experiences again that we can help steer them to it. So I think that's a natural. We already have a lot of supply on our Viator platform. So well, I think that's a long-term secular benefit to us. I don't think it's a particular needle mover over the next year.

And then on the confidence to travel, I don't view it as an additional business model, but more the folks who are coming to TripAdvisor because they're exploring, they're thinking about the trip. The more we can provide information to make that traveler feel comfortable, where appropriate, that they can travel safely and stay safely and eat safely. That's going to help conversion rate, and they're already on our site. So they convert by booking that experience or booking that hotel on our site or booking that hotel by clicking off to a Booking or an Expedia or Marriott or a Hilton, we're indifferent. But because of that raised confidence, we've helped the conversion, and that benefits us.

**Ernst J. Teunissen** - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

And I would add to both these points about the portfolio as well as the changes -- structural changes in behavior. We have obviously been ruthlessly, now ruthlessly focused on what it is that we invest behind.

As we said in our opening remarks, we have done a layoff of close to 1/4 of our people. And so we have very, very consciously now thought about how do we want to allocate the 75% that are still in the company. Certain businesses have been deprioritized in focus. Certain activities have been deprioritized in focus. And certain activities we're just laser-focused on continuing to build our competitive advantage, and Experiences that you talked about is one of them. Experience & Dining are our growth areas. We feel we have a very strong competitive position. We are investing to remain leaders in these industries, and we want to emerge from this crisis really in a very, very strong position. So looking at opportunities that may offer in terms of more rapid online movement as you were saying or other opportunities is something we're super focused on despite the fact that we've reduced our cost.

**Operator**

And our next question comes from Brian Fitzgerald with Wells Fargo.

**Brian Nicholas Fitzgerald** - Wells Fargo Securities, LLC, Research Division - Senior Analyst

Had a couple of questions, maybe one is a follow-up to Tom's question. And Steve, wondering from the traveler point of view, are you seeing any nuances with respect to traveler preference for alternative inventory versus proper hotels as we emerge from this? Hey, I'd rather stay at some place where they have seals on the doors and UV light cleaning versus some guy's vacation rental. So nuances around that. And then the second question was around your dining assets, Bookatable and LaFourchette. As we emerge from this crisis, I think the scheduling aspect of showing up at place is, right, they're not going to be able to open up another table in the corner to seat you there, it's going to be 1/3 full to half-full, and they're
going to have to measure that and meter that very carefully. How do you feel about the opportunities of those -- your dining assets being kind of exacerbated or highlighted as we emerge from this?

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thanks, Brian. Two good questions. The first one, unfortunately, I don't have much insight in terms of alternative accommodations versus hotels and user preferences. We've thought about it. We see it both ways, but our traffic isn't such that it's insightful at this point in time.

To restaurants, I -- yes. There's -- as restaurants open up and they need to reconfigure their tables, especially in Europe where the restaurants are, in fact, smaller, TheFork can play quite a useful role from a traveler perspective to make sure there's room there. You don't want to venture out, and then sure enough, there's no room at the restaurant. But also from the restaurant management perspective, to help educate the restaurateurs that maybe it's time, especially in Europe, to shift to 2 seatings, 6 p.m. and an 8 p.m. in Europe, an 8 p.m. and 10 p.m. dining opportunity. And the reservation management system helps one do that, combined with the online capabilities.

I don't want to imply that this could be a big driver for LaFourchette because the whole restaurant industry is hurting. But I think as dining goes back, more new habits are going to be formed, including making sure I can get a table when I venture out and TheFork does that beautifully. So I think it -- with big changes comes opportunities. And I think TheFork, certainly throughout Europe, is going to be able to leverage this to help restaurants and travelers even more than before.

Ernst J. Teunissen - TripAdvisor, Inc. - Senior VP, CFO & Treasurer

And I think more broadly, as Steve said it before, more broadly, TripAdvisor as a brand is so well trusted for providing great information to its users and more information about, as Steve says, layout of a restaurant or how good is an experience supplier or hotel, social distancing, cleaning. More information is going to be a premium, and we think we have the brand to benefit from that.

Operator

And our next question comes from Heath Terry with Goldman Sachs.

Heath Patrick Terry - Goldman Sachs Group Inc., Research Division - MD

Steve, I was just wondering if given the -- obviously, the world we're living in now doesn't come along very often. Is there any way that you're looking at this as an opportunity to revisit some of the things that you may have tried before, where it wasn't just -- it simply just wasn't the right time in the industry or the industry, your customers, the hotels maybe weren't necessarily ready for it. Instant booking comes to mind, but it's not the only thing that I'm thinking of here that maybe given where the business is here, you have some air cover to try some things that are a little bit more extreme in evolving your business model. Just curious kind of getting beyond the quarter and the current crisis as somebody who's been through these before and seen a lot of evolution in the industry, how you might be looking at this as an opportunity for Trip?

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thanks, Heath. Great question. You bet, we've been thinking hard about this. Frankly, not so much from the perspective of instant booking, though it may have a role, but really more from a reinventing the experience of a traveler coming to TripAdvisor to plan that important trip. And historically, because we were so successful in so many categories and we were growing, we opted for speed. And we opted for focusing on conversion around our hotel shopping or experience shopping. We were growing our inventory, all wide range of things that made a lot of sense and grew the company quite nicely over the past couple of decades.
This is an opportunity we have and are taking right now to reimagine the consumer experience around that considered trip, around the planning aspect where a consumer, a traveler isn’t just looking for a hotel or isn’t just looking for something to do. They’re looking to have an amazing time visiting Philadelphia or San Francisco, wherever the trip is going, and how can we, internally, and this is product. This is tech. This is sharing information. This is great data access. This is treating the traveler throughout their life cycle when they’re first discovering a location, all the way through collecting the 5 or 6 things they want to do when they get there and having an amazing itinerary so that they -- so that we’re not a stop along the way for planning a trip, but we’re the travel hub where someone is starting, however they found us, but with so much wonderful functionality designed around completing that entire trip that they keep coming back and back.

And to be fair, that’s coming at the expense of some of the other things that we had been doing for a couple of decades in terms of making the hotel shopping path as smooth and frictionless as possible or making sure we had all the perfect payment types in all the different markets that we were supporting.

So to your question, we are taking this opportunity where our -- or the fundamentals of the revenue of our business is dependent upon traffic coming back. And we’re not able to influence that a lot to really rebuild from much more foundational perspective how we want the traveler to experience trip planning on TripAdvisor, so that as we emerge, trips are planned, are bigger, are more complete, the users returning to TripAdvisor many more times. And at the end of the day, our total unique users per month might go down, but the repeat rate goes way up because we’ve found the set of audience that is entirely -- that loves being dependent upon TripAdvisor for the whole experience versus using us for a point task. And that’s not a 1-quarter or a 2-quarter journey. But that is, I’d say, the biggest way that we think this pandemic will contribute to reinventing TripAdvisor.

The near term remains unpredictable. But time and time again, we have seen the hospitality industry recover and thrive. Concerted actions have solidified our financial position and will help us to emerge a more focused business on the other side. We will continue executing our strategy and ensure TripAdvisor plays an influential role with consumers and partners worldwide in the recovery and beyond. So thanks, everyone, and please stay safe.

Operator

And there are no further questions at this time. I will now turn the call back over to Steve Kaufer.

Stephen Kaufer - TripAdvisor, Inc. - Co-founder, President, CEO & Director

Thank you, everyone, for joining the call. We are navigating tough times, and we’ve had to bid farewell to a number of exceptional employees. On behalf of the TripAdvisor family, I want to extend a heartfelt thank you to these colleagues for their passion and their service. And to my current teammates at TripAdvisor, you’re doing an amazing job. I’m very proud of how you’ve all stepped up to help our business partners in the industry and with the site updates that we’ve already launched and we’ll soon launch to help the billions of travelers who trust us to safely guide them on their next journey.

The near term remains unpredictable. But time and time again, we have seen the hospitality industry recover and thrive. Concerted actions have solidified our financial position and will help us to emerge a more focused business on the other side. We will continue executing our strategy and ensure TripAdvisor plays an influential role with consumers and partners worldwide in the recovery and beyond. So thanks, everyone, and please stay safe.