

American Express Company

# Lodging Industry Trends

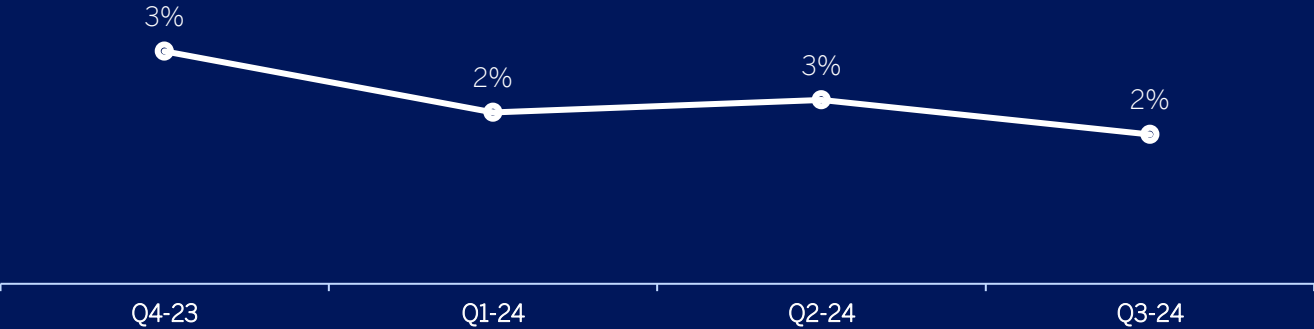
US



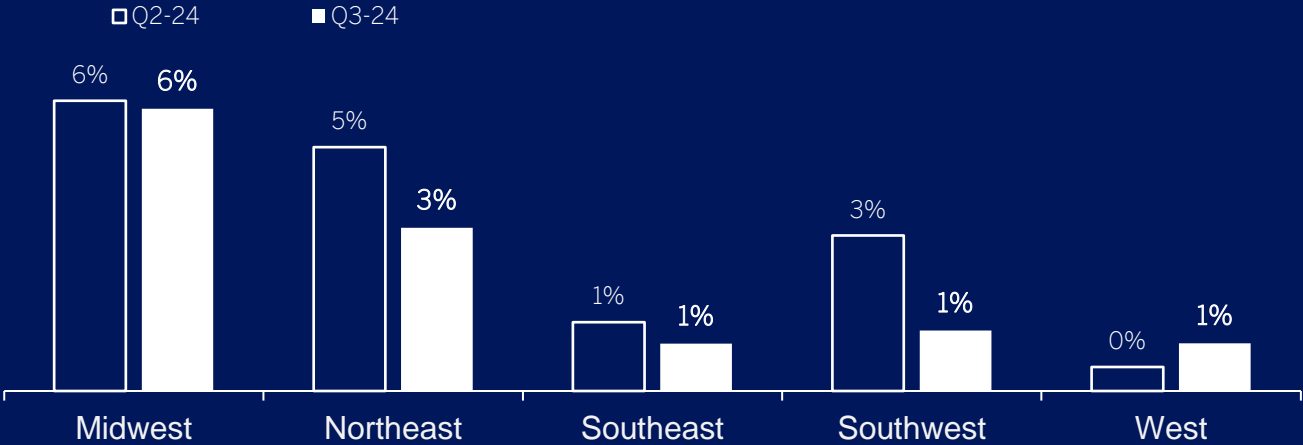
JUL'24 - SEP'24

# Lodging Industry – YOY Growth in US

YOY Growth – US

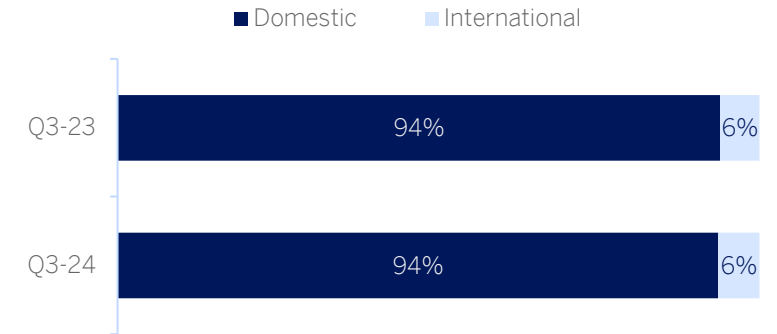
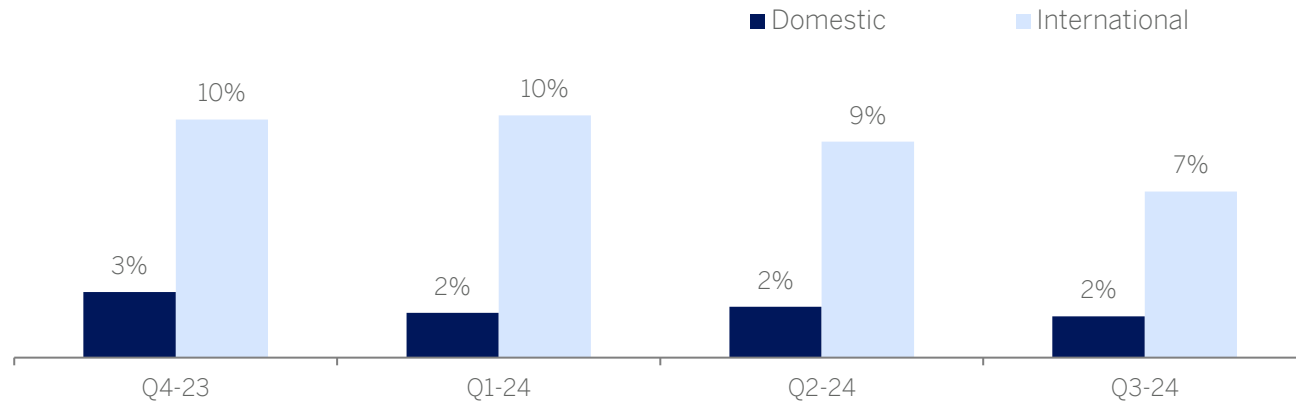


YOY Growth by Lodging Location

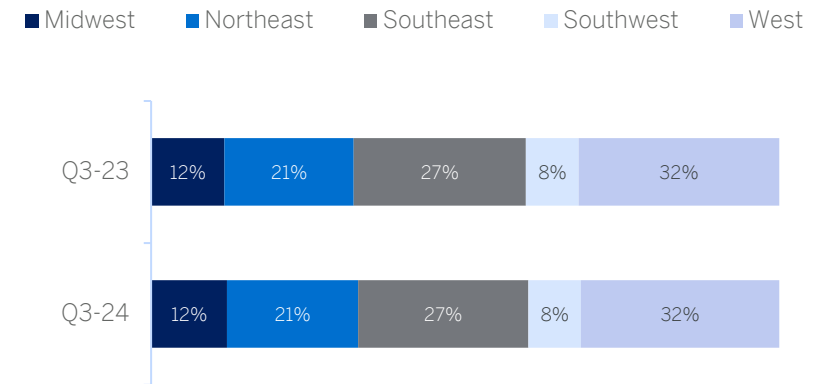
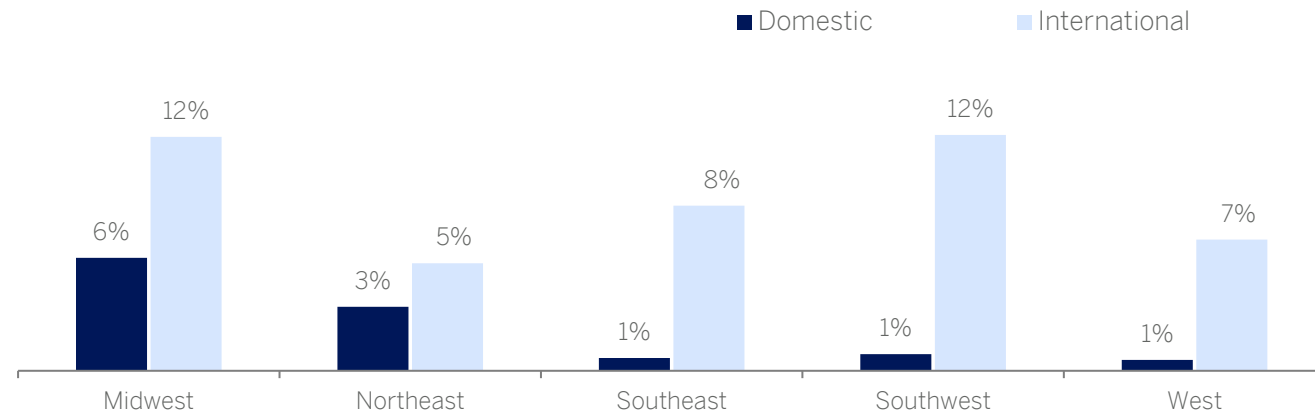


# Domestic & International CMs - Spend Behaviour

YOY Growth by Card Member Origin – Domestic vs International CMs



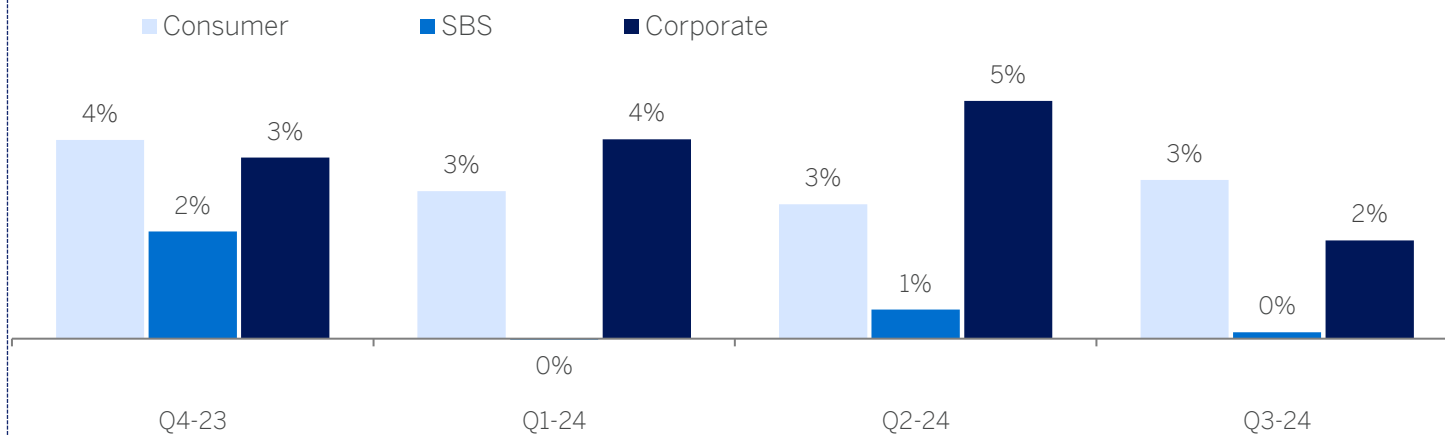
YOY Growth by Card Member Origin across merchant markets – Q3'24



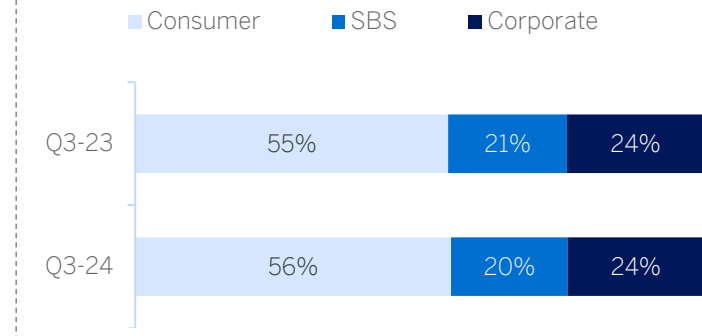
1. Domestic CMs – Card Members who are spending at merchants in their own country.
2. International CMs – Card Members who are spending at merchants outside their own country. (Inbound CMs)

# Spend share and YOY Growth across Card Types

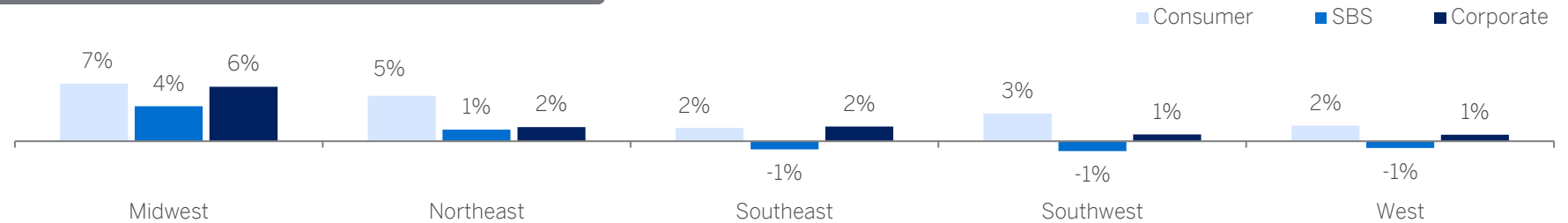
## YOY Growth across card type



## Spend Share



## YOY Growth by card type across merchant location



## Spend Share and Spend Share Shift from 2023

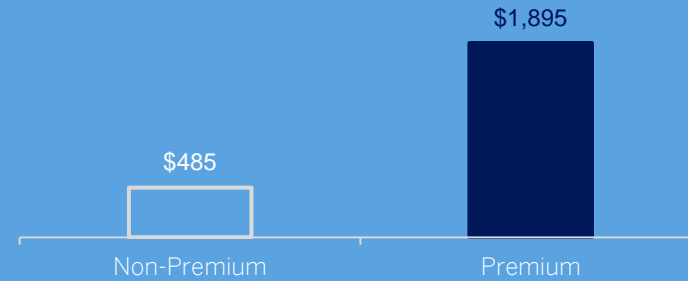
Card Type	Midwest	Northeast	Southeast	Southwest	West
Consumer	51% (0%)	54% (1%)	59% (0%)	42% (1%)	58% (0%)
SBS	20% (0%)	20% (0%)	21% (0%)	24% (-1%)	20% (0%)
Corporate	29% (0%)	26% (0%)	20% (0%)	34% (0%)	22% (0%)

# Premium CMs spent 3.9x more than Non-Premium CMs and 2.6x more per transaction this quarter



Average Spend by Card Members

**3.9x**

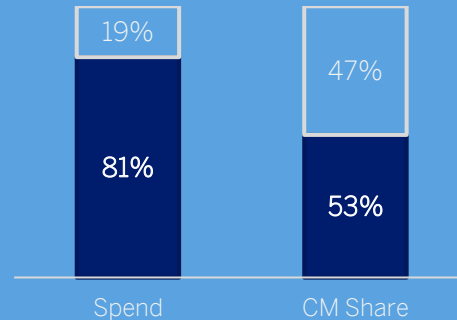


**Non-Premium** – Non-Premium behavior in Jul'24 - Sep'24

**Premium** – Identified from algorithm that includes factors like Overall spend|Luxury behavior|Card product owned (Centurion Cards).

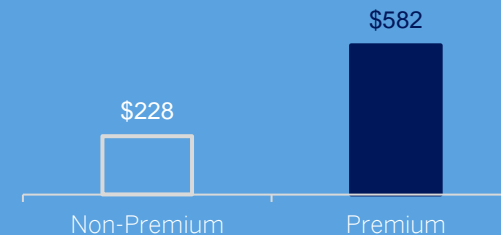
CM Share & Spend Share

■ Premium ■ Non-Premium



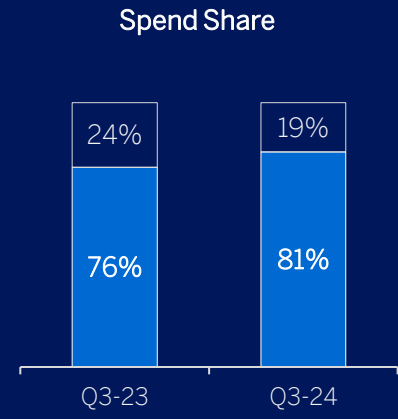
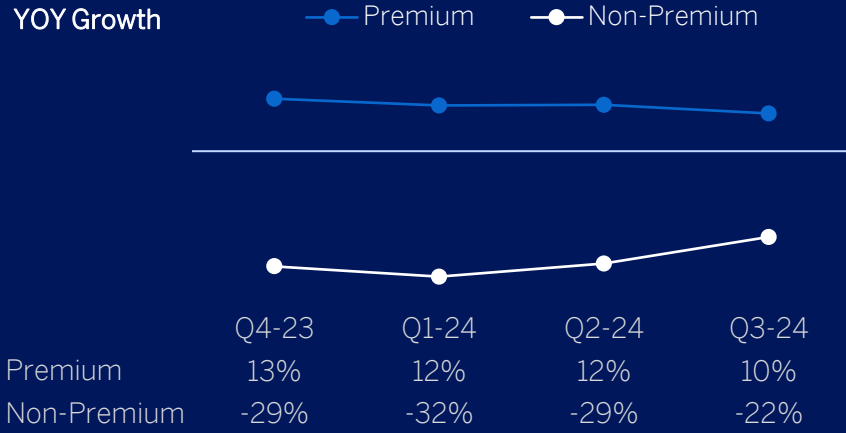
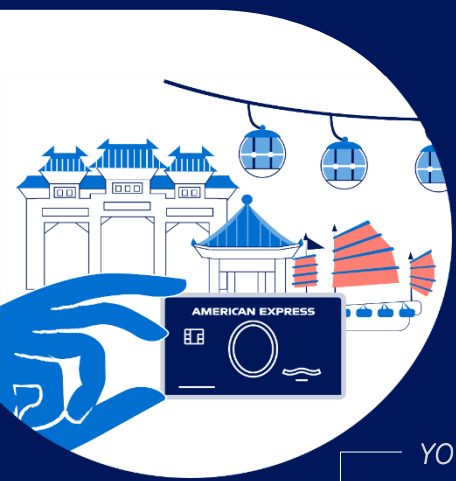
Average Transaction Size

**2.6x**



Only Domestic Consumer & Small Business Card Members are analyzed

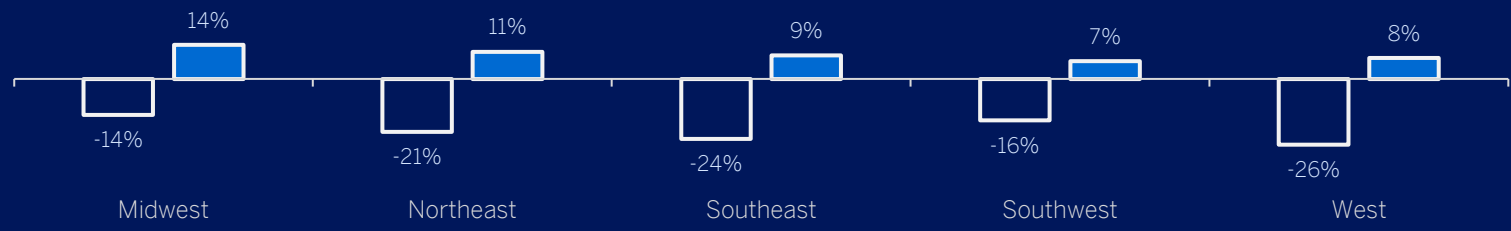
# Premium vs Non-Premium Card Members



**Non-Premium** – Non-Premium behavior in Jul'24 - Sep'24

**Premium** – Identified from algorithm that includes factors like Overall spend | Luxury behavior | Card product owned (Centurion Cards).

YOY Growth by Merchant Location and ATS



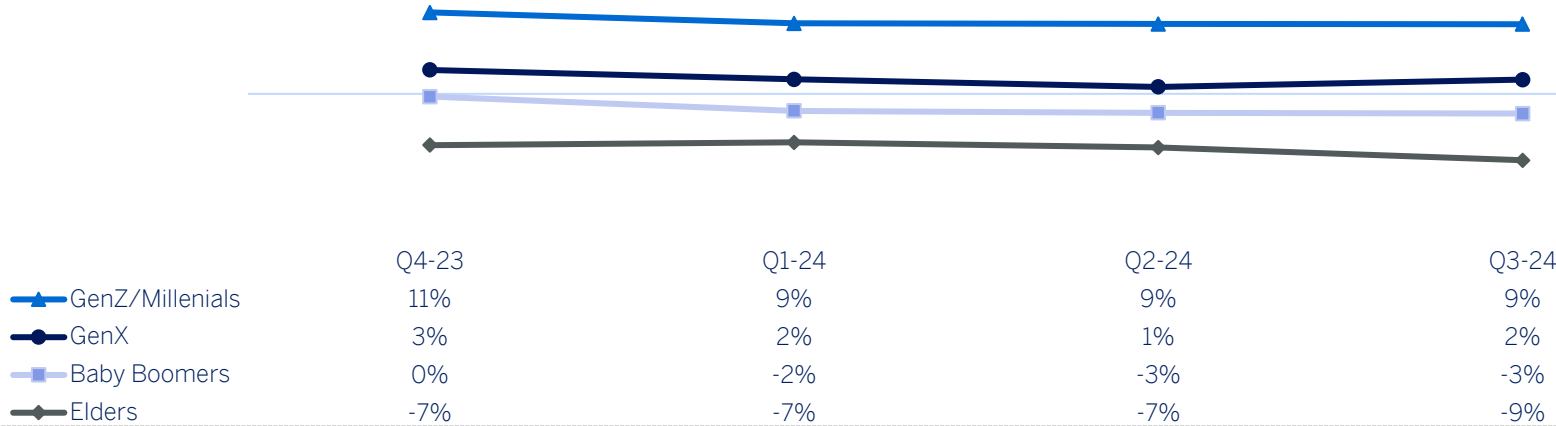
ATS - Property Tiers across markets

ATS	Midwest	Northeast	Southeast	Southwest	West
Economy	\$205	\$383	\$252	\$246	\$214
Mid Range	\$292	\$352	\$285	\$270	\$324
Premium	\$363	\$422	\$380	\$364	\$477
Luxury	\$403	\$602	\$526	\$416	\$600

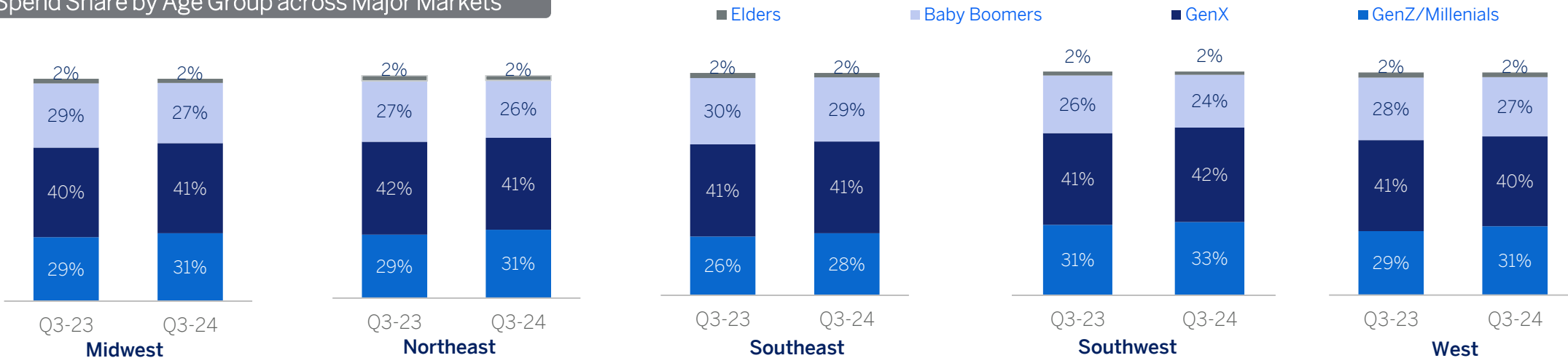
Property Tiers : Definition in Glossary  
Only Domestic Consumer & Small Business Card Members are analyzed

# YOY Growth and Spend Share across CM Age Groups

## YOY Growth by Age Group



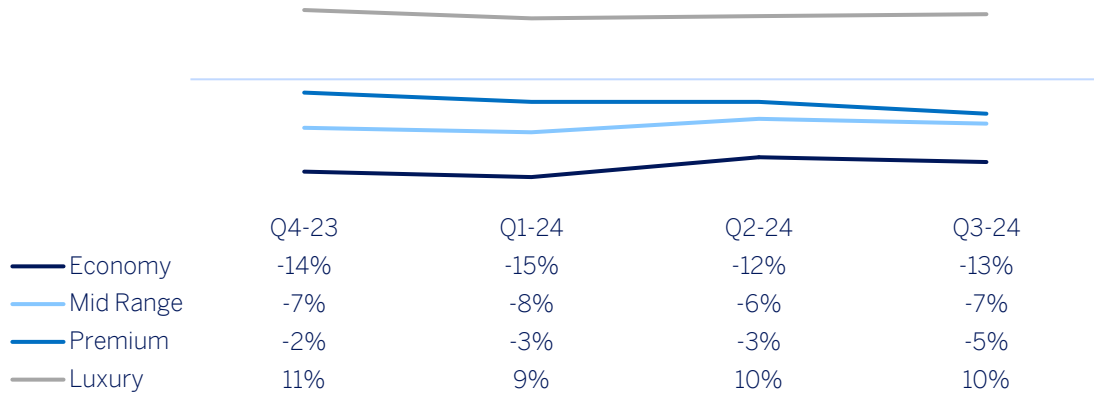
## Spend Share by Age Group across Major Markets



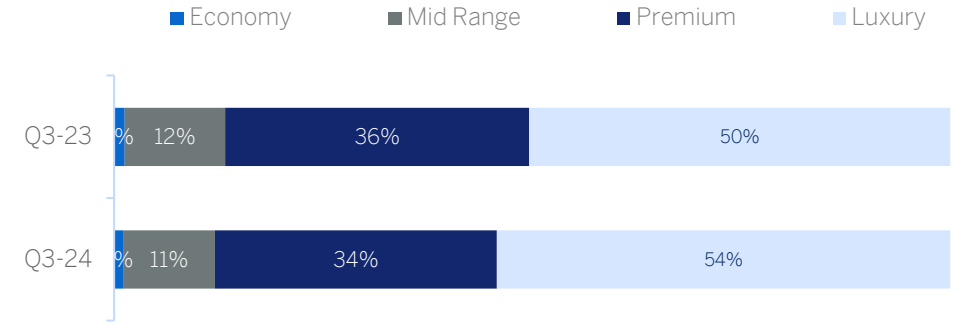
Age Groups: Definition in Glossary

# YOY Growth and Spend Share across Lodging Class & CM Age Groups

## YOY Growth across Lodging Class



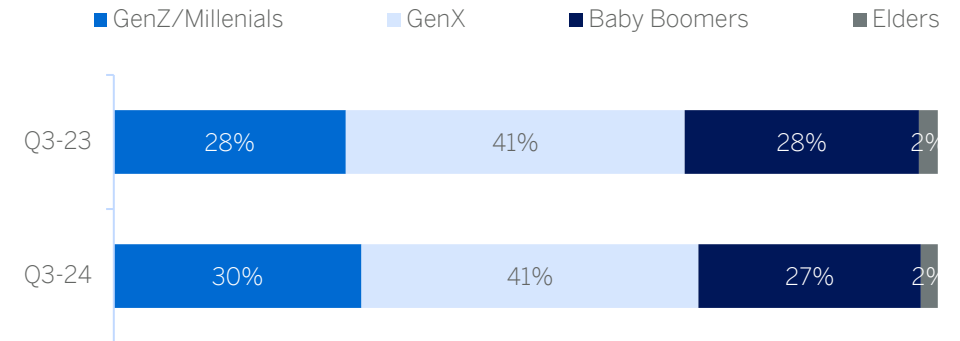
## Spend Share



## YOY Growth across Age Groups



## Spend Share

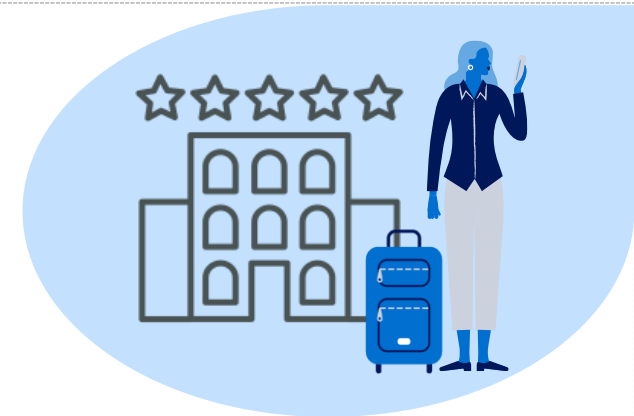
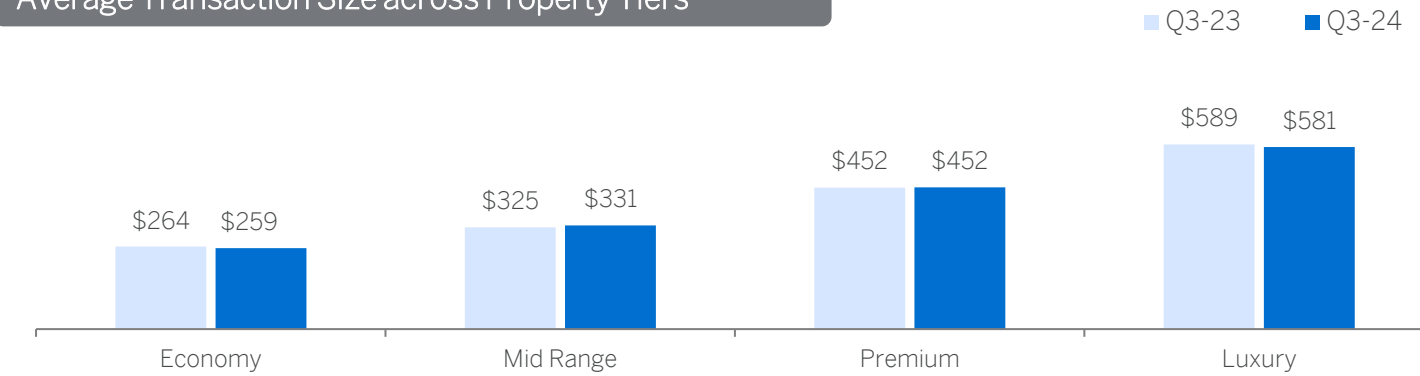


Age Groups & Property Tier: Definition in Glossary

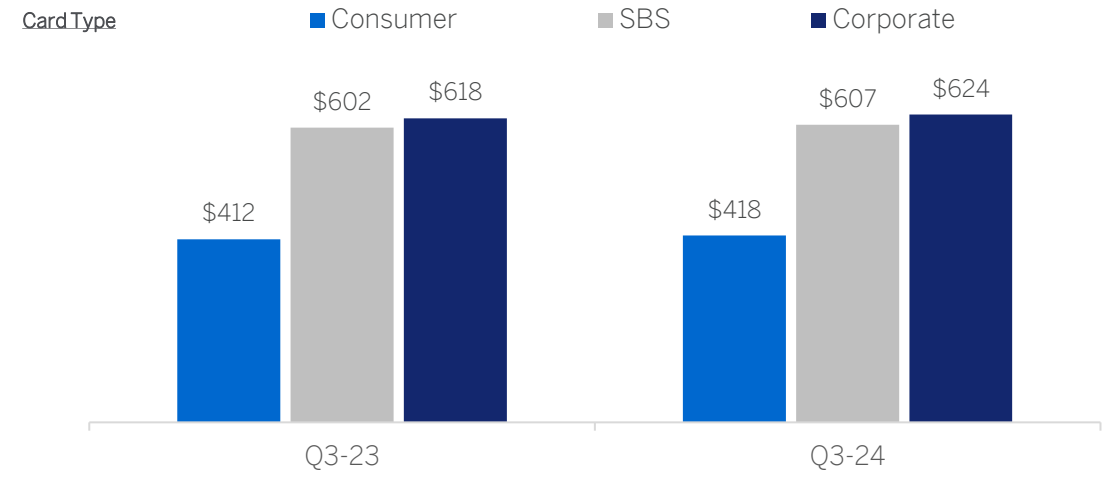
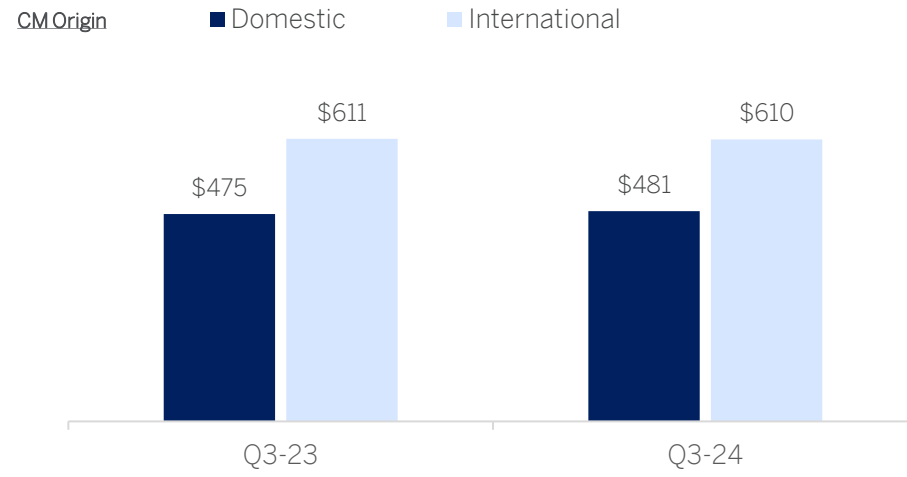


# ATS across Property Tier, CM Origin & Card Type in US

Average Transaction Size across Property Tiers



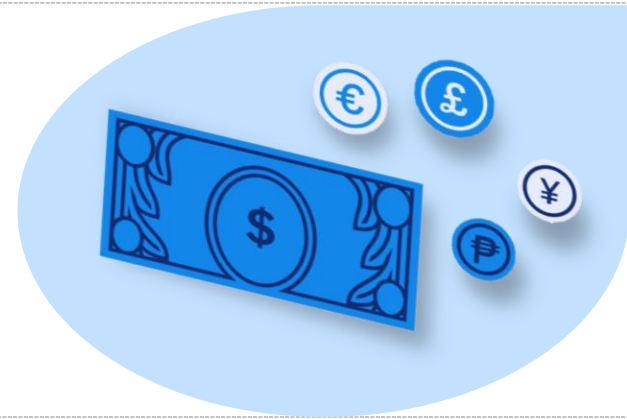
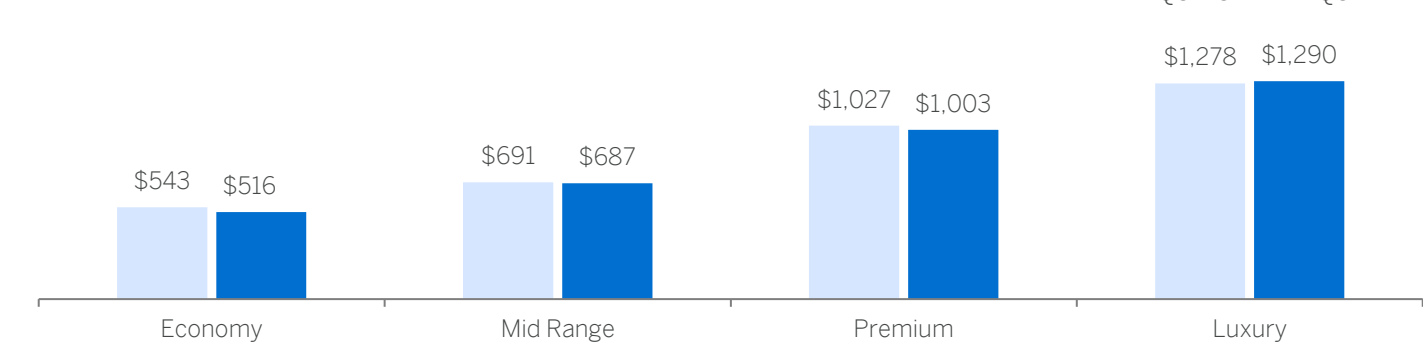
Average Transaction Size across CM Origin and Card Type



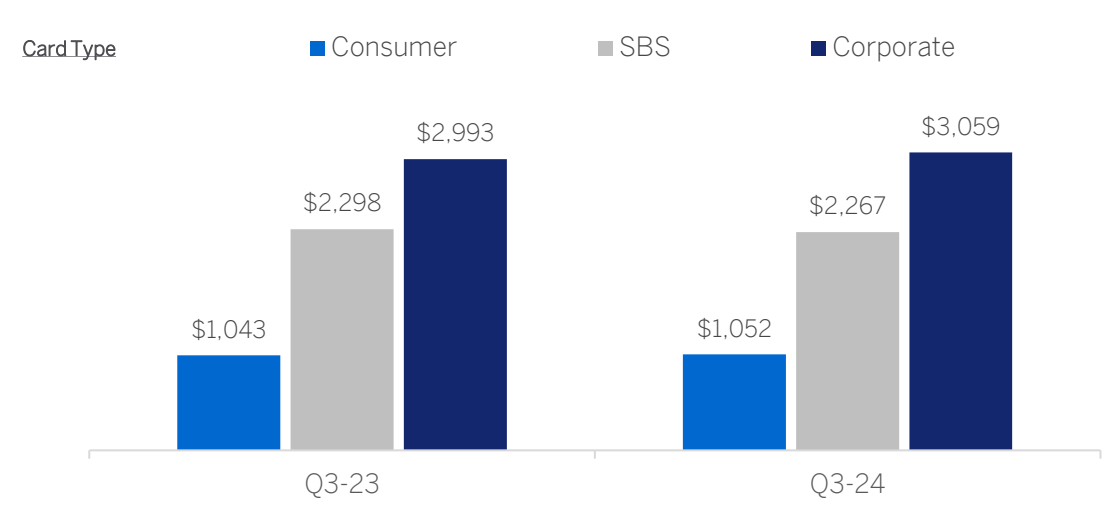
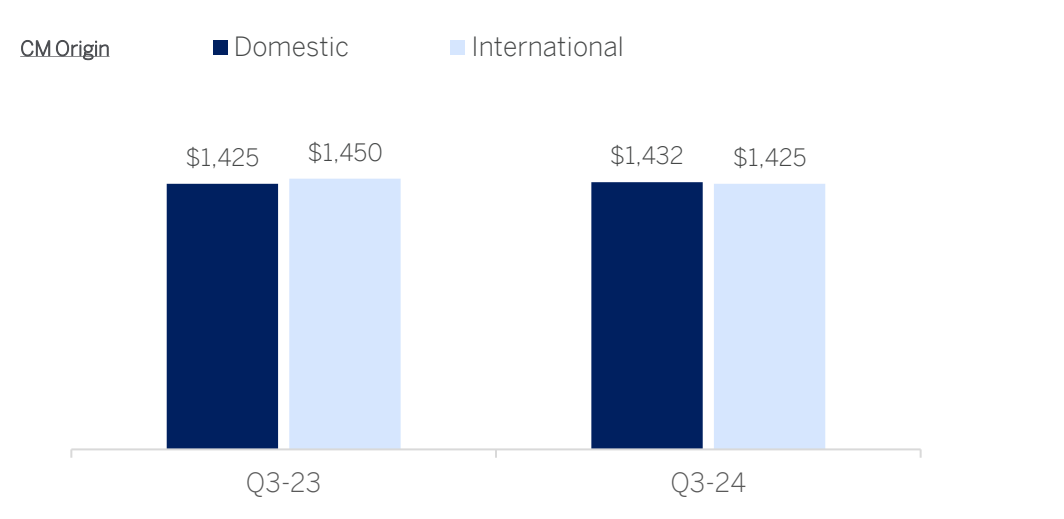
Property Tiers : Definition in Glossary

# Average Spend across Property Tier, CM Origin & Card Type in US

## Average Spend across Property Tiers



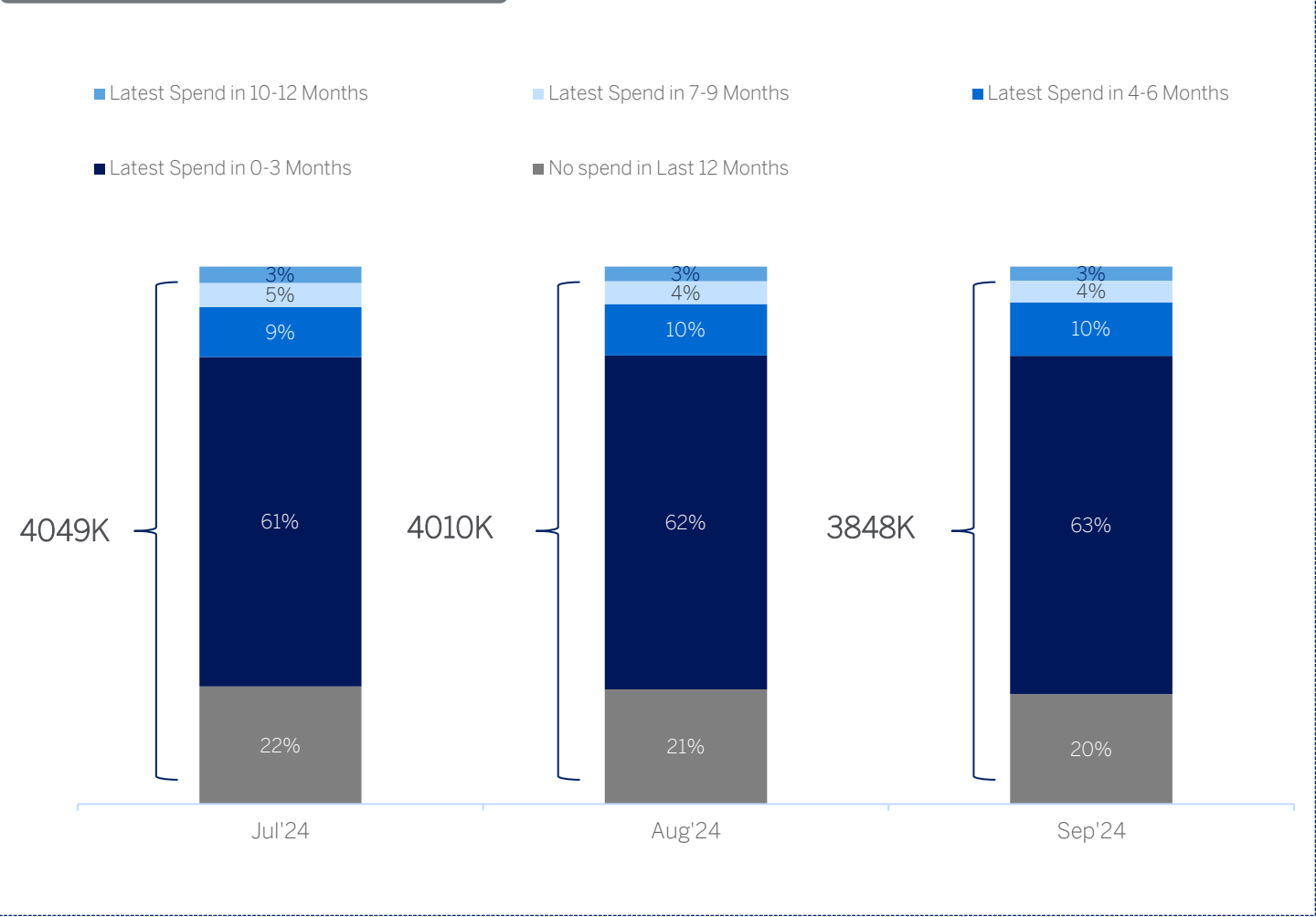
## Average Spend across CM Origin and Card Type



Property Tiers : Definition in Glossary

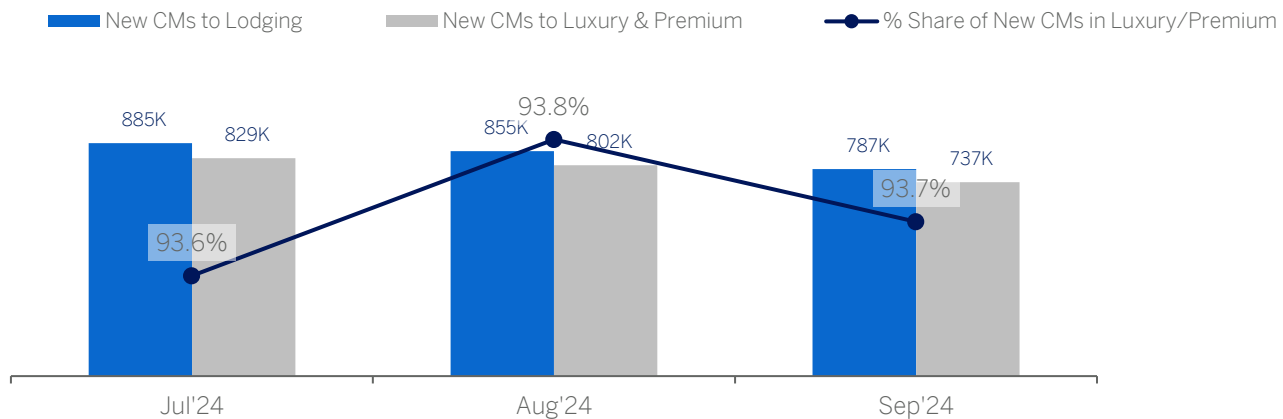
# Card Member Spend Analysis

## Spend Patterns for Card Members

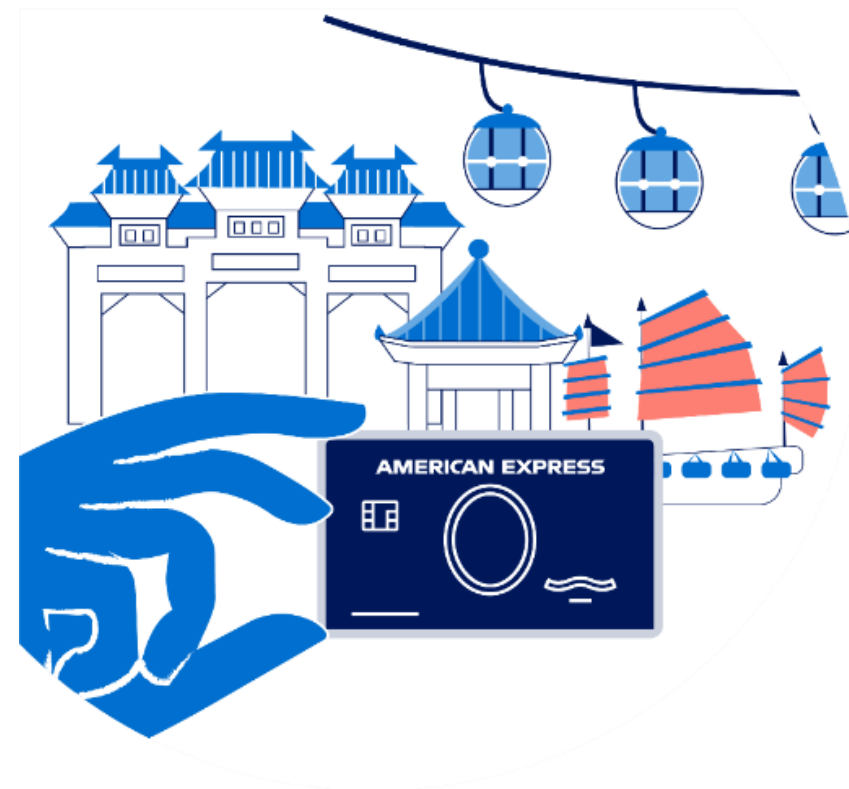
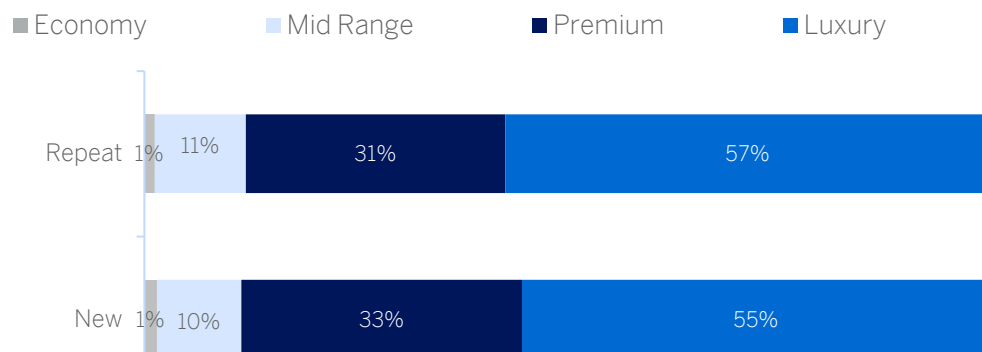


# New and Repeat CM spending in the Lodging Industry

## New Members by Month



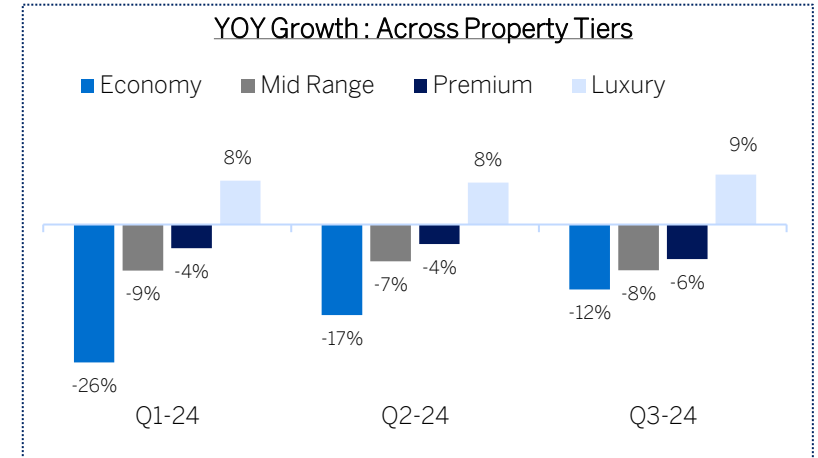
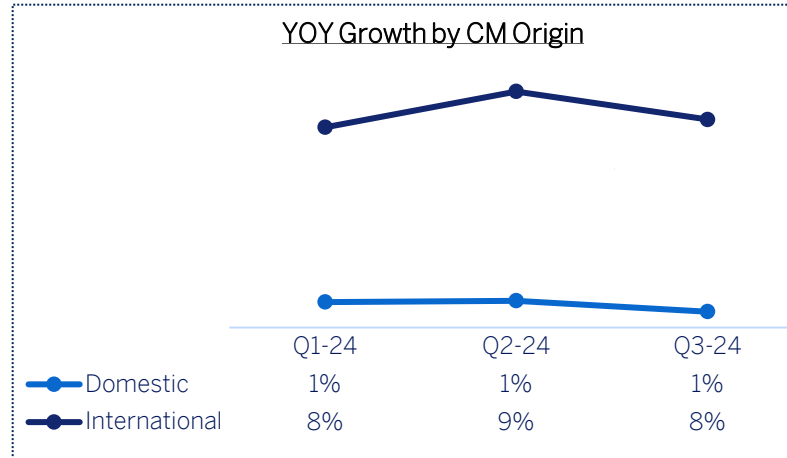
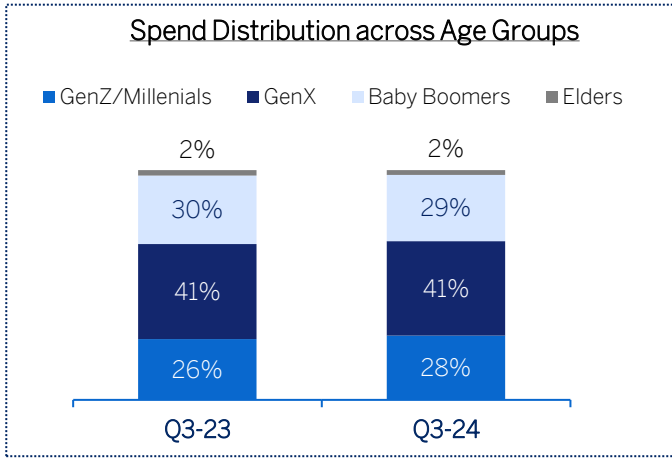
## New CM's and Repeat CM's : Spend Share



*New Card Member: A Card Member who has not done any transaction in the industry in previous 12 months (only Domestic Cons & SBS Card Members) and has no transaction in 2019 as well.  
Repeat Card Member: A Card Member who has done at least 1 transaction in the industry in previous 12 months (only Domestic Cons & SBS Card Members)*

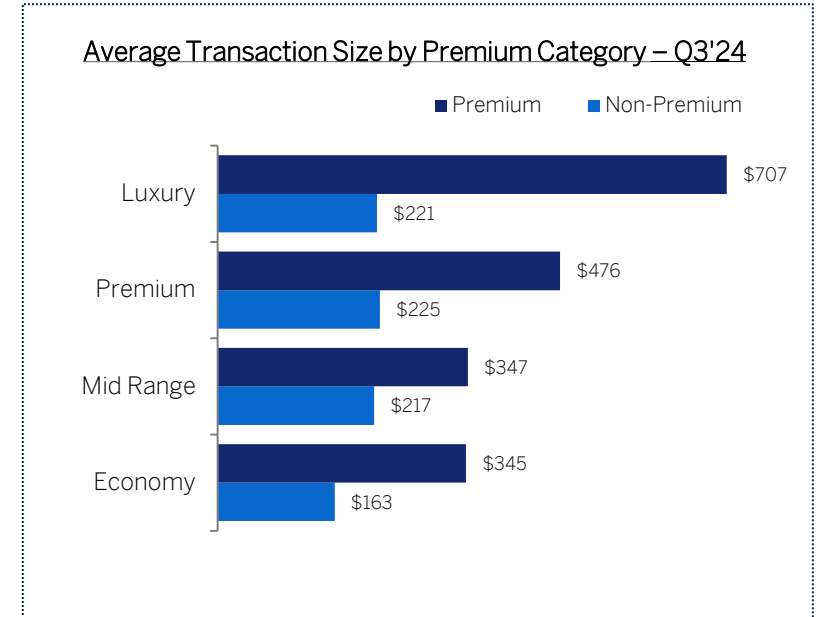
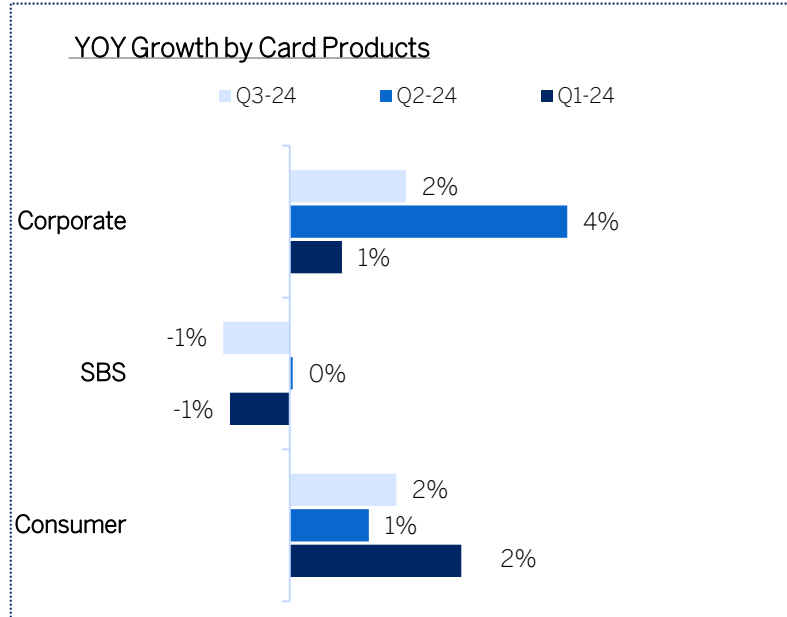
# Region Level Deep Dive

# Deep dive analysis for Southeast



### Top Origin Countries

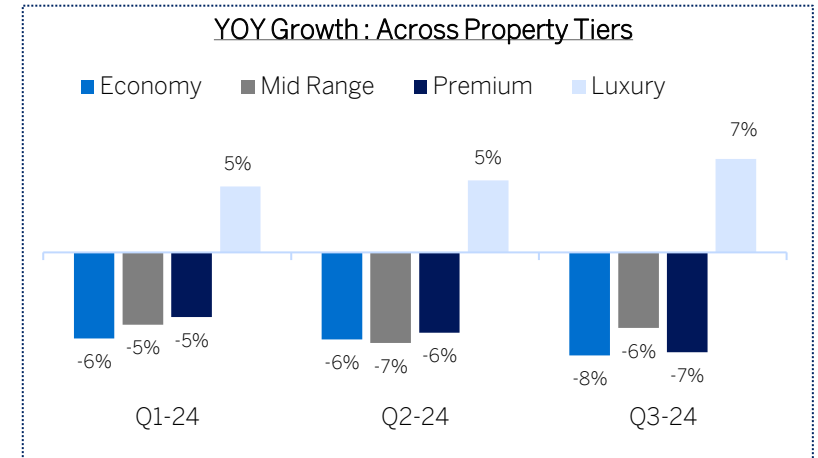
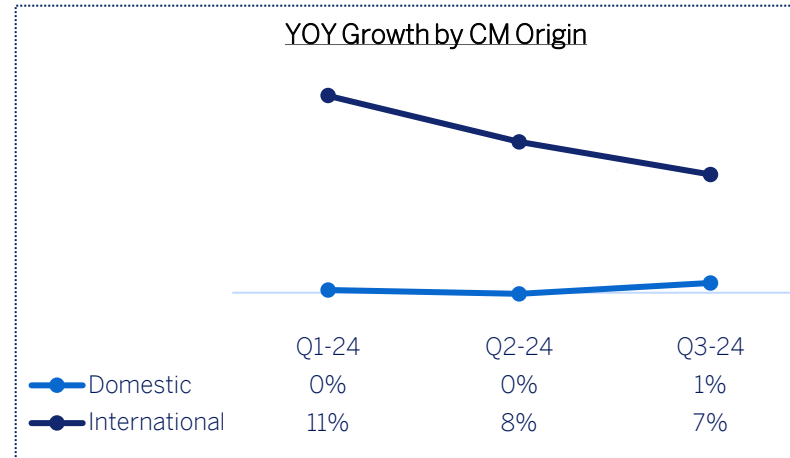
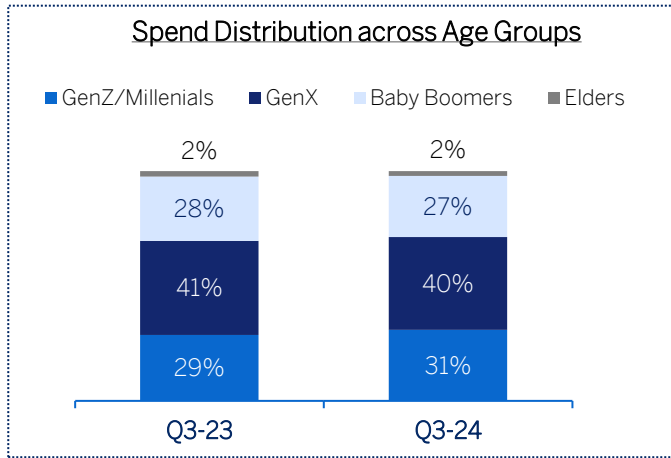
Country	CM Share
CANADA	20%
UK	15%
MEXICO	12%
JAPAN	8%
ARGENTINA	4%



### YOY Growth in Top Regions

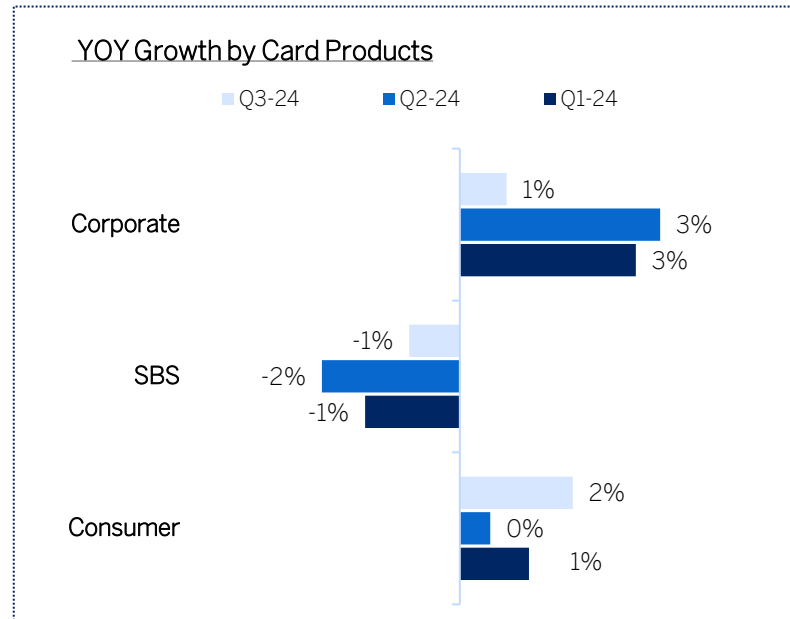
Region	Q1-24	Q2-24	Q3-24
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-	-	-	-

# Deep dive analysis for West



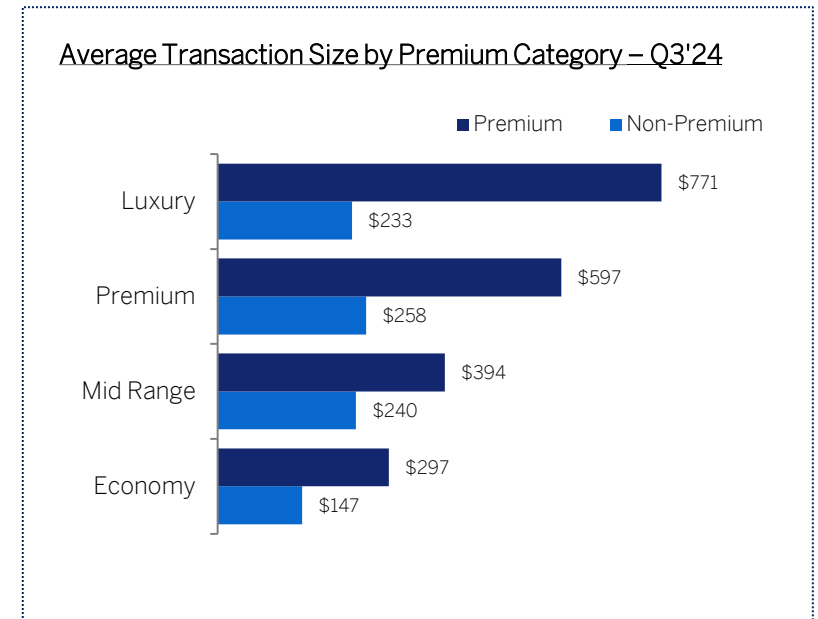
### Top Origin Countries

Country	CM Share
CANADA	21%
UK	13%
MEXICO	13%
JAPAN	11%
AUSTRALIA	5%

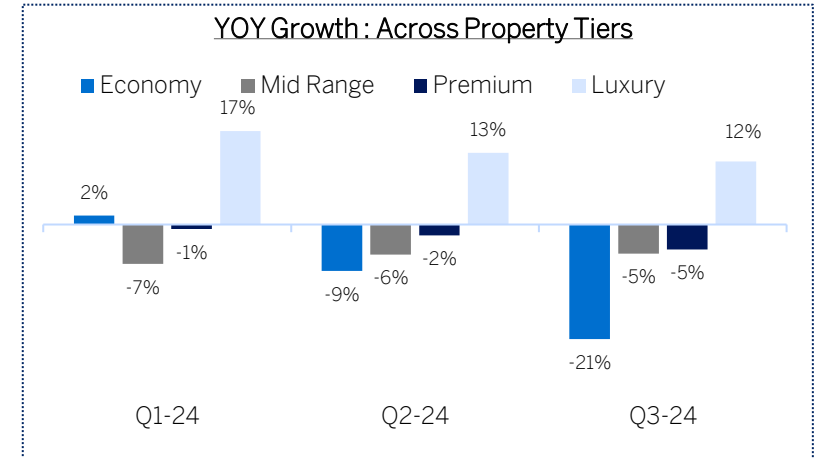
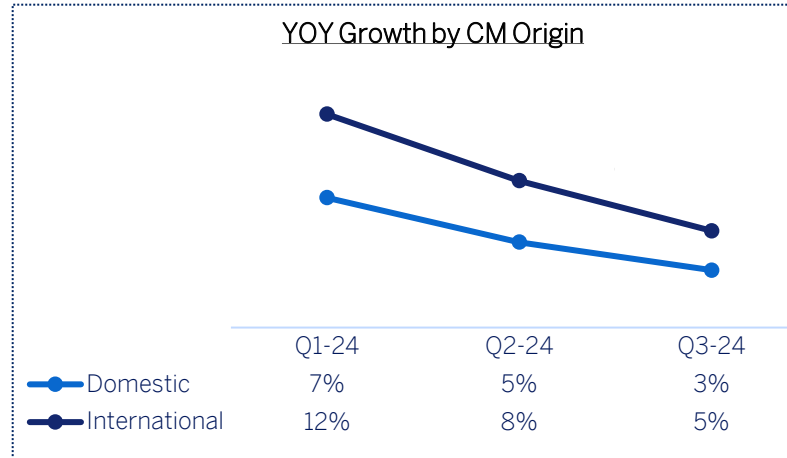
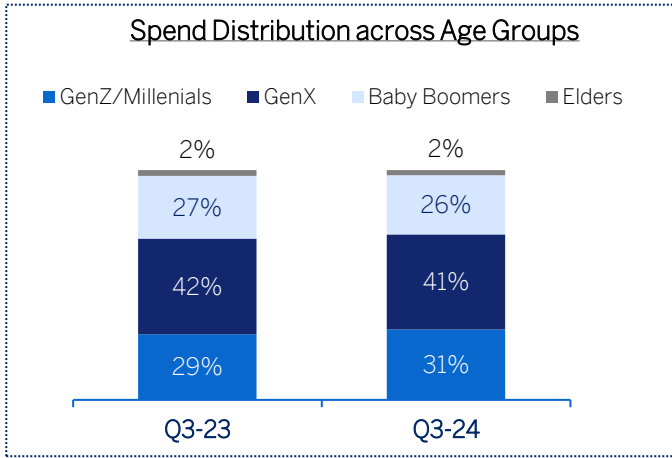


### YOY Growth in Top Regions

Region	Q1-24	Q2-24	Q3-24
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-	-	-	-

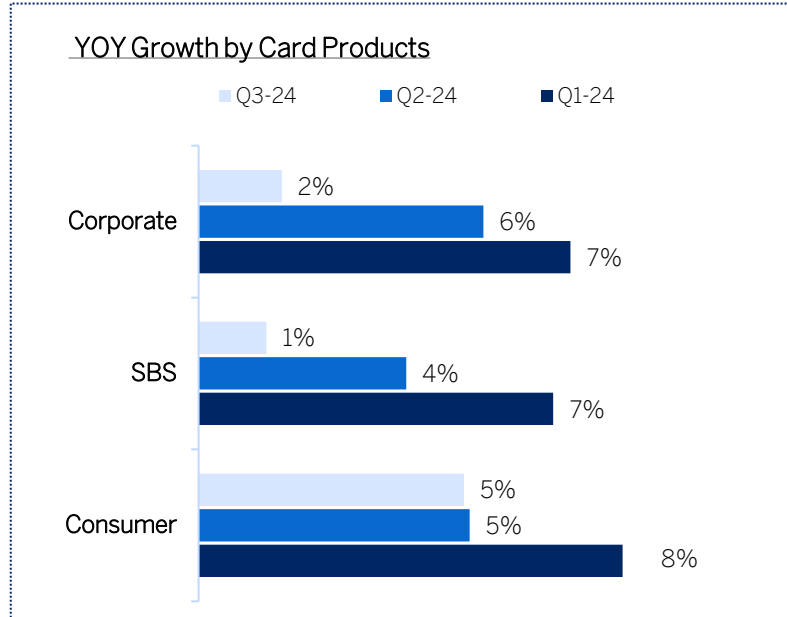


# Deep dive analysis for Northeast



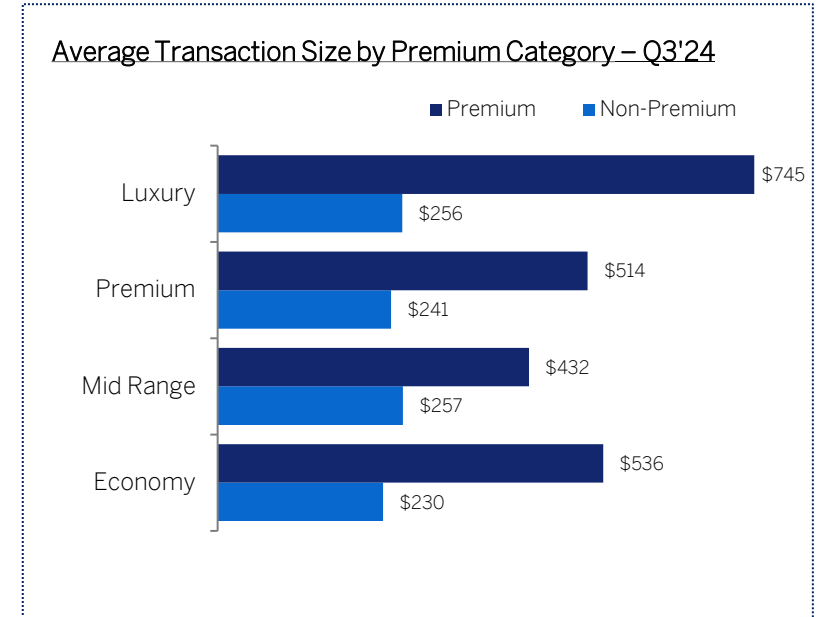
### Top Origin Countries

Country	CM Share
CANADA	23%
UK	21%
MEXICO	7%
GERMANY	4%
FRANCE	3%



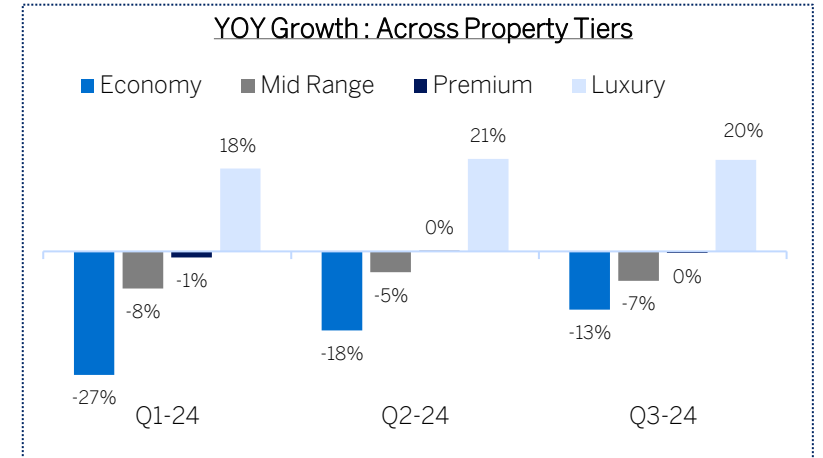
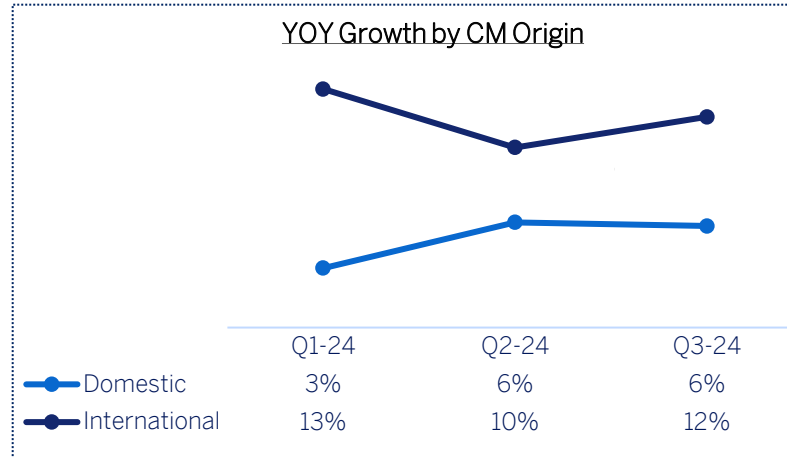
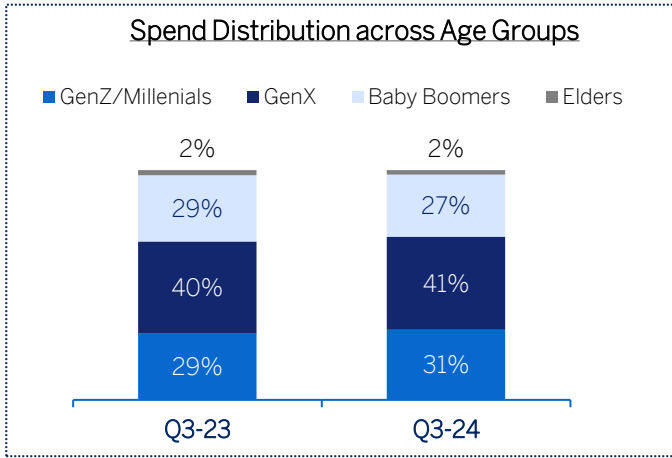
### YOY Growth in Top Regions

Region	Q1-24	Q2-24	Q3-24
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-	-	-	-



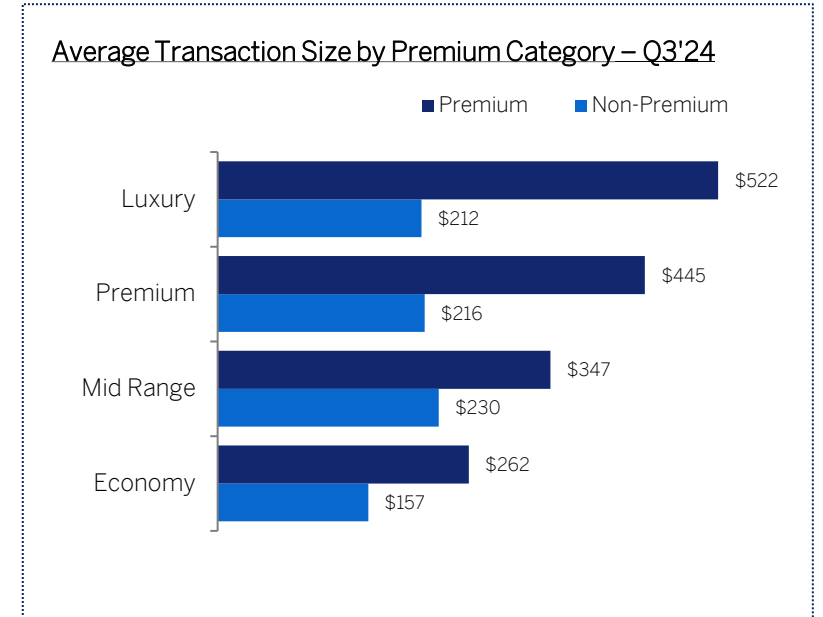
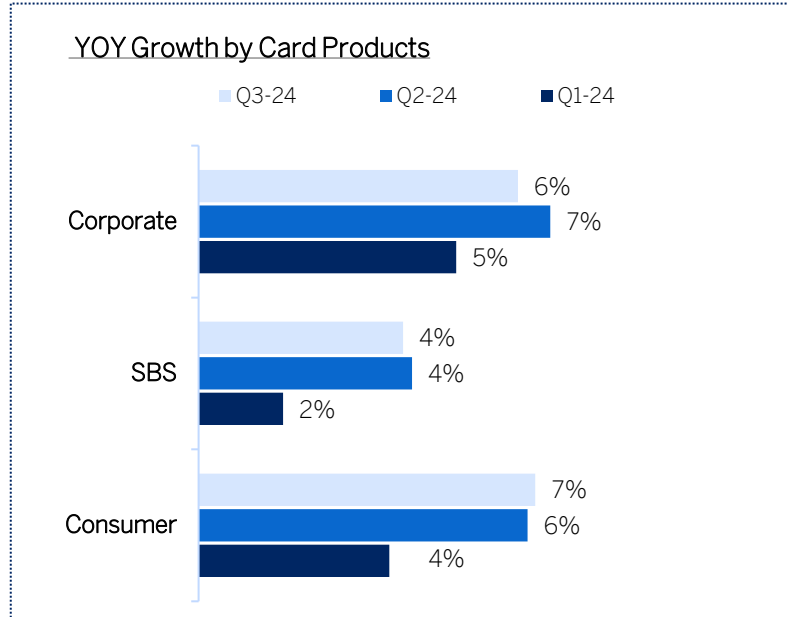


# Deep dive analysis for Midwest



### Top Origin Countries

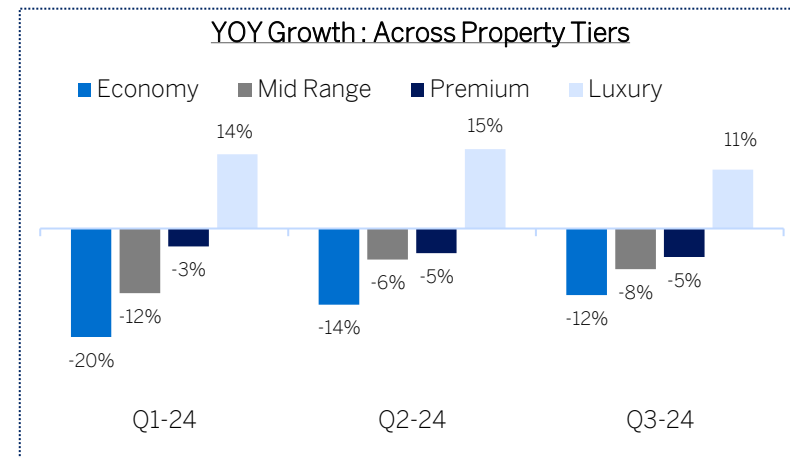
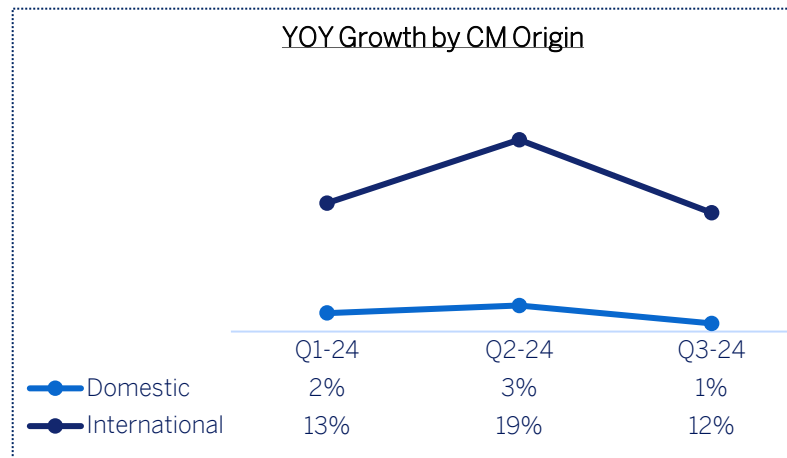
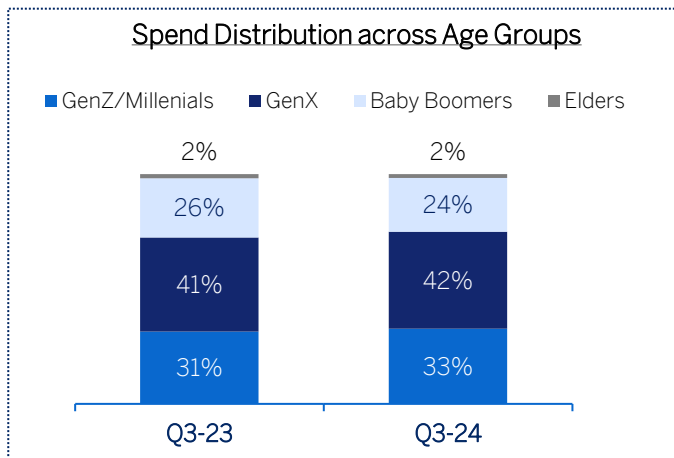
Country	CM Share
CANADA	35%
MEXICO	12%
UK	12%
GERMANY	4%
INDIA	2%



### YOY Growth in Top Regions

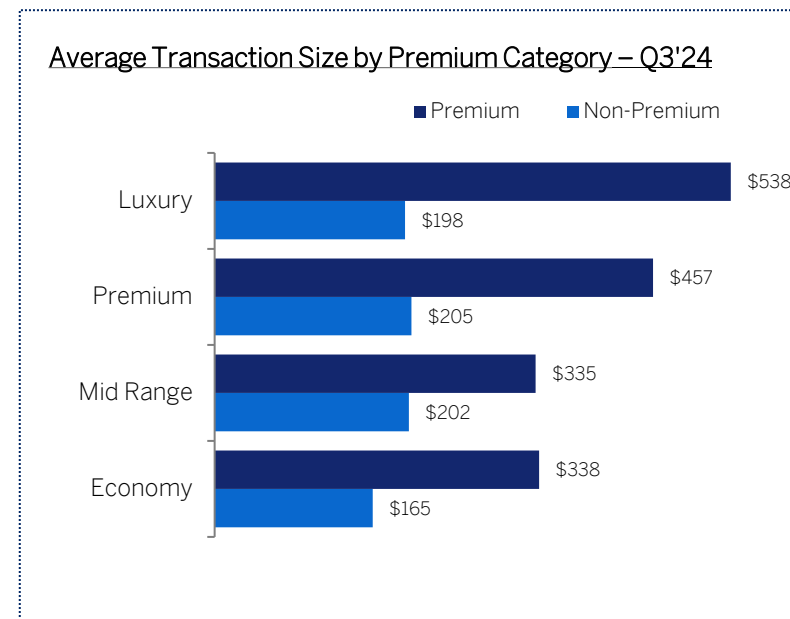
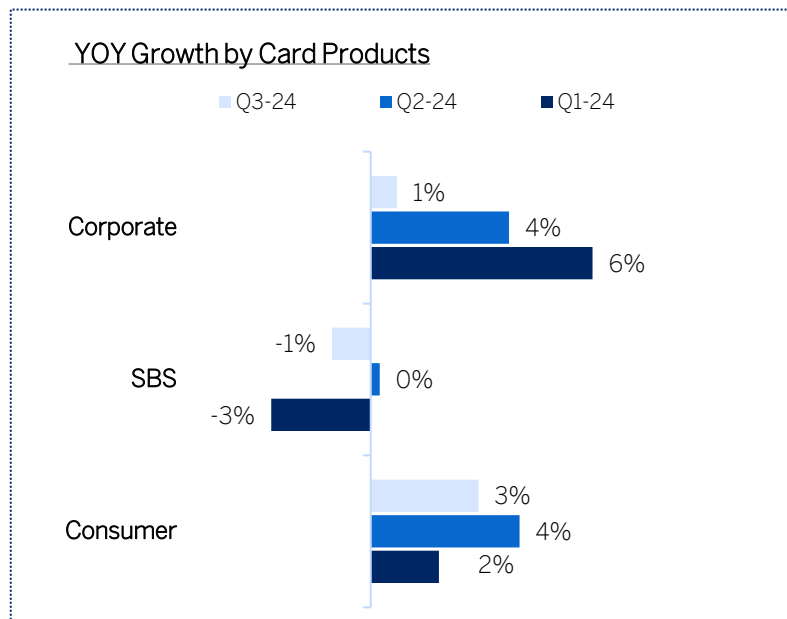
Region	Q1-24	Q2-24	Q3-24
table_16_2	-	-	-
-	-	-	-

# Deep dive analysis for Southwest



### Top Origin Countries

Country	CM Share
MEXICO	36%
CANADA	15%
UK	11%
GERMANY	3%
AUSTRALIA	2%



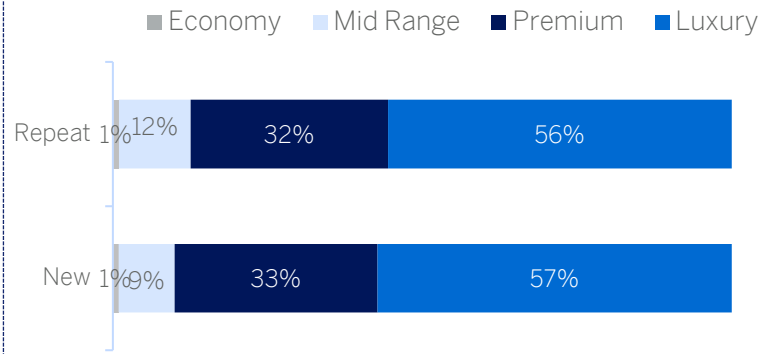
### YOY Growth in Top Regions

Region	Q1-24	Q2-24	Q3-24
table_17_2	-	-	-
-	-	-	-

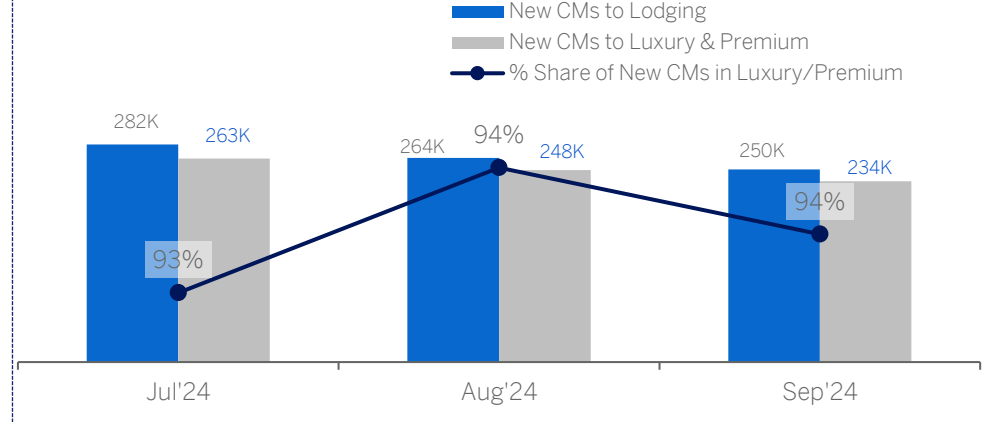
# Region Level - Spend Distribution for New Card Members

## Southeast

Repeat/New CMs in Luxury/Premium Lodging: Spend Share

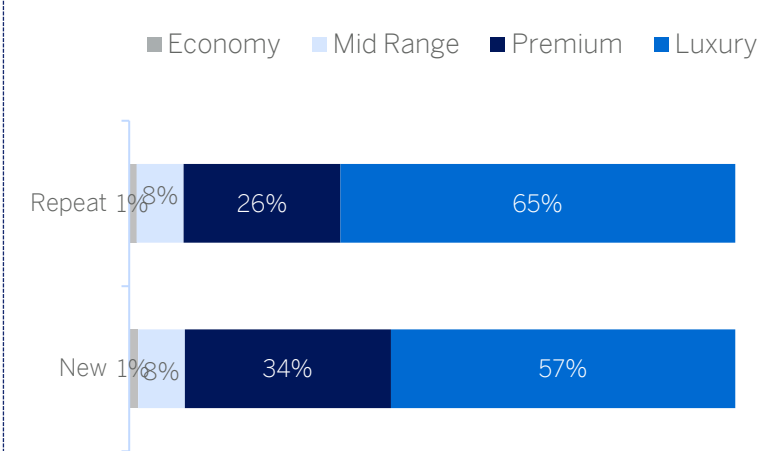


New CMs by Months: Lodging & Luxury/Premium

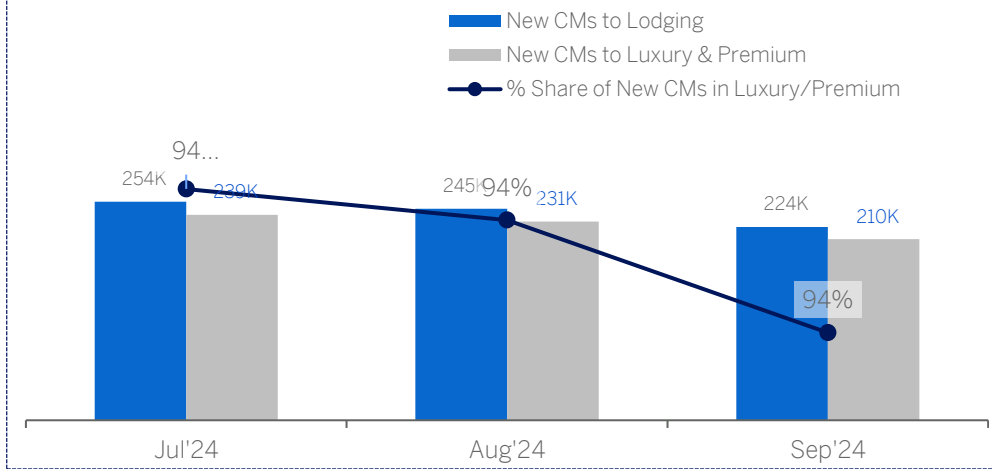


## West

Repeat/New CMs in Luxury/Premium Lodging: Spend Share



New CMs by Months: Lodging & Luxury/Premium

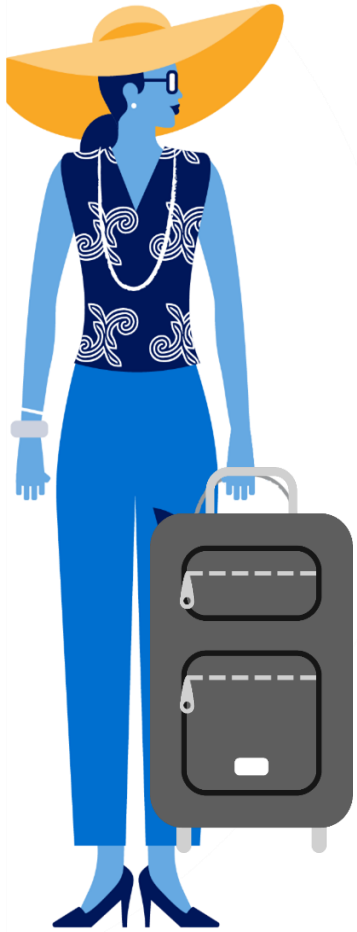


Above views are for Domestic Consumer & SBS Card Members only

New Card Member: A Card Member who has not done any transaction in the industry in previous 12 months (only Domestic Cons & SBS Card Members)

Repeat Card Member: A Card Member who has done at least 1 transaction in the industry in previous 12 months (only Domestic Cons & SBS Card Members)

# YOY Growth in Top destinations within US



All Time Favorites: Top cities in the Q2'24 & still performing well

- NEW YORK NY , 3%
- LOS ANGELES CA , 0%
- ORLND0-DYTNAFL , 0%
- LAS VEGAS NV , 0%
- SAN FRNCISCOCA , -5%

High Lodging spend: Medium Current Demand

New Attractions: Relatively smaller cities but are performing well in Q3'24

- W PALM BEACHFL , 13%
- CHICAGO IL , 10%
- HOUSTON TX , 9%
- MINN-ST PAULMN , 7%
- HONOLULU HI , 6%

Medium Lodging Spend: High Current Demand

Worst performing: Top cities in Q2'24 but performing poorly in Q3'24

- SALT LAKE CTYUT , 1%
- PHOENIX AZ , 0%
- NASHVILLE TN , 1%
- SEATTLE-TACWA , 3%
- PHILADELPHIA PA , 5%

High Lodging spend: Low Current Demand

# General Definitions

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**Current Period** is the period between Jul'24 - Sep'24  
*Compared with 2023 - Same quarters are compared in both periods to avoid any seasonal trends*



**Demand %** refers to the spend achieved in the specified period as a proportion of spend for same time period in 2019



**Domestic Card Members** are the Card Members who reside in the same country as the merchant where they are transacting.



**International Card Members** refer to Card Members who reside in a different country from the merchant where they are transacting.



**Premium Card Members** Identified from algorithm that includes factors like Overall spend, Luxury behavior and Card product owned (Centurion Cards)



**New CM:** A Card Member is “New” to the industry if he/she has not transacted in the industry in past rolling 12 months  
**Repeat CM:** A Card Member is considered “Repeat” if he/she has a transaction in the industry in past rolling 12 months  
*New & Repeat defined for Domestic Consumer & SBS Card Members only*



## Age Distribution

- **Millennials** – Card members who were born after 1980
- **Gen X** - Card members who were born between 1965 and 1980
- **Baby Boomers** - Card members who were born between 1946 and 1965
- **Elders** - Card members who were born before 1946

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All spend reported is in US Dollars (\$) and study includes **Global Card Members** unless specified otherwise

# General Definitions

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## (Definition For APAC)

Property Tiers : SE Average Transaction is used

- **Economy:** *Australia, Japan, Singapore, HK* :  $0 \leq \text{SE ATS} < \$300$ , *India* :  $0 \leq \text{SE ATS} < \$100$ , *Thailand* :  $0 \leq \text{SE ATS} < \$200$
- **Mid-Range:** *Australia, Japan* :  $\$300 \leq \text{SE ATS} < \$500$ , *Singapore, HK* :  $\$300 \leq \text{SE ATS} < \$700$  , *India* :  $\$100 \leq \text{SE ATS} < \$250$ ,  
*Thailand* :  $\$200 \leq \text{SE ATS} < \$350$
- **Premium:** *Australia, Japan* :  $\$500 \leq \text{SE ATS} < \$800$ , *Singapore, HK* :  $\$700 \leq \text{SE ATS} < \$1000$  , *India* :  $\$250 \leq \text{SE ATS} < \$500$ ,  
*Thailand* :  $\$350 \leq \text{SE ATS} < \$550$
- **Luxury:** *Australia, Japan* :  $\text{SE ATS} \geq \$800$ , *Singapore, HK* :  $\text{SE ATS} \geq \$1000$ , *India* :  $\text{SE ATS} \geq \$500$ ,  
*Thailand* :  $\text{SE ATS} \geq \$550$



## (Definition For EMEA & US)

Property Tiers : Properties are tagged using STR classification, wherever matched. Otherwise, SE Average Transaction Size is used

- **Economy:** Economy chain scale segment as per STR or  $0 \leq \text{SE Average Transaction Size} < \$200$
- **Mid-Range:** Midscale or Upper Midscale chain segment as per STR or  $\$200 \leq \text{SE Average Transaction Size} < \$500$
- **Premium:** Upscale or Upper Upscale chain segment as per STR or  $\$500 \leq \text{SE Average Transaction Size} < \$800$
- **Luxury:** Luxury chain segment as per STR or  $\text{SE Average Transaction Size} \geq \$800$

All spend reported is in US Dollars (\$) and study includes Global Card Members unless specified otherwise

# General Definitions | ATS Classification

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## Canada

- **Economy:** Economy chain scale segment as per STR or  $0 \leq \text{SE Average Transaction Size} < \$115$
- **Mid-Range:** Midscale or Upper Midscale chain segment as per STR or  $\$115 \leq \text{SE Average Transaction Size} < \$230$
- **Premium:** Upscale or Upper Upscale chain segment as per STR or  $\$230 \leq \text{SE Average Transaction Size} < \$625$
- **Luxury:** Luxury chain segment as per STR or  $\text{SE Average Transaction Size} \geq \$625$

## Mexico

- **Economy:**  $0 \leq \text{SE Average Transaction Size} < \$75$
- **Mid-Range:**  $\$75 \leq \text{SE Average Transaction Size} < \$170$
- **Premium:**  $\$170 \leq \text{SE Average Transaction Size} < \$680$
- **Luxury:**  $\text{SE Average Transaction Size} \geq \$680$

## Argentina

- **Economy:**  $0 \leq \text{SE Average Transaction Size} < \$30$
- **Mid-Range:**  $\$30 \leq \text{SE Average Transaction Size} < \$100$
- **Premium:**  $\$100 \leq \text{SE Average Transaction Size} < \$360$
- **Luxury:**  $\text{SE Average Transaction Size} \geq \$360$

## Puerto Rico & Caribbean Islands (PR&C)\*

- **Economy:**  $0 \leq \text{SE Average Transaction Size} < \$280$
- **Mid-Range:**  $\$280 \leq \text{SE Average Transaction Size} < \$675$
- **Premium:**  $\$675 \leq \text{SE Average Transaction Size} < \$2700$
- **Luxury:**  $\text{SE Average Transaction Size} \geq \$2700$

\* PR & C includes Aruba, Bahamas, Cayman Islands, SINT MAARTEN, Jamaica, TURKS AND CAICOS ISLANDS, SAINT KITTS AND NEVIS, Barbados, VIRGIN ISLANDS (BRITISH), SAINT LUCIA, Anguilla, Grenada, Bermuda, Guyana, SAINT VINCENT & THE GRENADINES, Trinidad and Tobago, Montserrat, Guadeloupe, Antigua and Barbuda, Suriname, Dominica, Bolivia, Puerto Rico