



## 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.

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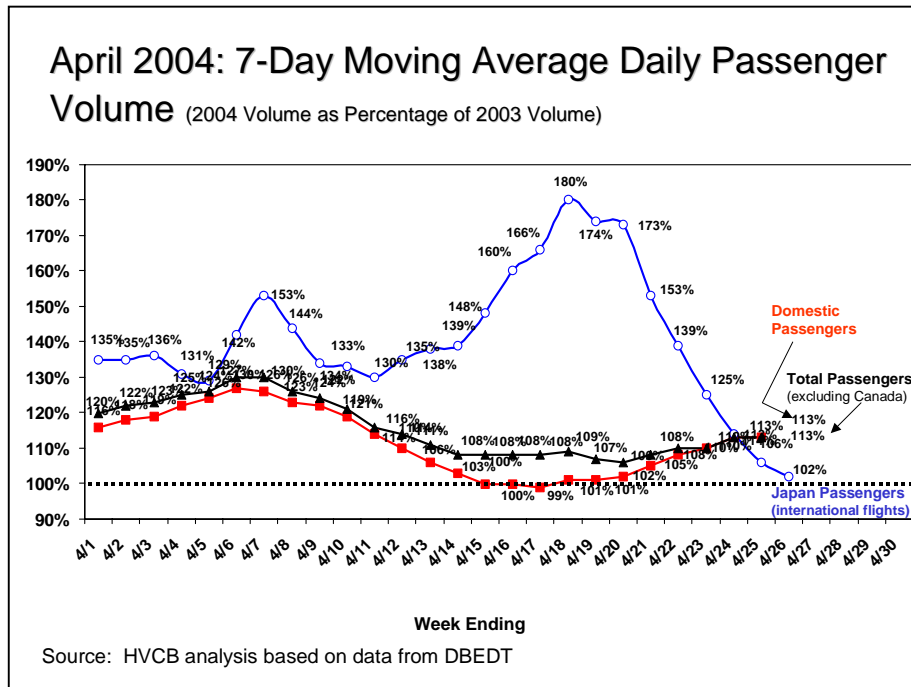
### ***Feature***

- **HVCB Exceeds First Quarter 2004 Lead Production Goals for CMI**
  - The [Hawai'i Visitors and Convention Bureau's](#) (HVCB) Corporate Meetings and Incentives (CMI) department topped first quarter 2004 lead production goals, set by the Hawai'i Tourism Authority (HTA).
    - In the first quarter, HVCB generated 279 qualified hotel leads, representing 242,000 room nights - a two percent increase in leads and a 26 percent increase in room nights compared to first quarter 2003.
    - These first quarter gains have positioned HVCB to surpass its 2004 production goals. Already, first quarter figures represent 28 percent of leads and 37 percent of room nights for the year.
    - Based on meeting industry standards, HVCB's CMI team projects that one-third of these leads will be converted into actual bookings, generating 80,000 hotel room nights, \$85 million in direct visitor spending, and 7.1 million in state tax revenues.
    - The HVCB-generated leads covered a wide business spectrum, including technology, pharmaceutical, finance, insurance, manufacturing and construction.
    - The CMI division is charged with marketing Hawai'i's meeting capabilities at facilities throughout the state with the exception of the Hawai'i Convention Center, and developing qualified hotel leads for corporate and incentive groups. Leads are converted into bookings by hotels on all islands, with economic benefits extending to ancillary businesses of all types (i.e. transportation, retail, restaurants, activities, attractions).

## Hawai'i

- **CONSUMER TRAVEL BEHAVIORS**

- **Total Passenger Volume Up 13 Percent Over 2003 Levels for Latest Seven-Day Period** - According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) volume on nonstop flights arriving in Hawai'i was up 13 percent over last year's figures for the seven day period ending April 25, 2004. Domestic passenger volume continued to perform above 2003 levels, up 13 percent. Nonstop passenger volume from Japan was two percent above 2003 levels for the seven-day period. Passenger volume in 2003 had been negatively impacted by the War in Iraq and the SARS epidemic, both of which began in the spring of last year.



- **JATA: Japanese Outbound Travel to Hawai'i Expected to Improve in Second Quarter**- In the Japan Association of Travel Agents' (JATA) latest short-term "diffusion index" study, Japanese travel retail outlets are projecting an improvement in outbound travel to Hawai'i in the second quarter (April-June) of 2004, according to *Travel Journal International*. On a scale of +100 (very good) to -100 (poor), Japanese propensity to travel to Hawai'i stands at -13, second only to Europe (-8), and equal to Micronesia (-13). This is compared to Hawai'i outbound travel readings of -27 (1<sup>st</sup> Quarter 2004); -28 (4<sup>th</sup> Quarter 2003); -63 (3<sup>rd</sup> Quarter 2003); and -90 (2<sup>nd</sup> Quarter 2003).
- **Hawai'i Gains in Overseas Traveler Market Share in 2003** - According to preliminary figures released by the [Office of Travel and Tourism Industries](#) (OTTI) of the U.S. Department of Commerce, Hawai'i gained nearly one percentage point in total overseas market share to the U.S. in 2003. Hawai'i gained six-tenths of a percentage point (+0.6%) in market share of all overseas travelers to the nation to 10.8 percent in 2003 (from 10.2% in 2002). Hawai'i continued to rank fourth out of all U.S. states and territories in overseas visitation to the nation -- ranking behind Florida, New York, and California.

**Overseas Visitors to the U.S.  
by Top U.S. States/Territories - 2003**

State/Territory	Market Share		% Point Change
	2003	2002	
Florida	23.3%	23.1%	+0.2
New York	23.3%	23.5%	-0.2
California	22.1%	21.2%	+0.9
<b>Hawai'i</b>	<b>10.8%</b>	<b>10.2%</b>	<b>+0.6</b>
Nevada	7.6%	6.7%	+0.9
Guam	4.7%	5.6%	-0.9
Illinois	4.6%	5.6%	-1.0
Massachusetts	4.6%	4.9%	-0.3
Texas	4.6%	4.3%	+0.3
New Jersey	3.8%	3.7%	+0.1
Pennsylvania	3.4%	3.5%	-0.1

*Source: Office of Travel and Tourism Industries,  
U.S. Dept. of Commerce - 2003 In-Flight Survey*

## **National and International**

### ▪ **CONSUMER TRAVEL BEHAVIORS**

- **Summer Travel Outlook: U.S. Travelers to "Downsize" Summer Vacations** - The 2004 Roper Reports Summer Travel Outlook reports that of the 58 percent of U.S. adults who are planning to take a vacation over the next six months, 80 percent are expected to stay within the continental U.S., according to [NOP World Consumer](#). Trips this summer are also expected to be shorter -- 56 percent indicate that they will drive to their vacation destination, and 68 percent are planning trips of a week or less. Sixty-two percent (62%) of Americans consider price to be a large factor in trip planning, though 80 percent said they will spend the same or more money during their summer trip, compared to last summer vacation.
- **Survey: Men are Canada's Biggest Spenders in U.S. Shopping Malls** - A survey of 600 active Canadian shoppers, conducted this year by Maritz: Thompson Lightstone for the [Taubman Centers](#), show that 55 percent of all Canadians who purchase items in U.S. shopping malls are men. Canadian males also outspend Canadian females at U.S. malls, spending an average of CA\$332 (approximately U.S. \$244) per year, versus CA\$317 (approximately U.S. \$233) by women. Canadian shopping habits at U.S. malls also vary by age, with the biggest annual spenders being Canadians aged 30 to 49 (approximately U.S. \$261); age 50 and up (approximately U.S. \$230); and age 18 to 29 (approximately U.S. \$210).

### ▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **FAA Orders American, United to Cut Chicago O'Hare Flights** - The Federal Aviation Administration (FAA) ordered American and United airlines to temporarily reschedule or eliminate 2.5 percent of their flights this summer at Chicago O'Hare International Airport, according to the [Washington Post](#). American and United account for approximately 88 percent of O'Hare's traffic. The reason behind the cut is to reduce traffic and delays during peak operation hours in what is expected to be a busy travel season. The FAA order will affect 29 daily takeoffs or landings between 1:00 p.m. and 8:00 p.m. between June 10 and October 30.
  - The policy is not expected to affect flights from O'Hare to Hawai'i. American Airlines has three daily flights to the Islands, each taking off before noon. United Airlines will reinstate its daily nonstop service between O'Hare and Honolulu beginning June 3, and is scheduled to depart Chicago at 10:15 a.m.
- **PATA Adopts Concept of Total Tourism at Annual Meeting** - The Pacific Asia Travel Association (PATA) announced the concept of *Total Tourism*, a new direction to promote outbound travel from the Asia Pacific region, according to [Travel Daily News](#). PATA's mandate had previously been to promote inbound travel to and within the region. The *Total Tourism* concept will allow local, regional and national tourism organizations outside of the region to gain access to Asia Pacific outbound markets. PATA states that the adoption of this program will allow them to have a more global understanding of the size and impact of the travel and tourism industry. PATA will conduct a survey of its members' opinions on the concept before the program is officially launched.

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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](mailto:dmorikawa@hvcb.org)*