



Visitors & Convention Bureau

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HVCB Tourism Industry Update

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"HVCB Tourism Industry Update" is a weekly briefing of travel news and developments affecting Hawai'i's visitor industry, compiled by the HVCB Market Trends Department.

INSIDE THIS ISSUE...

Feature:

- DBEDT: Neighbor Island Visitor Spending Increases in 2003

Hawai'i:

Consumer Travel Behaviors

- Total Passenger Volume to Hawai'i Up Seven Percent Over 2003 Levels
- Moloka'i Featured in Sunday *Washington Post*

Current Industry Developments

- United to Add Second Daily Tokyo-Honolulu Flight

National/International:

Consumer Travel Behaviors

- National Restaurant Performance Index Ends 2003 on High Note
- Air Passenger Complaints Fall to Lowest Level Ever in 2003

Current Industry Developments

- Taiwan Launches "Visit Taiwan Year"
- ATA Airlines Adds Business Class Seats to Fleet

Feature

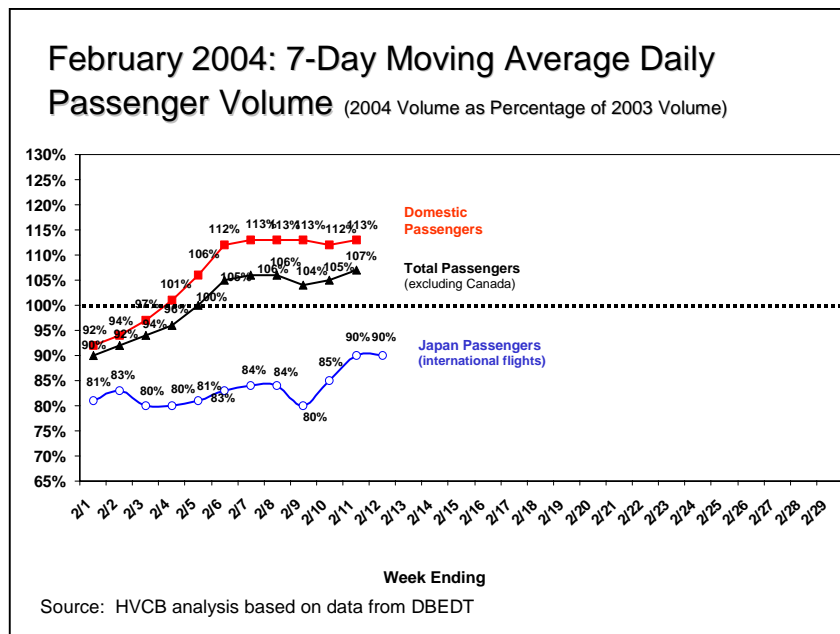
- **DBEDT: Neighbor Island Visitor Spending Increases in 2003**
 - Results from a recently released survey on visitor spending from the state [Department of Business, Economic Development and Tourism](#) (DBEDT) show an overall increase in average visitor spending on the Neighbor Islands in 2003.
 - Average daily spending by visitors to Maui increased by 7.5 percent in 2003 compared to the previous year (to \$173 per person), while Kaua'i visitors spent 2.8 percent more (to \$147 per person). Visitor spending remained stable on the Big Island at \$141 per day.
 - Visitors generally spent about twice as much on lodging than on food and beverages. Respondents on Maui spent about \$77 per person on lodging, compared to \$58 on Kaua'i, and \$55 on the Big Island.
 - Expenditures on food and beverage averaged \$35 per person on Maui, \$31 on Kaua'i, and \$29 on the Big Island.
 - *Other out-of-state visitor characteristics for the Neighbor Islands include:*
 - *Repeat vs. First Time Visitors* -- Fifty-six percent of the out-of-state visitors surveyed on Maui were repeat visitors while first time visitors made up the majority of all travelers to Kaua'i, and the Big Island.

- *U.S. West Visitors* - More than half of the respondents on Maui and over 42 percent of the visitors surveyed on Kaua'i and the Big Island were from the U.S. West.
- *Average Length of Stay* -- Visitors to Maui (8.93 days) and the Big Island (8.13 days) increased by 0.6 percent and 5.3 percent, respectively, over 2002 figures.
- *Purpose of Trip* -- Kaua'i hosted the largest percentage of visitors who got married or came on honeymoons (11.2%). The Big Island hosted the largest percentage of visitors who came for conventions, conferences and incentives, as well as the largest share of out-of-state visitors visiting friends or relatives.

Hawai'i

CONSUMER TRAVEL BEHAVIORS

- **Total Passenger Volume to Hawai'i Up Seven Percent Over 2003 Levels** - According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) passenger volume was up seven percent over last year's figures for the seven-day period ending February 11, 2004. Domestic passenger volume continued to perform above 2003 levels, up 13 percent over last year's numbers, while nonstop passengers from Japan arriving in Hawai'i remained below 2003 levels for the week at 90 percent of 2003 figures for the seven-day period.



- **Moloka'i Featured in Sunday *Washington Post*** - The latest Sunday edition of the *Washington Post* (February 15, 2004) featured a story about the island of Moloka'i in its travel section entitled "Details." The article discussed many aspects of travel to Moloka'i, including detailed information on accommodations, rental cars, attractions, travel options and accessibility. The feature provided valuable exposure about the islands in the lucrative Mid-Atlantic regional travel market.

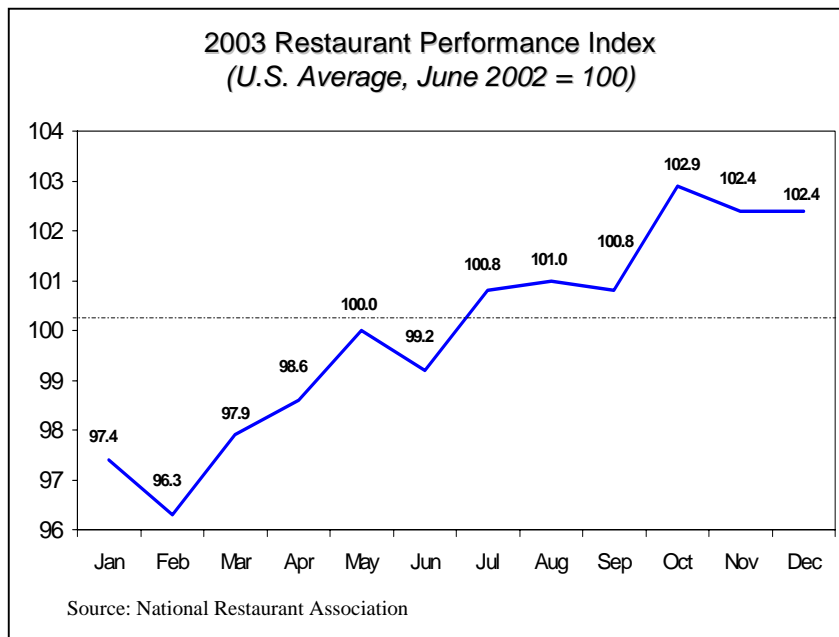
CURRENT INDUSTRY DEVELOPMENTS

- **United to Add Second Daily Tokyo-Honolulu Flight** - In response to a steady increase in demand over the past year, [United Airlines](#) announced that it will add a second daily flight between Tokyo (Narita) and Honolulu, beginning June 11, 2004. The flight will utilize a Boeing 777 aircraft with 10 seats in first class, 49 seats in business class, and 194 seats in economy class. The new flight compliments United's existing 24 daily flights to Hawai'i from the U.S. mainland and Japan, and comes just as Japan announced a seven percent (annualized) expansion in its economy in the fourth quarter of 2003, the strongest growth in 13 years ([Honolulu Advertiser](#)).

National and International

▪ CONSUMER TRAVEL BEHAVIORS

- **National Restaurant Performance Index Ends 2003 on High Note** - After reaching a record high 102.9 in October, the National Restaurant Association's monthly composite [Restaurant Performance Index](#) (RPI) ended the year at 102.4 in November and December, an indication of a healthy industry outlook for 2004. The overall fourth quarter gains in the "expectations" index suggest increased optimism in the overall restaurant business climate into 2004. Sixty-three percent of restaurant operators expect economic conditions in six months to be better than they are now, and another 64 percent plan to make a capital expenditure for equipment, expansion or remodeling in the next six months.



- **Air Passenger Complaints Fall to Lowest Level Ever in 2003** - Consumer complaints to the U.S. Department of Transportation (DOT) about air travel fell to their lowest annual level ever in 2003, according to *Travel Weekly*. A DOT report shows that there were only 0.71 complaints per 100,000 passengers in 2003, and received a total of 5,980 complaints during the year -- a 36.8 percent drop over 2002 annual figures. The previous low in air passenger complaints was experienced in 1993.

▪ CURRENT INDUSTRY DEVELOPMENTS

- **Taiwan Launches "Visit Taiwan Year"** - In response to the 33.1% downfall of Japanese tourist arrivals in 2003, the Taiwan Visitors Association (TVA) launched a campaign featuring 12 traditional Taiwanese-themed banquets in various Asian markets, according to *Travel Journal International*. At a total cost of \$70 million, the program includes Taiwanese government subsidies of about \$800,000 for airline charter flights between Taiwan and Japan. The campaign also features visitor discount passes for several attractions, restaurants, hotels as well as a variety of events and festivals throughout the year.
- **ATA Airlines Adds Business Class Seats to Fleet** - In a move to attract more business travelers, ATA Airlines announced a new "Business Class Initiative," saying it will add business class seats to its entire fleet (Boeing 737-800 and 757-300 aircraft) by the fourth quarter of 2004. ATA, which offers over 40 weekly nonstop flights to the Islands from the mainland (Los Angeles, San Francisco, Phoenix and Seattle), stated that it will cap its fares at \$399 (one-way) for all domestic business class seats.

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We welcome any suggestions or comments that you may have that will help us improve the quality of the weekly "HVCB Tourism Industry Update" for our readers. Please feel free to share your ideas with Darlene Morikawa via email at: dmorikawa@hvcb.org