

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

**FOR IMMEDIATE RELEASE**

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### 1. FEATURE

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#### ⇒ Hawaii's Top City Markets Perform Well in First Half of 2004

The number of visitors from many of the state's top U.S. metropolitan statistical area (MSA) markets topped previous-year levels during the first half of 2004, in keeping with the record high domestic arrivals through June.

- Hawaii's top market, Los Angeles, was the source of 309,730 visitors in the first half of 2004, up 9.2 percent from the same period in 2003.
- Most of the top U.S. West markets showed continued growth during the first half of 2004, including Sacramento (+9.3%); San Diego (+6.9%); Seattle (+5.6%); and the San Francisco Bay Area (+4.1%).
- Each of the top U.S. East markets showed positive growth during the first six months of the year, fueled in part by increased nonstop air service from the region: Washington D.C. (+10.6); New York (+6.1%); Chicago (+4.0%).
- Additional statistics on Hawaii's top MSA markets are posted on HVCB's Market Trends Online website:  
<http://www.hvcb.org/trends>

#### HVCB's 102<sup>nd</sup> Annual Luncheon

*Ho'okahi Ka 'Ilaui Like 'Ana  
"Together with One Purpose"*

The HVCB 'Ohana invites you to attend the 102<sup>nd</sup> Annual Luncheon, being held at the Sheraton Waikiki on September 2, 2004. Featured speaker will be John Toner, Executive Vice President of the Ko Olina Resort Association, and newly appointed HTA Chair. For more information:

<http://www.hvcb.org/luncheon>

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RSVP by August 23, 2004

## Preliminary Arrivals from Top 10 U.S. MSA Markets (January - June 2004)

MSA/CMSA	2004P	2003P	% Change
Los Angeles-Riverside-Orange County, CA CMSA	309,730	283,602	9.2%
San Francisco-Oakland-San Jose, CA CMSA	252,714	242,810	4.1%
Seattle-Tacoma-Bremington, WA CMSA	110,892	105,055	5.6%
New York-Northern New Jersey-Long Island, NY-NJ-CT-PA CMSA	75,431	71,089	6.1%
San Diego, CA	68,162	63,764	6.9%
Chicago-Gary-Kenosha, IL-IN-WI CMSA	62,826	60,423	4.0%
Portland-Salem, OR-WA CMSA	53,277	52,272	1.9%
Sacramento-Yolo, CA CMSA	53,138	48,622	9.3%
Washington-Baltimore, DC-MD-VA-WV CMSA	49,184	44,473	10.6%
Denver-Boulder-Greeley, CO CMSA	46,008	47,571	-3.3%

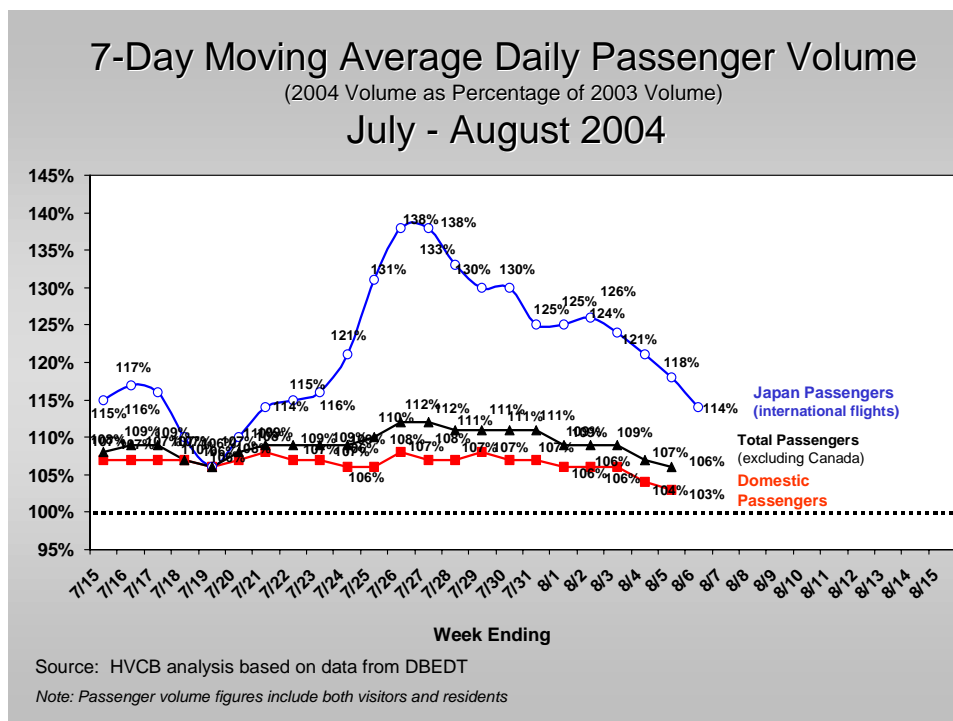
## 2. HAWAII

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### CONSUMER TRAVEL BEHAVIORS

#### ➤ Total Passenger Volume to Hawai'i Up Six Percent 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 six percent for the latest seven-day period ending August 5, 2004. Nonstop passenger volume from Japan remained well above 2003 levels for the seven-day period, up 14 percent, and domestic passenger volume was up three percent over prior year levels.



## ■ CURRENT INDUSTRY DEVELOPMENTS

### ➤ Harmony Airways Expands Winter Schedule Between Canada and Hawai'i

Vancouver-based [Harmony Airways](#) announced that it will expand its winter schedule with more flights between Canada and Hawai'i, including new nonstop service to Honolulu from Victoria and Toronto. The Victoria-Honolulu route, beginning in mid-December, will fly once per week; the Toronto-Honolulu nonstop will fly three times per week, beginning November 12, 2004. Harmony will also add three additional Vancouver-Honolulu flights (totaling six flights per week), and four additional Vancouver-Maui flights (totaling five flights per week), both effective in mid-December. All flights will be serviced by a Boeing 757 aircraft, with a 197-passenger capacity.

### ➤ Continental to Begin New Nagoya-Honolulu Daily Nonstop Service in December

Continental Micronesia (a subsidiary of [Continental Airlines](#)) announced that it will begin new daily nonstop service between Japan's third most important business center – Nagoya – and Honolulu on December 20, 2004, pending government approval. The flight would begin just as Nagoya opens its new international airport, Central Japan International (CENTRAIR), in February 2005. Continental will employ a Boeing 767-400 for the new route, configured with 35 Business/First class, and 200 coach seats.

## 3. NATIONAL / INTERNATIONAL

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## ■ CONSUMER TRAVEL BEHAVIORS

### ➤ Survey: Hotel Satisfaction Highest Among Guests Booking on Hotel Website

Hotel guests booking directly on a hotelier's website experienced significantly higher satisfaction with their stay than those booking with an independent travel website, according to the eighth annual *North America Hotel Guest Satisfaction Index Study* conducted by [J.D. Power and Associates](#). Hotel chains normally offer lowest rate guarantees on their own website, resulting in higher satisfaction ratings, the study reports. The study also shows a more than 50 percent boost in hotel bookings online since last year, among consumers who have Internet access. Thirty-six percent (36%) of guests booked hotel reservations online in 2004, up from 20 percent in 2003. Furthermore, extended-stay hotel guests were the most likely to make online reservations (43%), while economy/budget guests were the least likely (33%) to book online.

## ■ CURRENT INDUSTRY DEVELOPMENTS

### ➤ Airfares Decline as Competition Increases in 2004

Average leisure fares on high-volume routes have declined by 30 percent in 2004 compared to last year, according to Harrell Associates, and reported by the Travel Industry Association of America. Average business fares are down nine percent from prior year levels. The benchmark study suggests that the fare decreases are due mainly to increased competition among the airlines to fill seats -- there are approximately 10 percent more airline seats flying this summer (compared to last summer), as airlines purchase new, or reinstate older aircraft.

*We welcome any suggestions or comments that you may have that will help us improve the quality of the weekly Tourism Industry Update. Please feel free to share your ideas:*

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